Office of State Procurement
Contract Certification of Approval

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

Reference Number: 2000506243

Amendment Number: 14

Vendor: MCNA INSURANCE COMPANY

Description: MCNA Insurance Co

Approved By: PAMELA RICE

Approval Date: 09/09/2025 14:46:49

AMENDMENT TO
AGREEMENT BETWEEN STATE OF LOUISIANA
LOUISIANA DEPARTMENT OF HEALTH

Amendment #: 15
LAGOV#: 2000506234
LDH #:

Agency Name... Bureau of Health Services Financing
(Regional/ Program/ Facility) Medical Vendor Administration

AND

DentaQuest USA Insurance Company, Inc
Contractor Name

Original Contract Amount: $355,700,072.00
Original Contract Begin Date: 1/1/2021
Original Contract End Date: 12/31/2023
RFP Number: 300013043

AMENDMENT PROVISIONS

Change Contract From: From Maximum Amount: 614,091,379.00 Current Contract Term: 1/1/2021 - 12/31/2025

Attachment B 12 - Statement of Work
Attachment C9 - Performance Measurement Goals
Attachment 013 - Rate Certification Effective 7/1/2024

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

Attachment B 15 - Statement of Work
Attachment C15 - Performance Measurement Goals
Attachment D15 - Rate Certification Effective 1/01/2025
Attachment G - Addendum to CF-1, LDH Firearms and Ammunitions Clause

Initial: MB (Contractor Initials)
Initial: BDG (Secretary Initials)
DS: KLS (Medicaid Executive Director Initials)

Justifications for amendment:

Revisions contained in this amendment are within scope and comply with the terms and conditions as set forth in the RFP. The contract amendment will also include rate cert that impacts the January 2025 through June 2025 time period and incorporates the Dental Incentive Payment Program (DIPP) state directed payment as a separate payment term. The capitation rates prior to inclusion of the DIPP remain unchanged from the original June 11, 2024 certification report.

This Amendment Becomes Effective: 1/01/2025

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

Signed by: Michele Blackwell
484BB328C2C94E2...
CONTRACTOR SIGNATURE — DATE: 5/31/2025

PRINT NAME: Michele Blackwell
CONTRACTOR TITLE: Chief Client Engagement Officer

STATE OF LOUISIANA
LOUISIANA DEPARTMENT OF HEALTH

Secretary, Louisiana Department of Health or Designee

Signed by: Bruce D. Greenstein
3DC0929F504124C5...
SIGNATURE — DATE: 7/9/2025

NAME: Bruce D. Greenstein
TITLE: Secretary
OFFICE: Louisiana Department of Health

DocuSigned by: Kimberly Sullivan
PROGRAM SIGNATURE — DATE: 6/29/2025

NAME: Kimberly Sullivan

LOUISIANA DEPARTMENT OF HEALTH

DBPM Amendment #15 for DentaQuest
Attachment B15 – Changes to Attachment B, Statement of Work

Item	Exhibit or Attachment	Change From	Change To	Justification
1	Attachment B, Statement of Work	2.9.2.1.2.1.1 Provider(s) names and group affiliations; street addresses; telephone numbers; website URLs; specialty credentials and other certifications; whether the provider is accepting new patients; the provider's cultural and linguistic capabilities including languages offered and whether the provider has completed cultural competence training; office hours; specific performance indicators; a statement that some providers may choose not to perform certain services based on religious or moral beliefs; and whether the provider's office has accommodations for people with physical disabilities, including offices, exam rooms, and equipment.	2.9.2.1.2.1.1 Provider(s) names and group affiliations; street addresses; telephone numbers; website URLs; specialty credentials and other certifications; whether the provider is accepting new patients; **whether the provider offers covered services via telehealth;** the provider's cultural and linguistic capabilities including languages offered and whether the provider has completed cultural competence training; office hours; specific performance indicators; a statement that some providers may choose not to perform certain services based on religious or moral beliefs; and whether the provider's office has accommodations for people with physical disabilities, including offices, exam rooms, and equipment.	The revision is due to an update to 42 CFR §438.10(h)(1)(ix).
2	Attachment B, Statement of Work	2.11.4.1 The DBPM shall conduct annual LDH-approved enrollee satisfaction surveys comparable to the Consumer Assessment of Healthcare Providers and Systems (CAHPS) surveys and methodology to assess the quality and appropriateness of care to enrollees each calendar year.	2.11.4.1 The DBPM shall ~~conduct annual~~ **liaise with LDH contracted External Quality Review Organization (EQRO) to conduct** ~~approved enrollee satisfaction surveys comparable to the~~ **annual** Consumer Assessment of Healthcare Providers and Systems (CAHPS) surveys and methodology to assess the quality and appropriateness of care to enrollees each calendar year.	This revision is being made to align with QI directive for EQRO to administer enrollee Dental surveys.

