

**OHIO DEPARTMENT OF JOB AND FAMILY SERVICES
OHIO MEDICAL ASSISTANCE PROVIDER AGREEMENT
FOR MANAGED CARE PLAN**

This Provider Agreement is entered into this first day of July, 2012, at Columbus, Franklin County, Ohio, between the State of Ohio, Department of Job and Family Services, (hereinafter referred to as ODJFS) whose principal offices are located in the City of Columbus, County of Franklin, State of Ohio, and _____, Managed Care Plan (hereinafter referred to as MCP), an Ohio corporation, whose principal office is located in the city of _____, County of _____, State of Ohio.

MCP is licensed as a Health Insuring Corporation by the State of Ohio, Department of Insurance (hereinafter referred to as ODI), pursuant to Chapter 1751 of the Ohio Revised Code (ORC) and is organized and agrees to operate as prescribed by Chapter 5101:3-26 of the Ohio Administrative Code (OAC), and other applicable portions of the OAC as amended from time to time.

MCP is an entity eligible to enter into a provider agreement in accordance with 42 CFR (Code of Federal Regulations) 438.6 and is engaged in the business of providing comprehensive health care services as defined in 42 CFR 438.2 through the managed care program for the Medicaid eligible population described in OAC rule 5101:3-26-02(B).

ODJFS, as the single state agency designated to administer the Medicaid program under Section 5111.02 of the ORC and Title XIX of the Social Security Act, desires to obtain MCP services for the benefit of certain Medicaid recipients. In so doing, MCP has provided and will continue to provide proof of MCP's capability to provide quality services, efficiently, effectively and economically during the term of this agreement.

This Provider Agreement is a contract between ODJFS and the undersigned MCP, provider of medical assistance, pursuant to the federal contracting provisions of 42 CFR 434.6 and 438.6 in which the MCP agrees to provide comprehensive Medicaid services through the managed care program as provided in Chapter 5101:3-26 of the OAC, assuming the risk of loss, and complying with applicable state statutes, OAC, and Federal statutes, rules, regulations and other requirements, including but not limited to title VI of the Civil Rights Act of 1964; Title IX of the Education Amendments of 1972 (regarding education programs and activities); the Age Discrimination Act of 1975; the Rehabilitation Act of 1973; and the Americans with Disabilities Act.

ARTICLE I - GENERAL

A. ODJFS enters into this Agreement in reliance upon MCP's representations that it has the necessary expertise and experience to perform its obligations hereunder, and MCP warrants that it does possess the necessary expertise and experience.

- B. MCP agrees to report to the Chief of the Bureau of Managed Care (BMC) (hereinafter referred to as BMC) or his or her designee as necessary to assure understanding of the responsibilities and satisfactory compliance with this Provider Agreement.
- C. MCP agrees to furnish its staff and services as necessary for the satisfactory performance of the services as enumerated in this Provider Agreement.
- D. ODJFS may, from time to time as it deems appropriate, communicate specific instructions and requests to MCP concerning the performance of the services described in this Provider Agreement. Upon such notice and within the designated time frame after receipt of instructions, MCP shall comply with such instructions and fulfill such requests to the satisfaction of the department. It is expressly understood by the parties that these instructions and requests are for the sole purpose of performing the specific tasks requested to ensure satisfactory completion of the services described in this Provider Agreement, and are not intended to amend or alter this Provider Agreement or any part thereof.
- E. If the MCP previously had a Provider Agreement with the ODJFS and the Provider Agreement terminated more than two years prior to the effective date of any new Provider Agreement, such MCP will be considered a new plan in its first year of operation with the Ohio Medicaid managed care program.

ARTICLE II - TIME OF PERFORMANCE

- A. Upon approval by the Director of ODJFS this Provider Agreement shall be in effect from the date entered through June 30, 2013, unless this Provider Agreement is suspended or terminated pursuant to Article VIII prior to the termination date, or otherwise amended pursuant to Article IX. ODJFS expects that MCP membership under this Provider Agreement will be transferred on or before April 2013 to managed care plans under separate Provider Agreements which were awarded through the January 2012 Request for Applications Number JFSR1213-078019.
- B. It is expressly agreed by the parties that none of the rights, duties and obligations herein shall be binding on either party if award of this Agreement would be contrary to the terms of ORC Section 3517.13, or ORC Chapter 102.

ARTICLE III - REIMBURSEMENT

- A. ODJFS will reimburse MCP in accordance with rule 5101:3-26-09 of the OAC and the terms of this Agreement.

ARTICLE IV - RELATIONSHIP OF PARTIES

- A. ODJFS and MCP agree that, during the term of this Agreement, MCP shall be engaged with ODJFS solely on an independent contractor basis, and neither MCP nor its personnel

shall, at any time or for any purpose, be considered as agents, servants or employees of ODJFS or the state of Ohio. MCP shall therefore be responsible for all MCP's business expenses, including, but not limited to, employee's wages and salaries, insurance of every type and description, and all business and personal taxes, including income and Social Security taxes and contributions for Workers' Compensation and Unemployment Compensation coverage, if any.

- B. MCP agrees to comply with all applicable federal, state, and local laws in the conduct of the work hereunder.
- C. ODJFS retains the right to ensure that MCP's work is in conformity with the terms and conditions of this Agreement.
- D. Except as expressly provided herein, neither party shall have the right to bind or obligate the other party in any manner without the other party's prior written consent.

ARTICLE V - CONFLICT OF INTEREST; ETHICS LAWS

- A. In accordance with the safeguards specified in section 27 of the Office of Federal Procurement Policy Act (41 U.S.C. 423) and other applicable federal requirements, no officer, member or employee of MCP, the Chief of BMC, or other ODJFS employee who exercises any functions or responsibilities in connection with the review or approval of this Provider Agreement or provision of services under this Provider Agreement shall, prior to the completion of such services or reimbursement, acquire any interest, personal or otherwise, direct or indirect, which is incompatible or in conflict with, or would compromise in any manner or degree the discharge and fulfillment of his or her functions and responsibilities with respect to the carrying out of such services. For purposes of this article, "members" does not include individuals whose sole connection with MCP is the receipt of services through a health care program offered by MCP.
- B. MCP represents, warrants, and certifies that it and its employees engaged in the administration or performance of this Agreement are knowledgeable of and understand the Ohio Ethics and Conflicts of Interest laws and Executive Order 2011-03K. MCP further represents, warrants, and certifies that neither MCP nor any of its employees will do any act that is inconsistent with such laws and Executive Order. The Governor's Executive Orders may be found by accessing the following website: <http://governor.ohio.gov/ExecutiveOrders.aspx>
- C. MCP hereby covenants that MCP, its officers, members and employees of the MCP, shall not, prior to the completion of the work under this Agreement, voluntarily acquire any interest, personal or otherwise, direct or indirect, which is incompatible or in conflict with or would compromise in any manner of degree the discharge and fulfillment of his or her functions and responsibilities under this Provider Agreement. MCP shall periodically inquire of its officers, members and employees concerning such interests.