3	Attachment B, Statement of Work	2.12.5.2.16 Procedures for prompt reporting to the State of all overpayments identified and recovered, specifying the overpayments due to potential fraud.	2.12.5.2.16 Procedures for ~~prompt~~ reporting to the State ~~of all overpayments~~ **within thirty (30) calendar days all** identified ~~and~~ **or** recovered **overpayments**, specifying the overpayments due to potential Fraud.	These revisions are necessary to comply with the changes CMS made to 42 CFR 438.608 regarding State contract requirements with Managed Care Plans related to Provider overpayments.
4	Attachment B, Statement of Work	2.12.6.3.1 The DBPM, through its Compliance Officer, shall report all activities on a monthly basis to LDH. If fraud, abuse, waste, neglect and overpayment issues are suspected, the DBPM Compliance Officer shall report it to LDH immediately upon discovery. Reporting shall include, but is not limited to:	2.12.6.3.1 The DBPM, through its Compliance Officer, shall report **to LDH** all activities on a ~~monthly~~ **quarterly** basis ~~to LDH~~**, and report within thirty (30) calendar days all overpayments identified or recovered**. If fraud, abuse, waste, neglect and overpayment issues are suspected, the DBPM Compliance Officer shall report it to LDH immediately upon discovery. Reporting shall include, but is not limited to:	These revisions are necessary to comply with the changes CMS made to 42 CFR 438.608 regarding State contract requirements with Managed Care Plans related to Provider overpayments.
5	Attachment B, Statement of Work	2.12.6.3.1.5 The DBPM shall report to LDH Program Integrity monthly all unsolicited provider refunds, to include any payments submitted to the Contractor and/or its subcontractors by providers for overpayments identified through self-audit and/or self-disclosure.	2.12.6.3.1.5 The DBPM shall report to LDH Program Integrity at least ~~monthly~~ **within thirty (30) calendar days** all unsolicited provider refunds, to include any payments submitted to the Contractor and/or its subcontractors by providers for overpayments identified through self-audit and/or self-disclosure.	These revisions are necessary to comply with the changes CMS made to 42 CFR 438.608 regarding State contract requirements with Managed Care Plans related to Provider overpayments.
6	Attachment B, Statement of Work	**2.12.6.4 Rights of Review and Recovery by DBPM and LDH** **…** **[new provision]**	**…** **2.12.6.4.20 The Contractor may pursue recovery from the provider. However, the Contractor is prohibited from recouping a State-identified overpayment from a provider when the Contractor is responsible for the overpayment, unless approved in writing by LDH. The Contractor shall submit corrected Encounter Data within forty-five (45) Calendar Days of notice of the overpayment from LDH, regardless of whether the DBPM recovers the overpayment from**	This revision is being made to establish a new recovery provision.

			the provider.	
7	Attachment B, Statement of Work	2.12.6.4.17 The DBPM shall correct or initiate its own review on the identified encounters within fourteen (14) calendar days of notification from LDH. The DBPM shall submit confirmation that the claims corrections have been completed.	2.12.6.4.17 The DBPM shall ~~correct or~~ initiate its own review on the identified encounters within fourteen (14) calendar days of notification from LDH **and correct the identified Encounters within forth-five (45) Calendar Days of notification from LDH.** The DBPM shall submit confirmation that the claims corrections have been completed.	This revision is being made to set timeframe parameters for submitting corrected encounter data.
8	Attachment B, Statement of Work	**2.11 Quality Management** **…** **[new provision]**	**…** **2.11.7 Dental Incentive Payment Program (DIPP)** **2.11.7.1 LDH intends to implement a dental incentive payment program (DIPP). The total amount of the DIPP will not exceed the State appropriated amounts for the dental incentive program. These incentive payments will support the activities, targets, performance measures, or quality-based outcomes specified in LDH's Quality Strategy.** **2.11.7.2 The Contractor shall participate in the DIPP.** **2.11.7.3 The DIPP will be implemented as either a PAHP incentive payment, consistent with 42 CFR §438.6(b)(2) or a state-directed value-based payment consistent with §438.6(c).** **2.11.7.4 The Contractor shall assist LDH**	This revision is being made to comply with HB1 of the 2024 Legislative Regular Session, which allocated funds to implement a dental quality incentive program for distribution to providers demonstrating quality improvement.

			in collecting information necessary to complete DIPP reporting obligations for all years in which the Dental Incentive Payment Program is in effect. LDH will notify the Contractor of the required reporting assistance, including specified dates and methods of data submission through a DIPP Protocol. **2.11.7.5 If the DIPP is implemented in accordance with 42 CFR §438.6(b)(2), the Contractor shall comply with all required regulations and this Section, including:** **2.11.7.5.1 The DIPP will be for a fixed period of time and performance will be measured during the rating period under the Contract in which the DIPP is applied;** **2.11.7.5.2 The DIPP will not be renewed automatically;** **2.11.7.5.3 The DIPP will be made available to both public and private contractors under the same terms of performance;** **2.11.7.5.4 The Contractor's participation in the Dental Incentive Payment Program will not be conditioned on the Contractor entering into or adhering to an intergovernmental**	

			transfer agreement; and 2.11.7.5.5 The DIPP is necessary for the specified activities, targets, performance measures, or quality-based outcomes that support program initiatives as specified in the Quality Strategy. 2.11.7.6 If the DIPP is implemented in accordance with §438.6(c), the Contractor shall comply with all required regulations and the state directed payment preprint approved by the Centers for Medicare and Medicaid Services (CMS). 2.11.7.7 The DIPP shall define the quality strategy objectives as documented in any applicable federal approval documents and the DIPP Protocol. 2.11.7.8 For each Measurement Year, LDH will evaluate performance relative to the specified activities, targets, performance measures, or quality-based outcomes to be achieved for the DIPP. LDH's evaluation will be based on documentation, submitted by the Contractor, reflecting performance. 2.11.7.9 LDH shall Timely notify the Contractor regarding achievement for the specified activities, targets, performance measures or quality-based outcomes for the DIPP for that Measurement Year. In the	

			event LDH finds a deficiency, LDH will notify the Contractor of its findings, including the portion of the incentive payments made attributable to such deficiency. Upon request of the Contractor, LDH may defer recoupment, and the Contractor and LDH may confer regarding LDH's findings, proposed action and opportunity for cure. Upon final determination by LDH, which shall not be subject to Appeal, LDH may recoup from the Contractor the portion of the incentive payments made attributable to any uncured deficiency. All LDH recoupments made from the Contractor pursuant to this Section shall be made in accordance with the recoupment terms established by LDH, which terms shall be provided to the Contractor in writing at least thirty (30) Calendar Days in advance of LDH recoupment from the Contractor. 2.11.7.10 The Contractor shall ensure that any subcontracts the Contractor may have with any third party to fulfill the obligations under this Section contain provisions clearly providing for the Contractor's right of recovery in situations whereby LDH recoups DIPP payments from the Contractor. LDH reserves the right to recoup in any situation where CMS disallows Federal Financial Participation related to any payments in the DIPP. The Contractor's activities to recover such	

			payments from its Subcontractor, through recoupment, withhold or otherwise, are not subject to the prior notification requirement under the Fraud, Waste, and Abuse Prevention section, or any other notice and reporting obligation set forth in this Contract unless otherwise required by the terms of recoupment specified by LDH under this Section. **2.11.7.11 The Contractor's participation in the DIPP shall have no impact on the Contractor's rights or obligations under this Contract, except as it relates specifically to the DIPP. The Contractor's participation in the DIPP does not represent a binding obligation on the Contractor 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 DIPP 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 the Contractor's fraudulent conduct. In the event of a conflict with other terms of this Contract, the provisions of this Section and LDH's DIPP Protocol shall prevail.**	
9	Attachment B, Statement of Work	3.3.4.6.1 The DBPM shall submit to LDH unaudited quarterly financial statements and an annual audited financial statement, using the required format provided	3.3.4.6.1 The DBPM shall submit to LDH unaudited quarterly financial statements and an annual audited financial statement, using the required format provided	These revisions are necessary to comply with revised Agreed Upon Procedures

		by LDH. Quarterly financial statements shall be submitted no later than sixty (60) days after the close of each calendar quarter. Audited annual statements shall be submitted no later than six (6) months after the close of the DBPM's fiscal year.	by LDH. Quarterly financial statements shall be submitted no later than sixty (60) days after the close of each calendar quarter. Audited annual statements shall be submitted no later than ~~six (6)~~ **nine (9)** months after the close of the DBPM's fiscal year.	(AUP) submitted with the audited annual statements.
10	Attachment B, Statement of Work	4.5.1 In accordance with the DBPM Financial Reporting Guide the DBPM shall provide a Medical Loss Ratio (MLR) report for each MLR reporting year, which shall align with the capitation rating period, except in circumstances in which the MLR reporting period must be revised to align to a CMS-approved capitation rating period.	4.5.1 In accordance with ~~the DBPM Financial Reporting Guide~~ **42 CFR §438.8,** the DBPM shall provide a Medical Loss Ratio (MLR) report for each MLR reporting year, which shall align with the capitation rating period, except in circumstances in which the MLR reporting period must be revised to align to a CMS-approved capitation rating period.	Detailed MLR reporting instructions are included in the MLR report template, effective with the SFY 2024 reporting period.

DBPM Amendment #15 for DentaQuest
Attachment C15 – Changes to Attachment C, *DBPM Performance Measurement Goals*

<table>
<tr><th>Item</th><th>Change From</th><th>Change To</th><th>Justification</th></tr>
<tr><td>1</td><td><u>Performance Measure #1</u>
Dental Benefit Plan Clinical Performance
CMS-416 Line 12b
[add new column]</td><td><u>Performance Measure #1</u>
Dental Benefit Plan Clinical Performance
CMS-416 Line 12b
…
<table>
<tr><th>FFY 2020</th><th>FFY 2021</th><th>FFY 2022</th><th>FFY 2023</th><th>FFY 2024</th><th><u>FFY 2025</u></th></tr>
<tr><td>52.1%</td><td>54.5%</td><td>57.0%</td><td>46.63%</td><td>48.63%</td><td><u>50.63%</u></td></tr>
<tr><td>03/31/2021</td><td>03/31/2022</td><td>03/31/2023</td><td>03/31/2024</td><td>03/31/2025</td><td><u>03/31/2026</u></td></tr>
</table></td><td>This updates performance measure #1 to include targets for FFY 2025.</td></tr>
</table>

Dental Benefit Plan Performance Measurement Goals

Performance Measurement Goals are to be achieved by the end of each reporting period. Each measurement year shall be compared to the prior year.

Performance Measure #1

Dental Benefit Plan Clinical Performance CMS-416 Line 12b	Reporting Period	Baseline % 2019	FFY 2020	FFY 2021	FFY 2022	FFY 2023	FFY 2024	FFY 2025
Increase the percentage of EPSDT enrollees (enrolled for at least 90 consecutive days), age 1-20, receiving at least 1 preventative dental service	FFY	49.6%	52.1%	54.5%	57.0%	46.63%	48.63%	**50.63%**
Reporting Deadline	-	-	03/31/2021	03/31/2022	03/31/2023	03/31/2024	03/31/2025	**3/31/2026**

FFY= Federal Fiscal Year (October 1 – September 30)

Performance Measure #2 (Retired effective 12/31/2022)

Dental Benefit Plan Clinical Performance HEDIS ADV	Reporting Period	Baseline % 2019	CY 2020	CY 2021	CY 2022	CY 2023	CY 2024
Increase the percentage of EPSDT enrollees (enrolled for at least 45 consecutive days), age 2-20, receiving at least 1 dental visit	CY	58.75%	61.25%	63.75%	66.25%	N/A	N/A
Reporting Deadline	-	-	06/30/2021	06/30/2022	06/30/2023	N/A	N/A