- D. Any such person who acquires an incompatible, compromising or conflicting personal or business interest, on or after the effective date of this Agreement, or who involuntarily acquires any such incompatible or conflicting personal interest, shall immediately disclose his or her interest to ODJFS in writing. Thereafter, he or she shall not participate in any action affecting the services under this Provider Agreement, unless ODJFS shall determine in its sole discretion that, in the light of the personal interest disclosed, his or her participation in any such action would not be contrary to the public interest. The written disclosure of such interest shall be made to: Chief, BMC, ODJFS.
- E. No officer, member or employee of MCP shall promise or give to any ODJFS employee anything of value that is of such a character as to manifest a substantial and improper influence upon the employee with respect to his or her duties. No officer, member or employee of MCP shall solicit an ODJFS employee to violate any ODJFS rule or policy relating to the conduct of the parties to this agreement or to violate sections 102.03, 102.04, 2921.42 or 2921.43 of the ORC.
- F. MCP hereby covenants that MCP, its officers, members and employees are in compliance with section 102.04 of the ORC and that if MCP is required to file a statement pursuant to 102.04(D)(2) of the ORC, such statement has been filed with the ODJFS in addition to any other required filings.

ARTICLE VI - NONDISCRIMINATION OF EMPLOYMENT

- A. MCP agrees that in the performance of this Provider Agreement or in the hiring of any employees for the performance of services under this Provider Agreement, MCP shall not by reason of race, color, religion, gender, sexual orientation, age, disability, national origin, military status, health status, genetic information or ancestry, discriminate against any citizen of this state in the employment of a person qualified and available to perform the services to which the Provider Agreement relates.
- B. MCP agrees that it shall not, in any manner, discriminate against, intimidate, or retaliate against any employee hired for the performance or services under the Provider Agreement on account of race, color, religion, gender, sexual orientation, age, disability, national origin, military status, health status, genetic information or ancestry.
- C. In addition to requirements imposed upon subcontractors in accordance with OAC Chapter 5101:3-26, MCP agrees to hold all subcontractors and persons acting on behalf of MCP in the performance of services under this Provider Agreement responsible for adhering to the requirements of paragraphs (A) and (B) above and shall include the requirements of paragraphs (A) and (B) above in all subcontracts for services performed under this Provider Agreement, in accordance with OAC rule 5101:3-26-05.

ARTICLE VII - RECORDS, DOCUMENTS AND INFORMATION

- A. MCP agrees that all records, documents, writings or other information produced by MCP under this Provider Agreement and all records, documents, writings or other information used by MCP in the performance of this Provider Agreement shall be treated in accordance with OAC rule 5101:3-26-06 and must be provided to ODJFS, or its designee, if requested. MCP must maintain an appropriate record system for services provided to members. MCP must retain all records in accordance with 45 CFR Part 74.
- B. All information provided by MCP to ODJFS that is proprietary shall be held to be strictly confidential by ODJFS. Proprietary information is information which, if made public, would put MCP at a disadvantage in the market place and trade of which MCP is a part [see ORC Section 1333.61(D)]. MCP is responsible for notifying ODJFS of the nature of the information prior to its release to ODJFS and for the legal defense of proprietary information. ODJFS shall promptly notify MCP in writing or via email of the need to legally defend the proprietary information such that MCP is afforded the opportunity to adequately defend such information. Failure to provide such prior notification or failure to legally defend the proprietary nature of such information is deemed to be a waiver of the proprietary nature of the information, and a waiver of any right of MCP to proceed against ODJFS for violation of this Provider Agreement or of any proprietary or trade secret laws. Such failure shall also be deemed a waiver of trade secret protection in that the MCP will have failed to make efforts that are reasonable under the circumstances to maintain the information's secrecy. ODJFS reserves the right to require reasonable evidence of MCP's assertion of the proprietary nature of any information to be provided and ODJFS will make the final determination of whether any or all of the information identified by the MCP is proprietary or a trade secret. The provisions of this Article are not self-executing.
- C. MCP shall not use any information, systems, or records made available to it for any purpose other than to fulfill the duties specified in this Provider Agreement. MCP agrees to be bound by the same standards of confidentiality that apply to the employees of the ODJFS and the state of Ohio. The terms of this section shall be included in any subcontracts executed by MCP for services under this Provider Agreement. MCP must implement procedures to ensure that in the process of coordinating care, each enrollee's privacy is protected consistent with the confidentiality requirements in 45 CFR parts 160 and 164.
- D. MCP certifies and affirms that HHS, US Comptroller General or representatives will have access to books, documents, etc. of MCP.
- E. All records relating to performance, under or pertaining to this Provider Agreement will be retained by MCP in accordance to the appropriate records retention schedule. The appropriate records retention schedule for this Provider Agreement is for a total period of ten (10) years. For the initial five (5) years of the retention period, the records must be stored in a manner and place that provides readily available access. If any records are

destroyed prior to the date as determined by the appropriate records retention schedule, MCP agrees to pay all costs associated with any cause, action or litigation arising from such destruction.

- F. MCP agrees to retain all records in accordance to any litigation holds that are provided to them by ODJFS, and actively participate in the discovery process if required to do so, at no additional charge. Litigation holds may require MCP to keep the records longer than the approved records retention schedule. MCP will be notified by ODJFS when the litigation hold ends and retention can resume based on the approved records retention schedule. If MCP fails to retain the pertinent records after receiving a litigation hold from ODJFS, MCP agrees to pay all costs associated with any cause, action or litigation arising from such destruction.

ARTICLE VIII - NONRENEWAL AND TERMINATION

- A. This Provider Agreement may be terminated, by the department or MCP upon written notice in accordance with the applicable rule(s) of the OAC, with termination to occur at the end of the last day of a month.
- B. MCP, upon receipt of notice of termination, shall cease provision of services on the terminated activities under this Provider Agreement; terminate all subcontracts relating to such terminated activities, take all necessary or appropriate steps to limit disbursements and minimize costs, and comply with the requirements specified in this Provider Agreement, as of the date of receipt of notice of termination describing the status of all services under this Provider Agreement.
- C. In the event of termination under this Article, MCP shall be entitled to request reconciliation of reimbursements through the final month for which services were provided under this Provider Agreement, in accordance with the reimbursement provisions of this Provider Agreement. MCP agrees to waive any right to, and shall make no claim for, additional compensation against ODJFS by reason of such suspension or termination.
- D. In the event of termination under this Article, MCP shall return all records in their native format relating to cost, work performed, supporting documentation for invoices submitted to ODJFS, and copies of all materials produced under or pertaining to this Provider Agreement.
- E. ODJFS may, in its judgment, terminate or fail to renew this Provider Agreement if the MCP or MCP's subcontractors violate or fail to comply with the provisions of this agreement or other provisions of law or regulation governing the Medicaid program. Where ODJFS proposes to terminate or refuse to enter into a provider agreement, the provisions of applicable sections of the OAC with respect to ODJFS' suspension, termination or refusal to enter into a provider agreement shall apply, including the MCP's right to request an adjudication hearing under Chapter 119 of the ORC.