CY= Calendar Year (January 1 – December 31)

Performance Measure #2 (Effective 7/1/2023)

Dental Benefit Plan Clinical Performance HEDIS OED	**Reporting Period**	**Baseline % CY 2023**	CY 2024	CY 2025
Increase the percentage of members under 21 years of age receiving a comprehensive or periodic oral evaluation with a dental provider during the MY	CY	46.23%	48.23%	50.23%
Reporting Deadline	-	-	06/30/2025	06/30/2026

MILLIMAN CLIENT REPORT

SFY 2025 Louisiana Medicaid Dental Managed Care Capitation Rate Amendment

State of Louisiana Department of Health

February 28, 2025

Chris Pettit, FSA, MAAA, Principal and Consulting Actuary
Anders Larson, FSA, MAAA, Principal and Consulting Actuary
Zach Fohl, FSA, MAAA, Senior Consulting Actuary

Milliman


Milliman

Table of Contents

1. Background

BACKGROUND

Milliman, Inc. (Milliman) has been retained by the State of Louisiana, Department of Health (LDH) to provide actuarial and consulting services related to the development of capitation rates for the Medicaid dental managed care program. This report is an amendment to the dental capitation rates developed for state fiscal year (SFY) 2025. The previously certified capitation rates and documentation of their development were published in the following correspondence:

- *State Fiscal Year 2025 Louisiana Medicaid Dental Managed Care Capitation Rate Certification*, dated June 11, 2024

We have updated the SFY 2025 capitation rates that were provided in the SFY 2025 certification to incorporate the Dental Incentive Payment Program (DIPP) state directed payment as a separate payment term. The capitation rates in this amendment will be effective for the period January 2025 through June 2025. Unless otherwise stated, the methodology and assumptions utilized are consistent with the capitation rate documentation included in the original SFY 2025 certification. The required actuarial certification is in Appendix 1.

The capitation rates provided under this certification are "actuarially sound" for purposes of 42 CFR 438.4(a), according to the following criteria:

- The capitation rates provide for all reasonable, appropriate, and attainable costs that are required under terms of the contract and for the operation of the managed care plan for the time period and population covered under the terms of the contract, and such capitation rates were developed in accordance with the requirements under 42 CFR 438.4(b).

To ensure compliance with generally accepted actuarial practices and regulatory requirements, we referred to published guidance from the American Academy of Actuaries (AAA), the Actuarial Standards Board (ASB), the Centers for Medicare and Medicaid Services (CMS), and federal regulations. Specifically, the following were referenced during the rate development:

- Actuarial standards of practice applicable to Medicaid managed care rate setting which have been enacted as of the capitation rate certification date, including: ASOP 1 (Introductory Actuarial Standard of Practice); ASOP 5 (Incurred Health and Disability Claims); ASOP 12 (Risk Classification (for all Practice Areas)); ASOP 23 (Data Quality); ASOP 41 (Actuarial Communications); ASOP 45 (The Use of Health Status Based Risk Adjustment Methodologies); ASOP 56 (Modeling); and ASOP 49 (Medicaid Managed Care Capitation Rate Development and Certification).
- Actuarial soundness and rate development requirements in the Medicaid and CHIP Managed Care Final Rule (CMS 2390-F, CMS-2408-F, and CMS 2349-F) for the provisions effective for the SFY 2025 managed care program rating period.
- The most recent Medicaid Managed Care Rate Development Guide published by CMS.

Throughout this document and consistent with the requirements under 42 CFR 438.4(a), the term "actuarially sound" is defined as in ASOP 49:

> *"Medicaid capitation rates are "actuarially sound" if, for business for which the certification is being prepared and for the period covered by the certification, projected capitation rates and other revenue sources provide for all reasonable, appropriate, and attainable costs. For purposes of this definition, other revenue sources include, but are not limited to, expected reinsurance and governmental stop-loss cash flows, governmental risk-adjustment cash flows, and investment income. For purposes of this definition, costs include, but are not limited to, expected health benefits; health benefit settlement expenses; administrative expenses; the cost of capital, and government-mandated assessments, fees, and taxes."*[1]

The capitation rates developed may not be appropriate for any specific dental health plan. An individual dental health plan will need to review the rates in relation to the benefits that it will be obligated to provide. The dental health plan should evaluate the rates in the context of its own experience, expenses, capital and surplus, and profit requirements prior to agreeing to contract with the State. The dental health plan may require rates above, equal to, or below the "actuarially sound" capitation rates that are associated with this certification.

1 http://www.actuarialstandardsboard.org/asops/medicaid-managed-care-capitation-rate-development-and-certification/

2. Executive Summary

This report is an amendment to the capitation rate certification report developed for SFY 2025. The previously certified capitation rates were published in the following correspondence:

- *State Fiscal Year 2025 Louisiana Medicaid Dental Managed Care Capitation Rate Certification*, dated June 11, 2024

We have updated the capitation rates that were provided in the amended certification report mentioned above to reflect the following items:

- Inclusion of the Dental Incentive Payment Program (DIPP) state directed payment as a separate payment term

Unless otherwise stated, the methodology and assumptions utilized are consistent with the capitation rate documentation included in the SFY 2025 certification.

A. SUMMARY OF METHODOLOGY

The methodology used in developing this amendment to the certified SFY 2025 capitation rates is outlined below.

i. Step 1: Incorporate DIPP State Directed Payments

We incorporated the projected payments from the DIPP state directed payment into the total dental expected payments for the January to June 2025 time period. This impact is based on information available in the 438.6(c) preprint that was submitted to CMS. These costs are shown on a PMPM basis and are incorporated in the total expected payments line in Appendix 2.

Documentation about the directed payment is provided in Section 3 of this report.

ii. Step 2: Issuance of actuarial certification

An actuarial certification is included in Appendix 1 and signed by Chris Pettit, FSA, a Principal and Consulting Actuary of Milliman. Mr. Pettit meets the qualification standards established by the American Academy of Actuaries and follows the practice standards established by the Actuarial Standards Board, in order to certify that the final rates meet the standards in 42 CFR §438.4(a).

B. FISCAL IMPACT ESTIMATE

The amended capitation rates for the Medicaid dental managed care program are illustrated by rate cell in Figure 1. These rates are effective from January 1, 2025, through June 30, 2025. Figure 1 also provides a comparison to the original certified dental capitation rates for SFY 2025. The rates are inclusive of directed payment amounts.

FIGURE 1: COMPARISON WITH ORIGINAL SFY 2025 PMPM RATES

POPULATION	ESTIMATED AVERAGE MONTHLY ENROLLMENT	COMPOSITE MCO EXPECTED PAYMENTS		
		ORIGINAL SFY 2025	JAN-JUN 2025	% CHANGE
LaCHIP Affordable Plan	2,600	$ 25.62	$ 26.39	3.0%
Medicaid Adult	259,600	1.43	1.43	0.0%
Medicaid Child/CHIP	725,500	24.87	27.61	11.0%
Medicaid Expansion Adult	578,900	1.12	1.12	0.0%
Medicaid Expansion Child	44,100	19.77	20.67	4.6%
Act 450	11,900	3.06	3.29	7.5%
Adult ICF/IID	3,800	1.96	1.97	0.5%
Composite	**1,626,400**	**$ 12.32**	**$ 13.57**	**10.1%**

Notes:
1. Average monthly enrollment is rounded to the nearest hundred. Individual values are rounded and the composite row cannot be calculated precisely from the rounded values shown in this figure.
2. Jan-Jun 2025 and Original SFY 2025 composite rates were developed based on the January through June projected monthly enrollment. The enrollment projection is unchanged in this amendment.

Figure 2 compares the estimated federal and state expenditures under the original and the amended SFY 2025 rates. Revenue shown in Figure 2 includes state directed payments.

FIGURE 2: COMPARISON WITH ORIGINAL SFY 2025 RATES (AGGREGATE EXPENDITURES $ MILLIONS)

POPULATION	TOTAL DBPM EXPECTED PAYMENTS ORIGINAL SFY 2025	JAN-JUN 2025	CHANGE
LaCHIP Affordable Plan	$ 0.4	$ 0.4	$ 0.0
Medicaid Adult	2.2	2.2	0.0
Medicaid Child/CHIP	108.3	120.2	11.9
Medicaid Expansion Adult	3.9	3.9	0.0
Medicaid Expansion Child	5.2	5.5	0.2
Act 450	0.2	0.2	0.0
Adult ICF/IID	0.0	0.0	0.0
Composite	**$ 120.3**	**$ 132.5**	**$ 12.2**
Federal	**$83.9**	**$92.2**	**$8.4**
State	**$ 36.4**	**$ 40.3**	**$ 3.8**

Notes:

1. Individual values are calculated using unrounded values. Therefore, the dollar amounts cannot be calculated precisely from the rounded values shown in Figure 1.
2. Jan-Jun 2025 and Original SFY 2025 composite rates were developed based on the January through June projected monthly enrollment. The enrollment projection is unchanged in this amendment.
3. State expenditures based on Federal Fiscal Year (FFY) 2025 FMAP of 68.06% for non-Expansion populations. FMAP values do not include CHIP enhanced FMAP.
4. State expenditures based on FMAP of 90% for the Expansion population.

3. DIPP State Directed Payment

This section describes the incorporation of the DIPP state directed payment into the total expected payments.

State Directed Payment

The information regarding the new state directed payments has been presented consistently with requirements in the managed care rate setting guide, similar to Section 1, subsection 4.D of the original certification.

D. DELIVERY SYSTEM AND PROVIDER PAYMENT INITIATIVES

i. Rate development standards

This section provides information on the DIPP state directed payment, which was not included in the original rate certification.

(a) Description of Managed Care Plan Requirement

Effective January 1, 2025, LDH will implement a value-based state directed payment for general and pediatric dentists practicing in dental clinics, Federally Qualified Health Centers, and Rural Health Clinics and who are participating in the Louisiana Medicaid dental program. Clinics will earn incentive payments based on their performance on quality measures.

All directed payments described in this amendment are consistent with LDH descriptions of the 438.6(c) pre-prints which have been submitted to CMS, if required.

(b) Approval by CMS and consistency with preprints

All directed payments described in this rate certification have been submitted to CMS. The descriptions in this rate certification are consistent with the 438.6(c) pre-prints that have been submitted to CMS.

(c) Contract arrangements with MCOs

All contract arrangements that direct dental benefit program manager's (DBPM's) expenditures were developed in accordance with 42 CFR §438.4 and 42 CFR §438.5.

(d) Inclusion of Provider Payment Initiatives in Capitation Rates

DIPP Directed Payments

The payments for the DIPP directed payment are made on a retrospective basis to the DBPM's.

(i) Documentation related to separate payment term included in the rate certification

Documentation related to the separate payment term is addressed in Section 4.D.