- F. When initiated by the MCP, termination of or failure to renew the Provider Agreement requires written notice to be received by ODJFS at least 240 days in advance of the termination or renewal date, provided, however, that termination or non-renewal must be effective at the end of the last day of a calendar month. In the event of non-renewal of the Provider Agreement with ODJFS, if MCP is unable to provide the required number of days of notice to ODJFS prior to the date when the Provider Agreement expires, then the Provider Agreement shall be deemed extended to the last day of the month that is the required number of days from the date of the termination notice, and both parties shall, for that time, continue to fulfill their duties and obligations as set forth herein. If an MCP wishes to terminate or not renew their Provider Agreement for a specific region(s), ODJFS reserves the right to initiate a procurement process to select additional MCPs to serve Medicaid consumers in that region(s). ODJFS, at its discretion, may use an MCP's termination or non-renewal of this Provider Agreement as a factor in any future procurement process.

ARTICLE IX - AMENDMENT AND RENEWAL

- A. This writing constitutes the entire agreement between the parties with respect to all matters herein. This Provider Agreement may be amended only by a writing signed by both parties. Any written amendments to this Provider Agreement shall be prospective in nature.
- B. This Provider Agreement is not expected to be renewed.
- C. In the event that changes in state or federal law, regulations, an applicable waiver or state plan amendment, or the terms and conditions of any applicable federal waiver or state plan amendment, require ODJFS to modify this Agreement, ODJFS shall notify MCP regarding such changes and this agreement shall be automatically amended to conform to such changes without the necessity for executing written amendments pursuant to this Article of this Agreement.
- D. This Agreement supersedes any and all previous agreements, whether written or oral, between the parties.
- E. A waiver by any party of any breach or default by the other party under this Agreement shall not constitute a continuing waiver by such party of any subsequent act in breach of or in default hereunder.
- F. If the MCP was not selected as a contractor as a result of a procurement process, the expiration of this Agreement shall not be considered a termination or failure to renew. The MCP will have the ability to protest the award of the contract in accordance with the process that will be described in the Request for Applications.

ARTICLE X - LIMITATION OF LIABILITY

- A. MCP agrees to indemnify and to hold ODJFS and the state of Ohio harmless and immune from any and all claims for injury or damages resulting from the actions or omissions of MCP or its subcontractors in the fulfillment of this Provider Agreement or arising from this Agreement which are attributable to the MCP's own actions or omissions of those of its trustees, officers, employees, subcontractors, suppliers, third parties utilized by MCP, or joint venturers while acting under this Agreement. Such claims shall include any claims made under the Fair Labor Standards Act or under any other federal or state law involving wages, overtime, or employment matters and any claims involving patents, copyrights, and trademarks. MCP shall bear all costs associated with defending ODJFS and the state of Ohio against these claims.
- B. MCP hereby agrees to be liable for any loss of federal funds suffered by ODJFS for enrollees resulting from specific, negligent acts or omissions of the MCP or its subcontractors during the term of this agreement, including but not limited to the nonperformance of the duties and obligations to which MCP has agreed under this agreement.
- C. In the event that, due to circumstances not reasonably within the control of MCP or ODJFS, a major disaster, epidemic, complete or substantial destruction of facilities, war, riot or civil insurrection occurs, neither ODJFS nor MCP will have any liability or obligation on account of reasonable delay in the provision or the arrangement of covered services; provided that so long as MCP's Certificate of Authority remains in full force and effect, MCP shall be liable for the covered services required to be provided or arranged for in accordance with this agreement.
- D. In no event shall either party be liable to the other party for indirect, consequential, incidental, special or punitive damages, or lost profits.

ARTICLE XI - ASSIGNMENT

- A. ODJFS will not allow the transfer of Medicaid members by one MCP to another entity without the express, written approval of ODJFS. Even with ODJFS approval, ODJFS reserves the right to offer such members the choice of MCPs outside the normal open enrollment process and implement an assignment process as ODJFS determines is appropriate. MCPs shall not assign any interest in this Provider Agreement and shall not transfer any interest in the same (whether by assignment or novation) without the prior written approval of ODJFS and subject to such conditions and provisions as ODJFS may deem necessary. No such approval by ODJFS of any assignment shall be deemed in any event or in any manner to provide for the incurrence of any obligation by ODJFS in addition to the total agreed-upon reimbursement in accordance with this Agreement. Any member transfer and/or assignments of interest shall be submitted for ODJFS' review 120 days prior to the desired effective date. ODJFS shall use reasonable efforts to respond to any such request for approval within the 120 day period. Failure of ODJFS to act on a

request for approval within the 120 day period does not act as an approval of the request. ODJFS may require a receiving MCP to successfully complete a readiness review process before the transfer of members or obligations under this Agreement.

- B. MCP shall not assign any interest in subcontracts of this Provider Agreement and shall not transfer any interest in the same (whether by assignment or novation) without the prior written approval of ODJFS and subject to such conditions and provisions as ODJFS may deem necessary. Any such assignments of subcontracts shall be submitted for ODJFS' review 30 days prior to the desired effective date. No such approval by ODJFS of any assignment shall be deemed in any event or in any manner to provide for the incurrence of any obligation by ODJFS in addition to the total agreed-upon reimbursement in accordance with this agreement.

ARTICLE XII - CERTIFICATION MADE BY MCP

- A. This agreement is conditioned upon the full disclosure by MCP to ODJFS of all information required for compliance with federal regulations.
- B. MCP certifies that no federal funds paid to MCP through this or any other agreement with ODJFS shall be or have been used to lobby Congress or any federal agency in connection with a particular contract, grant, cooperative agreement or loan. MCP further certifies compliance with the lobbying restrictions contained in Section 1352, Title 31 of the U.S. Code, Section 319 of Public Law 101-121 and federal regulations issued pursuant thereto and contained in 45 CFR Part 93, Federal Register, Vol. 55, No. 38, February 26, 1990, pages 6735-6756. If this Agreement exceeds \$100,000, MCP has executed the Disclosure of Lobbying Activities, Standard Form LLL, if required by federal regulations. This certification is material representation of fact upon which reliance was placed when this Provider Agreement was entered into.
- C. MCP certifies that neither MCP nor any principals of MCP (i.e., a director, officer, partner, or person with beneficial ownership of more than 5% of the MCP's equity) is presently debarred, suspended, proposed for debarment, declared ineligible, or otherwise excluded from participation in transactions by any Federal agency. The MCP also certifies that it is not debarred from consideration for contract awards by the Director of the Department of Administrative Services, pursuant to either ORC Section 153.02 or ORC Section 125.25. The MCP also certifies that the MCP has no employment, consulting or any other arrangement with any such debarred or suspended person for the provision of items or services or services that are significant and material to the MCP's contractual obligation with ODJFS. This certification is a material representation of fact upon which reliance was placed when this Provider Agreement was entered into. Federal financial participation (FFP) is not available for amounts expended for providers excluded by Medicare, Medicaid, or SCHIP, except for emergency services. If it is ever determined that MCP knowingly executed this certification erroneously, then in addition to any other remedies, this Provider Agreement shall be terminated pursuant to Article