(ii) PMPM estimate of directed payments addressed through separate payment term

The estimated rating period PMPM amounts of the directed payments are illustrated by rate cell in Appendix 2.

(iii) Final documentation of total directed payment amount by rate cell

After the rating period is complete, a separate report documenting the actual directed payment amounts will be provided to CMS.

(iv) Changes from initial base rate certification

The rate certification will be updated through a rate amendment if the total payment amount or distribution methodology varies from the initial estimates presented in Appendix 2.

ii. Appropriate documentation

(a) Description of Delivery System and Provider Payment Initiatives

(i) Description of delivery system and provider payment initiatives included in the capitation rates

State directed payments incorporated in the capitation rates are listed in Figure 3 below.

FIGURE 3: SUMMARY OF NEW DIRECTED PAYMENT INCLUDED IN CERTIFICATION

CONTROL NAME OF THE STATE DIRECTED PAYMENT	TYPE OF PAYMENT	BRIEF DESCRIPTION	IS THE PAYMENT INCLUDED AS A RATE ADJUSTMENT OR SEPARATE PAYMENT TERM?
TBD	Add-on based on utilization	Add-on paid to general and pediatric dentists based on utilization of dental services	Separate payment term

New separate payment term directed payments included in this amendment:

- **DIPP**

  DIPP is a value-based state directed payment for general and pediatric dentists practicing in dental clinics, Federally Qualified Health Centers, and Rural Health Clinics and who are participating in the Louisiana Medicaid dental program.

  Clinics will earn incentive payments based on their performance on quality measures. Clinic performance will be tracked by the dental plans and reported to LDH twice a year. The program will include the following three measures.

  Each measure will have a benchmark. The benchmark for each reporting round is equal to the state Medicaid median for all dental clinics during the same six-month period of the prior year.

  Each participating clinic will have a performance target for each measure. During SFY 2025, the performance target will be equal to the clinic's performance on a given measure in the prior year.

(ii) Description of payment arrangements incorporated as a rate adjustment

There are no new state directed payments incorporated in the capitation rates as a rate adjustment, other than those described in the original certification.

(iii) Description of payment arrangements incorporated as a separate payment term

New state directed payments incorporated in the capitation rates as a separate payment term are listed in Figure 4 below, with more description following the table.

FIGURE 4: DIRECTED PAYMENTS INCORPORATED AS SEPARATE PAYMENT TERMS

CONTROL NAME OF THE STATE DIRECTED PAYMENT	AGGREGATE AMOUNT INCLUDED IN THE CERTIFICATION	STATEMENT THE ACTUARY IS CERTIFYING THE SEPARATE PAYMENT TERM	MAGNITUDE ON A PMPM BASIS	CONFIRMATION THE RATES ARE CONSISTENT WITH PREPRINT	CONFIRMATION THE ACTUARY WILL SUBMIT REQUIRED DOCUMENTATION AT END OF RATING PERIOD
TBD	$ 12.2 million	Yes	$1.25	Yes	Yes

Actuarial certification of separate payment terms.

The actuary certifies the amounts of the separate payment terms provided in this document.

Provider types receiving the payment

Providers who are part of the DIPP directed payment include general and pediatric dentists practicing in dental clinics, Federally Qualified Health Centers, and Rural Health Clinics and who are participating in the Louisiana Medicaid dental program.

Distribution methodology

DPBM encounter data will be used to directly link payments to utilization of dental services for DPBM enrollees.

Once a clinic's performance is reported, each participating clinic will receive a weight for a measure based on the clinic's performance during the measurement period. A participating clinic's payment for a given period will be determined by the clinic's performance relative to the benchmark and the clinic's performance target.

- 100% weight applied for clinics with performance during the measurement period that is equal to or greater than the benchmark and equal to or greater than the clinic-specific performance target
- 80% weight applied for clinics with performance during the measurement period that is below the benchmark and equal to or greater than the clinic-specific performance target
- 60% weight applied for clinics with performance during the measurement period that is greater than or equal to the benchmark but below the performance target
- 0% weight applied for clinics with performance during the measurement period that is below the benchmark and below the performance target

The value of the incentive earned by each clinic will be determined based on the clinic's proportion of total number of numerator cases (subsequent dental exams, fluoride services, or restorative services) across all participating providers during the measurement period, weighted based on the clinic's quality incentive weight.

Estimated PMPM payout

The estimated PMPM payout is provided in Appendix 2.

Consistency with 438.6(c) preprint

The directed payments, as described in this rate certification, are consistent with 438.6(c) preprints submitted to CMS.

Statement that certification will be amended if rates vary from initial estimate

To the extent the final directed payments by rate cell vary from the initial estimates presented in Appendix 2, the rate certification will be amended to reflect the final payments made to the providers.

(b) Additional directed payments not addressed in the certification

There are not any additional directed payments in the managed care program that are not addressed in this certification.

(c) Other requirements regarding reimbursement rates

There are not any additional requirements regarding the reimbursement rates the plans must pay to any providers unless specified in this certification as a directed payment or authorized under applicable law, regulation, or waiver.

Limitations

The information contained in this report has been prepared for the State of Louisiana, Department of Health (LDH) and their consultants and advisors to provide documentation of the development of an amendment to the state fiscal year 2025 actuarially sound capitation rates for the populations served under the Louisiana Medicaid dental managed care program for January 2025 through June 2025 effective period. The data and information presented may not be appropriate for any other purpose.

It is our understanding that the information contained in this report will be shared with CMS and the DBPMs and may be utilized in a public document. Any distribution of the information should be in its entirety. Any user of the data must possess a certain level of expertise in actuarial science and healthcare modeling so as not to misinterpret the information presented.

Milliman makes no representations or warranties regarding the contents of this report to third parties. Likewise, third parties are instructed that they are to place no reliance upon this report prepared for LDH by Milliman that would result in the creation of any duty or liability under any theory of law by Milliman or its employees to third parties. Other parties receiving this report must rely upon their own experts in drawing conclusions about the capitation rates, assumptions, and trends.

Milliman has developed certain models to estimate the values included in this report. The intent of the models was to develop actuarially sound capitation rates for the state fiscal year 2025 rating period. We have reviewed the models, including their inputs, calculations, and outputs for consistency, reasonableness, and appropriateness to the intended purpose and in compliance with generally accepted actuarial practice and relevant actuarial standards of practice (ASOP). The models rely on data and information as input to the models. We have relied upon certain data and information provided by LDH for this purpose and accepted it without audit. To the extent that the data and information provided is not accurate, or is not complete, the values provided in this report may likewise be inaccurate or incomplete.

Milliman's data and information reliance includes eligibility and FFS claims and encounter data, DBPM-reported financial experience, as well as information related to LDH's eligibility system and assignment of enrollees to rate cells. The models, including all input, calculations, and output may not be appropriate for any other purpose.

Although the capitation rates have been certified as actuarially sound, the capitation rates may not be appropriate for any individual DBPM. Results will differ if actual experience is different from the assumptions contained in the capitation rate setting documentation. LDH and Milliman provide no guarantee, either written or implied, that the data and information is 100% accurate or error free.

It should be emphasized that capitation rates are a projection of future costs based on a set of assumptions. Results will differ if actual experience is different from the assumptions contained in this report.

We acknowledge the unique nature of the COVID-19 Public Health Emergency and the anticipated resumption of redeterminations and terminations of coverage that will occur during the rating period. The assumptions documented in this certification report reflect information known to us at the time of this report. We acknowledge that the resumption of redeterminations and enrollment unwinding period could have a material impact on utilization, acuity, Medicaid enrollment, service delivery, and other factors related to the capitation rates illustrated in this rate certification.

Guidelines issued by the American Academy of Actuaries require actuaries to include their professional qualifications in all actuarial communications. The authors of this report are members of the American Academy of Actuaries and meet the qualification standards for performing the analyses contained herein.

APPENDIX 1: ACTUARIAL CERTIFICATION

State of Louisiana
Department of Health
Louisiana Medicaid Dental Managed Care Program
Amended January through June 2025 Capitation Rates
Actuarial Certification

I, Chris Pettit, am a Principal and Consulting Actuary with the firm of Milliman, Inc. I am a Member of the American Academy of Actuaries and a Fellow of the Society of Actuaries. I meet the qualification standards established by the American Academy of Actuaries and have followed the standards of practice established by the Actuarial Standards Board. I have been employed by the State of Louisiana, Department of Health to perform an actuarial review and certification regarding the development of capitation rates for the Louisiana Medicaid dental managed care program effective January 1, 2025. I am generally familiar with the state-specific Medicaid program, eligibility rules, and benefit provisions.

The capitation rates provided with this certification are considered "actuarially sound" for purposes of 42 CFR 438.4(a), according to the following criteria:

- *the capitation rates provide for all reasonable, appropriate, and attainable costs that are required under terms of the contract and for the operation of the MCO for the time period and population covered under the terms of the contract, and such capitation rates were developed in accordance with the requirements under 42 CFR 438.4(b).*

For the purposes of this certification and consistent with the requirements under 42 CFR 438.4(a), "actuarial soundness" is defined as in ASOP 49:

"Medicaid capitation rates are "actuarially sound" if, for business for which the certification is being prepared and for the period covered by the certification, projected capitation rates and other revenue sources provide for all reasonable, appropriate, and attainable costs. For purposes of this definition, other revenue sources include, but are not limited to, expected reinsurance and governmental stop-loss cash flows, governmental risk-adjustment cash flows, and investment income. For purposes of this definition, costs include, but are not limited to, expected health benefits; health benefit settlement expenses; administrative expenses; the cost of capital, and government-mandated assessments, fees, and taxes."

The assumptions used in the development of the "actuarially sound" capitation rates have been documented in my correspondence with the State of Louisiana. The "actuarially sound" capitation rates that are associated with this certification reflect an amendment to the state fiscal year 2025 capitation rates, originally certified on June 11, 2024.

The "actuarially sound" capitation rates are based on a projection of future events. Actual experience may be expected to vary from the experience assumed in the rates.

In developing the "actuarially sound" capitation rates, I have relied upon data and information provided by the State and DBPMs. I have relied upon the State for audit of the data. However, I did review the data for reasonableness and consistency.

I acknowledge that LDH may elect to amend the capitation rates in accordance with 42 CFR 438.7(c)(3), which indicates that a capitation rate certification is not required for adjustments that increase or decrease capitation rates by 1.5% or less. The capitation rates developed may not be appropriate for any specific dental health plan. An individual health plan will need to review the rates in relation to the benefits that it will be obligated to provide. The health plan should evaluate the rates in the context of its own experience, expenses, capital and surplus, and profit requirements prior to agreeing to contract with the State. The health plan may require rates above, equal to, or below the "actuarially sound" capitation rates that are associated with this certification.