- VII, and ODJFS must advise the Secretary of the appropriate federal agency of the knowingly erroneous certification.
- D. MCP certifies compliance with Article V as well as agreeing to future compliance with Article V. This certification is a material representation of fact upon which reliance was placed when this contract was entered into.
 - E. MCP certifies compliance with the executive agency lobbying requirements of sections 121.60 to 121.69 of the ORC. This certification is a material representation of fact upon which reliance was placed when this Provider Agreement was entered into.
 - F. MCP certifies that MCP is not on the most recent list established by the Secretary of State, pursuant to section 121.23 of the ORC, which identifies MCP as having more than one unfair labor practice contempt of court finding. This certification is a material representation of fact upon which reliance was placed when this Provider Agreement was entered into.
 - G. MCP agrees not to discriminate against individuals who have or are participating in any work program administered by a county Department of Job and Family Services (CDJFS) under Chapters 5101 or 5107 of the ORC.
 - H. MCP certifies and affirms that, as applicable to MCP, that no party listed or described in Division (I) or (J) of Section 3517.13 of the ORC who was in a listed position at the time of the contribution, has made as an individual, within the two previous calendar years, one or more contributions in excess of one thousand and 00/100 (\$1,000.00) to the present governor or to the governor's campaign committees during any time he/she was a candidate for office. This certification is a material representation of fact upon which reliance was placed when this Provider Agreement was entered into. If it is ever determined that MCP's certification of this requirement is false or misleading, and notwithstanding any criminal or civil liabilities imposed by law, MCP shall return to ODJFS all monies paid to MCP under this Provider Agreement. The provisions of this section shall survive the expiration or termination of this Provider Agreement.
 - I. MCP agrees to refrain from promising or giving to any ODJFS employee anything of value that is of such a character as to manifest a substantial and improper influence upon the employee with respect to his or her duties. MCP also agrees that it will not solicit an ODJFS employee to violate any ODJFS rule or policy relating to the conduct of contracting parties or to violate sections 102.03, 102.04, 2921.42 or 2921.43 of the ORC.
 - J. MCP agrees to comply with the false claims recovery requirements of Section 6032 of The Deficit Reduction Act of 2005 (also see Section 5111.101 of the ORC).
 - K. MCP, its officers, employees, members, any subcontractors, and/or any independent contractors (including all field staff) associated with this agreement agree to comply with all applicable state and federal laws regarding a smoke-free and drug-free workplace.

The MCP will make a good faith effort to ensure that all MCP officers, employees, members, and subcontractors will not purchase, transfer, use or possess illegal drugs or alcohol, or abuse prescription drugs in any way while performing their duties under this Agreement.

- L. MCP certifies and confirms that any performance of experimental, developmental, or research work shall provide for the rights of the Federal Government and the recipient in any resulting invention.
- M. MCP certifies and confirms that it agrees to comply with all applicable standards orders or regulations of the Clean Air Act and Federal Water Pollution Control Act.

ARTICLE XIII - CONSTRUCTION

- A. This Agreement shall be governed, construed and enforced in accordance with the laws and regulations of the state of Ohio and appropriate federal statutes and regulations. The provisions of this Agreement are severable and independent, and if any such provision shall be determined to be unenforceable, in whole or in part, the remaining provisions and any partially enforceable provision shall, to the extent enforceable in any jurisdiction, nevertheless be binding and enforceable.

ARTICLE XIV - INCORPORATION BY REFERENCE

- A. OAC Chapter 5101:3-26 is hereby incorporated by reference as part of this Provider Agreement having the full force and effect as if specifically restated herein.
- B. Appendices A through P and any additional appendices are hereby incorporated by reference as part of this Provider Agreement having the full force and effect as if specifically restated herein.
- C. In the event of inconsistency or ambiguity between the provisions of OAC Chapter 5101:3-26 and this Agreement, the provisions of OAC Chapter 5101:3-26 shall be determinative of the obligations of the parties unless such inconsistency or ambiguity is the result of changes in federal or state law, as provided in Article IX of this Provider Agreement, in which case such federal or state law shall be determinative of the obligations of the parties. In the event OAC 5101:3-26 is silent with respect to any ambiguity or inconsistency, the Agreement (including Appendices B through P and any additional appendices), shall be determinative of the obligations of the parties. In the event that a dispute arises which is not addressed in any of the aforementioned documents, the parties agree to make every reasonable effort to resolve the dispute, in keeping with the objectives of the Provider Agreement and the budgetary and statutory constraints of ODJFS.

ARTICLE XV – NOTICES

All notices, consents, and communications hereunder shall be given in writing, shall be deemed to be given upon receipt thereof, and shall be sent to the addresses first set forth below.

ARTICLE XVI – HEADINGS

The headings in this Agreement have been inserted for convenient reference only and shall not be considered in any questions of interpretation or construction of this Agreement.

The parties have executed this agreement the date first written above. The agreement is hereby accepted and considered binding in accordance with the terms and conditions set forth in the preceding statements.

MCP NAME:

BY: _____
PRESIDENT & CEO

DATE: _____

ADDRESS: _____

OHIO DEPARTMENT OF JOB AND FAMILY SERVICES:

BY: _____
MICHAEL B. COLBERT, DIRECTOR

DATE: _____

30 East Broad Street, Columbus, Ohio 43215

Ohio Department of Job and Family Services
Medical Assistance Provider Agreement
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July 1, 2012

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APPENDIX A

OAC RULES 5101:3-26

The managed care program rules can be accessed electronically through the Medicaid managed care page of the ODJFS website.

APPENDIX B
SERVICE AREA SPECIFICATIONS

APPENDIX B

SERVICE AREA SPECIFICATIONS

MCP : [NAME]

The MCP agrees to provide services to Aged, Blind or Disabled (ABD) members and/or Covered Families and Children (CFC) members residing in the following service area(s):

<u>Service Area</u>	<u>ABD Eligible Population</u>	<u>CFC Eligible Population</u>
Central Region	<input type="checkbox"/> ABD	<input type="checkbox"/> CFC
East Central Region	<input type="checkbox"/> ABD	<input type="checkbox"/> CFC
Northeast Region	<input type="checkbox"/> ABD	<input type="checkbox"/> CFC
Northeast Central Region	<input type="checkbox"/> ABD	<input type="checkbox"/> CFC
Northwest Region	<input type="checkbox"/> ABD	<input type="checkbox"/> CFC
Southeast Region	<input type="checkbox"/> ABD	<input type="checkbox"/> CFC
Southwest Region	<input type="checkbox"/> ABD	<input type="checkbox"/> CFC
West Central Region	<input type="checkbox"/> ABD	<input type="checkbox"/> CFC

*The ABD and CFC categories of assistance are described in OAC rule 5101:3-26-02(B).

*MCPs must serve all counties in any region they agree to serve. See the next page for a list of counties in each region.

OHIO MCP REGIONS

Counties in the Central Region

Crawford	Knox	Perry
Delaware	Licking	Pickaway
Fairfield	Logan	Pike
Fayette	Madison	Ross
Franklin	Marion	Scioto
Hocking	Morrow	Union

Counties in the East Central Region

Ashland	Portage	Summit
Carroll	Richland	Tuscarawas
Holmes	Stark	Wayne

Counties in the Northeast Region

Ashtabula	Geauga	Lorain
Cuyahoga	Huron	Medina
Erie	Lake	

Counties in the Northeast Central Region

Columbiana	Mahoning	Trumbull
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Counties in the Northwest Region

Allen	Henry	Sandusky
Auglaize	Lucas	Seneca
Defiance	Mercer	Van Wert
Fulton	Ottawa	Williams
Hancock	Paulding	Wood
Hardin	Putnam	Wyandot

Counties in the Southeast Region

Athens	Jackson	Muskingum
Belmont	Jefferson	Noble
Coshocton	Lawrence	Vinton
Gallia	Meigs	Washington
Guernsey	Monroe	
Harrison	Morgan	

Counties in the Southwest Region

Adams	Clermont	Highland
Brown	Clinton	Warren
Butler	Hamilton	

Counties in the West Central Region

Champaign	Greene	Preble
Clark	Miami	Shelby
Darke	Montgomery	

APPENDIX C

MCP RESPONSIBILITIES

The MCP must meet on an ongoing basis, all program requirements specified in Appendix A, Ohio Administrative Code (OAC) Rules 5101:3-26 and the Ohio Department of Job and Family Services (ODJFS) - MCP Provider Agreement. The following are MCP responsibilities that are not otherwise specifically stated in OAC rule provisions or elsewhere in the MCP provider agreement, but are required by ODJFS.

General Provisions

1. The MCP agrees to implement program modifications as soon as reasonably possible or no later than the required effective date, in response to changes in applicable state and federal laws and regulations.
2. The MCP must submit a current copy of its Certificate of Authority (COA) to ODJFS within 30 days of issuance by the Ohio Department of Insurance (ODI).
3. The MCP must designate the following:
 - a. A primary contact person (the Medicaid Coordinator) who will dedicate a majority of his or her time to the Medicaid product line and coordinate overall communication between ODJFS and the MCP. ODJFS may also require the MCP to designate contact staff for specific program areas. The Medicaid Coordinator will be responsible for ensuring the timeliness, accuracy, completeness and responsiveness of all MCP submissions to ODJFS.
 - b. A provider relations representative for each service area included in their ODJFS provider agreement. This provider relations representative can serve in this capacity for only one service area.
4. Communications: The MCP must take all necessary and appropriate steps to ensure that all MCP staff are aware of, and follow, the following communication process:
 - a. All MCP employees are to direct all day-to-day submissions and communications to their ODJFS-designated Contract Administrator within the Bureau of Managed Care(BMC) unless otherwise notified by ODJFS.
 - b. Entities that contract with ODJFS should never be contacted by the MCP unless ODJFS has specifically instructed the MCP to contact these entities directly.
 - c. Because the MCP is ultimately responsible for meeting program requirements, the BMC will not discuss MCP issues with the MCP's delegated entities unless the MCP is also participating in the discussion. MCP delegated entities, with the MCP

- participating, should only communicate with the specific Contract Administrator assigned to that MCP.
5. The MCP must be represented at all meetings and events designated by ODJFS that require mandatory attendance.
 6. The MCP must have an administrative office located in Ohio.
 7. Upon request by ODJFS, the MCP must submit information on the current status of their company's operations not specifically covered under this Agreement unless otherwise excluded by law.
 8. The MCP must have all new employees trained on applicable program requirements, and represent, warrant and certify to ODJFS that such training occurs, or has occurred.
 9. If an MCP determines that it does not wish to provide, reimburse, or cover a counseling service or referral service due to an objection to the service on moral or religious grounds, it must immediately notify ODJFS to coordinate the implementation of this change. MCPs will be required to notify their members of this change at least thirty (30) days prior to the effective date. The MCP's member handbook and provider directory, as well as all marketing materials, will need to include information specifying any such services that the MCP will not provide.
 10. For any data and/or documentation that MCPs are required to maintain, ODJFS may request that MCPs provide analysis of this data and/or documentation to ODJFS in an aggregate format, such format to be solely determined by ODJFS.
 11. The MCP is responsible for determining medical necessity for services and supplies requested for their members as specified in OAC rule 5101:3-26-03. Notwithstanding such responsibility, ODJFS retains the right to make the final determination on medical necessity in specific member situations.
 12. In addition to the timely submission of medical records at no cost for the annual external quality review as specified in OAC rule 5101:3-26-07, the MCP may be required for other purposes to submit medical records at no cost to ODJFS and/or its designee upon request.
 13. In addition to the provisions in OAC 5101:3-26-05(B), the MCP must notify the BMC within 1 working day of becoming aware of the termination of an MCP panel provider if that provider is designated as the primary care provider (PCP) for either 100 or more of the MCP's ABD members or 500 or more of the MCP's CFC members, or a combined total of 500 or more of the MCP's members if the provider is serving both the ABD and CFC populations.
 14. Upon request by ODJFS, the MCP may be required to provide written notice to members

of any significant change(s) affecting contractual requirements, member services or access to providers.

15. Additional Benefits: The MCP may elect to provide services that are in addition to those covered under the Ohio Medicaid fee-for-service (FFS) program. Before the MCP notifies potential or current members of the availability of these services, they must first notify ODJFS and advise ODJFS that it plans to make such services available. If an MCP elects to provide additional services, the MCP must ensure to the satisfaction of ODJFS that the services are readily available and accessible to members who are eligible to receive them. Additional benefits must be made available to members for at least six (6) calendar months from date approved by ODJFS.
 - a. The MCP is **required** to make transportation available to any member requesting transportation when the member **must** travel thirty (30) miles or more from his or her home to receive a medically-necessary Medicaid-covered service provided by the MCP pursuant to OAC rule 5101:3-26-03 and Appendix G of this Provider Agreement. If the MCP offers transportation to their members as an additional benefit and this transportation benefit only covers a limited number of trips, the required transportation listed above may not be counted toward this trip limit.
 - b. Additional benefits may not vary by county within a region except out of necessity for transportation arrangements (e.g., bus versus cab). MCPs approved to serve consumers in more than one region may vary additional benefits between regions.
 - c. The MCP must give ODJFS and members ninety (90) days prior notice when decreasing or ceasing any additional benefit(s). When an MCP finds that it is impossible to provide 90 days prior notice for reasons beyond its control, as demonstrated to ODJFS' satisfaction, ODJFS must be notified within at least one (1) working day.
16. The MCP must comply with any applicable federal and state laws that pertain to member rights and ensure that its staff adheres to such laws when furnishing services to its members. The MCP shall include a requirement in its contracts with affiliated providers that such providers also adhere to applicable Federal and State laws when providing services to members.
17. Upon request, the MCP will provide members and potential members with a copy of their practice guidelines.
18. Marketing Materials and Member Materials:

Pursuant to OAC rules 5101:3-26-08 and 5101:3-26-08.2, the MCP is responsible for ensuring that all MCP marketing and member materials are prior approved by ODJFS before being used or shared with members or potential members. Member materials must be available in written format, but can be provided to the member in alternative formats