I acknowledge the unique nature of the COVID-19 Public Health Emergency and the anticipated resumption of redeterminations and terminations of coverage that will occur during the rating period. The assumptions documented in this certification report reflect information known to us at the time of this report. I acknowledge that the resumption of redeterminations and enrollment unwinding period could have a material impact on utilization, acuity, Medicaid enrollment, service delivery, and other factors related to the capitation rates illustrated in this rate certification.

Chris Pettit, FSA
Member, American Academy of Actuaries

February 28, 2025
Date

APPENDIX 2: RATE DEVELOPMENT (PROVIDED IN EXCEL)

Louisiana Department of Health
Managed Care Dental Capitation Rate Amendment Development
January 1, 2025 to June 30, 2025

	LaCHIP Affordable Plan	Medicaid Adult	Medicaid Child/CHIP	Medicaid Expansion Adult	Medicaid Expansion Child	Act 450	Adult ICF/IID	Composite
Projected Member Months (2H-SFY 2025)	15,700	1,557,800	4,353,150	3,473,350	264,450	71,200	22,550	9,758,200
Base Claims PMPM	$ 13.59	$ 0.63	$ 13.60	$ 0.49	$ 11.56	$ 2.07	$ 1.50	$ 6.70
Fee Adjusted PMPM	$ 18.72	$ 1.05	$ 18.88	$ 0.86	$ 15.23	$ 2.45	$ 1.58	$ 9.36
IBNR Completion Adjustment	1.0055	1.0198	1.0062	1.0174	1.0049	1.0225	1.0193	
Adjusted Base Claims PMPM	$ 18.82	$ 1.07	$ 19.00	$ 0.88	$ 15.31	$ 2.51	$ 1.61	$ 9.42
Trend	1.0743	1.0530	1.0730	1.0562	1.0736	1.0518	1.0479	
Unwinding Adjustment	1.0906	1.0855	1.0503	1.0354	1.0353	1.0000	1.0000	
Projected SFY 2025 PMPM Benefit Expense	$ 22.05	$ 1.23	$ 21.41	$ 0.96	$ 17.01	$ 2.64	$ 1.68	$ 10.61
Administrative Expense PMPM	$ 2.51	$ 0.14	$ 2.43	$ 0.11	$ 1.94	$ 0.30	$ 0.20	$ 1.20
Profit/Surplus PMPM	0.50	0.03	0.49	0.02	0.39	0.06	0.04	$ 0.24
Premium Tax PMPM	0.56	0.03	0.54	0.03	0.43	0.06	0.04	$ 0.27
Proposed January 2025 PMPM Capitation Rate	**$ 25.62**	**$ 1.43**	**$ 24.87**	**$ 1.12**	**$ 19.77**	**$ 3.06**	**$ 1.96**	**$ 12.32**
SFY 2025 Capitation Rate	$ 25.62	$ 1.43	$ 24.87	$ 1.12	$ 19.77	$ 3.06	$ 1.96	$ 12.32
Rate Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
State Directed Payment	$ 0.77	$ 0.00	$ 2.74	$ 0.00	$ 0.90	$ 0.23	$ 0.01	$ 1.25
Proposed January 2025 PMPM Total Expected Payments	**$ 26.39**	**$ 1.43**	**$ 27.61**	**$ 1.12**	**$ 20.67**	**$ 3.29**	**$ 1.97**	**$ 13.57**
Proposed January 2025 PMPM Capitation Rate	$ 25.62	$ 1.43	$ 24.87	$ 1.12	$ 19.77	$ 3.06	$ 1.96	$ 12.32
Rate Change	3.0%	0.0%	11.0%	0.0%	4.6%	7.5%	0.5%	10.1%

Milliman is among the world's largest providers of actuarial and related products and services. The firm has consulting practices in life insurance and financial services, property & casualty insurance, healthcare, and employee benefits. Founded in 1947, Milliman is an independent firm with offices in major cities around the globe.

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Attachment G
PO#2000506234

ADDENDUM TO CF-1

The following language shall supplement the language contained in the CF-1:

TERMINATION FOR NONAPPROPRIATION OF FUNDS.
When funds are not appropriated or otherwise made available to support continuation of performance in the following fiscal year of a multiyear contract for professional or consulting services, the contract for the remaining term shall be canceled, and the Contractor shall be reimbursed in accordance with the terms of the Contract for the reasonable value of any non-recurring costs incurred but not amortized in the price of the services being delivered pursuant to the Contract. The cost of cancellation may be paid from appropriations made specifically for the payment of such cancellation costs or unobligated funds of the using agency.

With respect to all multiyear contracts for professional services and consulting services pursuant to this Subsection, there shall be no provisions for penalty to the state for cancellation or early payment of the Contract.

PROHIBITION OF COMPANIES THAT DISCRIMINATE AGAINST FIREARM AND AMMUNITION INDUSTRIES.
In accordance with LSA R.S. 39:1602.2, the following applies to any competitive sealed bids, competitive sealed proposals, or contract(s) with a value of $100,000.00 or more involving a for-profit company with at least fifty full-time employees:

Unless otherwise exempted by law, by submitting a response to this solicitation or entering into this Contract, the Bidder, Proposer or Contractor certifies the following:

1. The company does not have a practice, policy guidance or directive that discriminates against a firearm entity or firearm trade association based solely on the entity's or association's status as a firearm entity or firearm trade association.

2. The company will not discriminate against a firearm entity or firearm trade association during the term of the Contract based solely on the entity's or association's status as a firearm entity or firearm trade association.

The State reserves the right to reject the response of the Bidder, Proposer or Contractor if this certification is subsequently determined to be false, and to terminate any contract awarded based on such a false response or if the certification is no longer true.