(e.g., CD-rom) if specifically requested by the member, except as specified in OAC rule 5101:3-26-08.4. Marketing and member materials are defined as follows:

- a. Marketing materials are those items produced in any medium, by or on behalf of an MCP, including gifts of nominal value (i.e., items worth no more than \$15.00), which can reasonably be interpreted as intended to market to eligible individuals.
 - b. Member materials are those items developed, by or on behalf of an MCP, to fulfill MCP program requirements or to communicate to all members or a group of members. Member health education materials that are produced by a source other than the MCP and which do not include any reference to the MCP are not considered to be member materials.
 - c. MCP marketing and member materials must not include statements that are inaccurate, misleading, confusing, or otherwise misrepresentative, or which defraud eligible individuals or ODJFS.
 - d. MCP marketing materials cannot contain any assertion or statement (whether written or oral) that the MCP is endorsed by the Centers for Medicare and Medicaid Services (CMS), the Federal or State government or similar entity.
 - e. The MCP must establish positive working relationships with the County Department of Job and Family Services (CDJFS) offices and must not aggressively solicit from local Directors, MCP County Coordinators, or other staff. Furthermore, the MCP is prohibited from offering gifts to CDJFS offices or MCEC staff, as these may influence an individual's decision to select a particular MCP.
 - f. MCP marketing representatives and other MCP staff are prohibited from offering eligible individuals the use of a portable device (laptop computer, cellular phone, etc.) to assist with the completion of an online application to select and/or change MCPs, as all enrollment activities must be completed by the MCEC.
19. Cultural Competency and Communication Needs: The MCP is responsible for promoting the delivery of services in a culturally competent manner, as solely determined by ODJFS, to all members, including those with limited English proficiency (LEP) and diverse cultural and ethnic backgrounds.

The MCP must comply with the requirements specified in OAC rules 5101:3-26-03.1, 5101:3-26-05(D), 5101:3-26-05.1(A), 5101:3-26-08 and 5101:3-26-08.2 for providing assistance to LEP members and eligible individuals. In addition, the MCP must provide written translations of certain MCP materials in the prevalent non-English languages of members and eligible individuals in accordance with the following:

- a. If ODJFS identifies that 10% or more of the eligible individuals in the MCP's service area have a common primary language other than English, the MCP must translate all ODJFS-approved marketing materials into the primary language of that group and make these marketing materials available to eligible individuals.
- b. When 10% or more of an MCP's members in the MCP's service area have a common primary language other than English, the MCP must translate all ODJFS-approved member materials into the primary language of that group. The MCP must monitor their membership and conduct a quarterly assessment to determine which, if any, primary language groups meet the 10% threshold. When the 10% threshold is met, the MCP must report this information to ODJFS, in a format as requested by ODJFS, translate their member materials, and make these materials available to their members. MCPs must submit to ODJFS, upon request, its prevalent non-English language member analysis and the results of this analysis.
- c. The MCP must utilize a centralized database which records the special communication needs of all MCP members (i.e., those with LEP, limited reading proficiency [LRP], visual impairment, and hearing impairment) and the provision of related services (i.e., MCP materials in alternate format, oral interpretation, oral translation services, written translations of MCP materials, and sign language services). This database must include all MCP member primary language information (PLI) as well as all other special communication needs information for MCP members, as indicated above, when identified by any source including but not limited to ODJFS, the Managed Care Enrollment Center (MCEC), MCP staff, providers, and members. This centralized database must be readily available to MCP staff and be used in coordinating communication and services to members, including the selection of a primary care provider (PCP) who speaks the primary language of an LEP member, when such a provider is available. The MCP must share specific communication needs information with its providers [e.g., PCPs, Pharmacy Benefit Managers (PBMs), and Third Party Administrators (TPAs)], as applicable. The MCP must submit to ODJFS, upon request, detailed information regarding the MCP's members with special communication needs, which could include individual member names, their specific communication need, and any provision of special services to members (i.e., those special services arranged by the MCP as well as those services reported to the MCP which were arranged by the provider).

Additional requirements specific to providing assistance to hearing-impaired, vision-impaired, LRP, and LEP members and eligible individuals are found in OAC rules 5101:3-26-03.1, 5101:3-26-05(D), 5101:3-26-05.1(A), 5101:3-26-08, and 5101-3-26-08.2.

- d. The MCP is responsible for ensuring that all member materials use easily understood language and format. The determination of whether materials comply

with this requirement is in the sole discretion of ODJFS.

20. New Member Materials - Pursuant to OAC rule 5101:3-26-08.2(B)(3), MCPs must provide to each member or assistance group, as applicable, an MCP identification (ID) card, a new member letter, a member handbook, provider panel information, and information on advance directives, as specified by ODJFS.
- a. The MCP must use the model language specified by ODJFS for the new member letter.
 - b. The ID card and new member letter must be mailed together to the member via a method that will ensure their receipt prior to the member's effective date of coverage.
 - c. The MCP may provide provider panel information to a new member via the MCP's website only if the new member has requested that the provider panel information be provided via the website as reported to the MCP on the consumer contact record (CCR). If a new member (including a new member assigned to the MCP) did not request the information be provided via the website as reported on the CCR, the MCP must provide a printed provider directory to the new member as specified in 20.d. of this Appendix.
 - d. The MCP may mail the member handbook, provider directory, if applicable, and advance directives information to the member separately from the ID card and new member letter. An MCP will meet the timeliness requirement for mailing these materials if they are mailed to the member within twenty-four (24) hours of the MCP receiving the ODJFS produced monthly full membership roster, which is the HIPAA 834 F, and if the materials are mailed via a method with an expected delivery date of no more than five (5) days. If the MCP mails the member handbook, provider directory, and advance directives information separately from the ID card and new member letter, but the MCP is unable to mail these materials within twenty-four (24) hours, of receiving the HIPAA 834 F, the MCP must mail the member handbook, provider directory, and advance directives information via a method that will ensure receipt by no later than the effective date of coverage. If the MCP mails the ID card and new member letter with the other materials (e.g., member handbook, provider directory, and advance directives), the MCP must ensure that all materials are mailed via a method that will ensure their receipt prior to the member's effective date of coverage.
 - e. The MCP must designate two (2) MCP staff members to receive a copy of the new member materials on a monthly basis in order to monitor the timely receipt of these materials. At least one of the staff members must receive the materials at their home address.
 - f. The MCP ID card must contain pharmacy information, as prescribed by ODJFS.

21. Healthchek Services

- a. Informing Members About Healthchek - In addition to the Healthchek requirements specified in OAC rules 5101:3-26-03(H)(12) and 5101:3-26-08.2(B)(4)(i), the MCP must:
 - i. Provide members with accurate information in the member handbook regarding Healthchek, Ohio's early and periodic screening, diagnostic, and treatment (EPSDT) benefit. The MCP's member handbooks must be provided to members within the time frames specified in 20.d of this Appendix, and must include verbatim the model language developed by ODJFS. The model language at a minimum will include:
 - a. A description of the types of screening and treatment services covered by Healthchek;
 - b. A list of the intervals at which individuals under age 21 should receive screening examinations, as indicated by the most recent version of the document entitled "Recommendations for Preventive Pediatric Health Care," published by Bright Futures/American Academy of Pediatrics;
 - c. Information that Healthchek services are provided at no additional cost to the member; and
 - d. Information that providers may request prior authorization for coverage of services that have limitations and/or are not covered for members age 21 and older if the services are medically necessary EPSDT services.
 - ii. Provide the above Healthchek information on the MCP's member website specified in 34.b. of this Appendix.
 - iii. Deliver Healthchek information as provided, or as approved, by ODJFS to its members at the following intervals:
 - a. When the member is 9 months old;
 - b. When the member is 18 months old;
 - c. When the member is 30 months old;
 - d. January of each calendar year to all members under the age of 21; and
 - e. At the beginning of each school year in the month of July for members from age 4 to under 21.

The mailing templates provided by ODJFS will not exceed two (2) 8x11 pages for each mailing with most mailings being one (1) page or less in length. The MCP must populate the materials with appropriate Healthchek information as

required (e. g. type of service, rendering provider, date of service and age of member on the date of service).

- b. Informing Providers about Healthchek -- In addition to the Healthchek requirements specified in OAC rule 5101:3-26-05.1(A)(13), the MCP must:
 - i. Provide Healthchek education to all contracted providers on an annual basis which must include, at a minimum, the following:
 - a. The required components of a Healthchek exam as specified in Ohio Administrative Code Chapter 5101: 3-14;
 - b. A list of the intervals at which individuals under age 21 should receive screening examinations, as indicated by the most recent version of the document “Recommendations for Preventive Pediatric Health Care” published by Bright Futures/American Academy of Pediatrics;
 - c. A statement that Healthchek includes a range of medically necessary screening, diagnosis and treatment services; and
 - d. A list of common billing codes and procedures related to the Healthchek services (e.g., immunizations, well child exams, laboratory tests, and screenings).
 - ii. Provide the above information on the MCP’s provider website as specified in 34.c. of this Appendix.
22. Advance Directives - All MCPs must comply with the requirements specified in 42 CFR 422.128. At a minimum, the MCP must:
- a. Maintain written policies and procedures that meet the requirements for advance directives, as set forth in 42 CFR Subpart I of part 489 (42 CFR 489.100—489.104).
 - b. Maintain written policies and procedures concerning advance directives with respect to all adult individuals receiving medical care by or through the MCP to ensure that the MCP:
 - i. Provides written information to all adult members concerning:
 - a. The member’s rights under state law to make decisions concerning his or her medical care, including the right to accept or refuse medical or surgical treatment and the right to formulate advance directives. In meeting this requirement, MCPs must utilize the current version of form

JFS 08095 entitled *You Have the Right*, or include the text from JFS 08095 in their ODJFS-approved member handbook.

- b. The MCP's policies concerning the implementation of those rights including a clear and precise statement of any limitation regarding the implementation of advance directives as a matter of conscience;
 - c. Any changes in state law regarding advance directives as soon as possible, but no later than ninety (90) days after the proposed effective date of the change; and
 - d. The right to file complaints concerning noncompliance with the advance directive requirements with the Ohio Department of Health.
 - ii. Provides for education of staff concerning the MCP's policies and procedures on advance directives;
 - iii. Provides for community education regarding advance directives directly or in concert with other providers or entities;
 - iv. Requires that the member's medical record document whether or not the member has executed an advance directive; and
 - v. Does not condition the provision of care, or otherwise discriminate against a member, based on whether the member has executed an advance directive.
23. Call Center Standards - The MCP must provide assistance to members through a member services toll-free call-in system pursuant to OAC rule 5101:3-26-08.2(A)(1). MCP member services staff must be available nationwide to provide assistance to members through the toll-free call-in system every Monday through Friday, at all times during the hours of 7:00 am to 7:00 pm Eastern Time, except for the following major holidays:
 - New Year's Day
 - Martin Luther King's Birthday
 - Memorial Day
 - Independence Day
 - Labor Day
 - Thanksgiving Day
 - Christmas Day
 - 2 optional closure days: These days can be used independently or in combination with any of the major holiday closures, but cannot both be used within the same closure period. Before announcing any optional closure dates to members and/or

staff, MCPs must receive ODJFS prior-approval which verifies that the optional closure days meet the specified criteria.

If a major holiday falls on a Saturday, the MCP member services line may be closed on the preceding Friday. If a major holiday falls on a Sunday, the member services line may be closed on the following Monday. MCP member services closure days must be specified in the MCP's member handbook, member newsletter, or other some general issuance to the MCP's members at least thirty (30) days in advance of the closure.

The MCP must also provide access to medical advice and direction through a centralized twenty-four-hour, seven day (24/7), toll-free call-in system, available nationwide, pursuant to OAC rule 5101:3-26-03.1(A)(6). The 24/7 call-in system must be staffed by appropriately trained medical personnel. For the purposes of meeting this requirement, trained medical professionals are defined as physicians, physician assistants, licensed practical nurses (LPNs), and registered nurses (RNs).

The MCP must meet the current American Accreditation HealthCare Commission/URAC-designed Health Call Center Standards (HCC) for call center abandonment rate, blockage rate and average speed of answer. By the 10th of each month, the MCP must self-report its prior month performance in these three areas for their member services and 24/7 hour toll-free call-in systems to ODJFS. If an MCP has separate telephone lines for different Medicaid populations, the MCP must report performance for each individual line separately. ODJFS will inform the MCPs of any changes/updates to these URAC call center standards.

The member services call center requirement may not be met through the execution of a Medicaid Delegation Subcontract Addendum or Medicaid Combined Services Subcontract Addendum. With the exception of transportation vendors, MCPs are prohibited from publishing a delegated entity's general call center number.

24. Notification of Optional MCP Membership - In order to comply with the terms of the ODJFS State Plan Amendment for the managed care program (i.e., 42 CFR 438.50), the MCP must inform new members that MCP membership is optional for certain populations.

Specifically, the MCP must inform any applicable ABD or CFC pending member or member that the following population is not required to select an MCP in order to receive their Medicaid healthcare benefit and what steps they need to take if they do not wish to be a member of an MCP:

- Indians who are members of federally-recognized tribes, except as permitted under 42 CFR 438.50(d)(2).

Additionally, the MCP must inform any applicable CFC pending member or member that the following populations are not required to select an MCP in order to receive their Medicaid healthcare benefits, and describe what steps the member must take if he or she

does not wish to become a member of an MCP:

- Children under 19 years of age who are:
 - o Eligible for Supplemental Security Income under title XVI;
 - o In foster care or other out-of-home placement;
 - o Receiving foster care or adoption assistance;
 - o Receiving services through the Ohio Department of Health's Bureau for Children with Medical Handicaps (BCMh) or any other family-centered, community-based, coordinated care system that receives grant funds under section 501(a)(1)(D) of Title V, and is defined by the state in terms of either program participation or special health care needs.

25. Privacy Compliance Requirements — The Health Insurance Portability and Accountability Act (HIPAA) Privacy Regulations at 45 CFR.164.502(e) and 164.504(e) require ODJFS to enter into agreements with MCPs as a means of obtaining satisfactory assurance that the MCPs will appropriately safeguard all “protected health information” (PHI), which means information received from or on behalf of ODJFS that meets the definition of PHI as defined by HIPAA and the regulations promulgated by the United States Department of Health and Human Services, specifically 45 CFR 164.501 and any amendments thereto (45 C.F.R. 160.103).

In addition to the HIPAA requirements, the MCP must comply with any other applicable Federal and State laws (such as Title VI of the Civil Rights Act of 1964, O.R.C. 5101.26-5101.272, etc.) and other laws regarding privacy and confidentiality, as such may be applicable to this Agreement.

The MCP acknowledges that ODJFS, through its Office of Medical Assistance (OMA), is a covered entity under HIPAA. A “covered entity” means a health plan, a health plan clearinghouse, or health care provider (45 CFR 160.103). The MCP further acknowledges that it is a business associate of OMA. A “business associate” means a person or entity that, on behalf of the covered entity, performs or assists in the performance of a function or activity that involves the use or disclosure of “protected health information.” The MCP agrees to the following:

- a. The MCP shall not use or disclose PHI other than is permitted by this Agreement or as otherwise required under HIPAA regulations or other applicable law.
- b. The MCP shall implement administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the PHI that it creates, receives, maintains, or transmits on behalf of ODJFS against use or disclosure not provided for in this Agreement.
- c. The MCP or its representatives shall immediately report to ODJFS any breach as defined by 45 C.F.R. 164.402. The MCP must provide documentation of the breach of confidentiality and complete all actions ordered by the ODJFS HIPAA

compliance officer. In addition, the MCP shall mitigate any adverse effects of such a breach of confidentiality to the greatest extent possible.

- d. The MCP shall ensure that all its agents and subcontractors that receive PHI from or on behalf of the MCP and/or ODJFS agree to the same conditions and restrictions that apply to the MCP with respect to the use or disclosure of PHI.
- e. The MCP shall make available to ODJFS such information as ODJFS may require to fulfill its obligations to provide access to, provide a copy of, and account for disclosures with respect to PHI pursuant to HIPAA and regulations promulgated by the United States Department of Health and Human Services, including, but not limited to, 45 C.F.R. 164.524 and 164.528 and any amendments thereto.
- f. The MCP shall make PHI available to ODJFS so that ODJFS may fulfill its obligations pursuant to HIPAA to amend the information. As directed by ODJFS, the MCP shall also incorporate any amendments into the information held by the MCP and shall ensure incorporation of any such amendments into information held by the MCP's agents or subcontractors.
- g. The MCP shall make available to ODJFS and to the Secretary of the U.S. Department of Health and Human Services (HHS) any and all internal practices, documentation, books, and records related to the use and disclosure of PHI received from ODJFS, or created or received by the MCP on behalf of ODJFS. Such access is for the purpose of determining ODJFS' compliance with HIPAA, regulations promulgated by the United States Department of Health and Human Services, and any amendment thereto.
- h. Upon termination of this Agreement and at the request of ODJFS, the MCP shall return to ODJFS or destroy all PHI in its possession stemming from this Agreement, and shall not keep copies of the PHI except as requested by ODJFS or required by law. If the MCP, its agent(s), or subcontractor(s) destroy any PHI, then the MCP will provide to ODJFS documentation evidencing such destruction. Any PHI retained by the MCP shall continue to be extended the same protections set forth in this Section and HIPAA regulations for as long as it is maintained.
- i. In the event of material breach of the MCP's obligations under this Agreement regarding privacy and confidentiality, ODJFS may immediately terminate this Agreement as set forth in Article VIII. Termination of this Agreement shall not affect any provision of this Agreement which, by its wording or its nature, is intended to remain effective and to continue to operate after termination.
- j. The MCP agrees to comply with the terms of Subtitle D of Title XIII of the American Recovery and Reinvestment Act of 2009.

26. Electronic Communications – The MCP is required to purchase/utilize Transport Layer Security (TLS) for all e-mail communication between ODJFS and the MCP. The MCP’s e-mail gateway must be able to support the sending and receiving of e-mail using TLS and the MCP’s gateway must be able to enforce the sending and receiving of email via TLS.

27. MCP Membership Acceptance, Documentation and Reconciliation
 - a. Managed Care Enrollment Center (MCEC) Contractor - The MCP shall provide to the MCEC ODJFS prior-approved MCP materials and directories for distribution to eligible individuals who request additional information about the MCP.

 - b. Enrollment and Capitation Reconciliation
 - i. The MCP shall maintain the integrity of its membership data through reconciliation of the daily HIPAA 834C (Daily Benefit Enrollment and Maintenance File) and the monthly HIPAA 834F (Monthly Benefit Enrollment and Maintenance File) transactions. The monthly cycle is based on state cut-off dates (e.g. June 2012 enrollment reflects changes from that occurred April 19, 2012 – May 21, 2012). Please reference the Processing Dates for Calendar Year memo issued annually. Discrepancies between the HIPAA 834C and 834F that have a negative impact on a member’s access to care must be reported to ODJFS within one (1) business day.

 - ii. The HIPAA 820 (Monthly Remittance Advice) will contain the following: a capitation payment for each member listed on the HIPAA 834F, a capitation payment/recoupment for changes listed in the daily HIPAA 834C, any other capitation payment/recoupment, and delivery payment/recoupment from the previous calendar month. Reconciliation for any discrepancies between the HIPAA 834 and HIPAA 820 must be submitted as instructed by ODJFS no later than sixty (60) days after the issuance of the HIPAA 834F. Please reference the Processing Dates for Calendar Year memo that is issued annually.

 - iii. All Reconciliation requests must be submitted in the format specified by ODJFS. ODJFS may reject reconciliation requests that are submitted outside the deadline. ODJFS will continue to work individually with MCPs to resolve the discrepancies that occurred with the first year of MITS implementation.

 - c. Change in Enrollment During Hospital/Inpatient Facility Stay - When an MCP learns of a currently hospitalized member’s intent to disenroll through the CCR or the HIPAA 834, the disenrolling MCP must notify the hospital/inpatient facility and treating providers as well as the enrolling MCP, if applicable, of the change in enrollment. The disenrolling MCP must notify the inpatient facility that it will remain responsible for the inpatient facility charges through the date of discharge;

and must notify the treating providers that it will remain responsible for provider charges through the date of disenrollment. The disenrolling MCP shall not request and/or require that a disenrolled member be discharged from the inpatient facility for transfer to another inpatient facility. Should a discharge and transfer to another inpatient facility be medically necessary, the disenrolling MCP must notify the treating providers to work with the enrolling MCP or ODJFS as applicable to facilitate the discharge, transfer and authorization of services as needed.

When the enrolling MCP learns through the disenrolling MCP, through ODJFS or other means, that a new member who was previously enrolled with another MCP was admitted prior to the effective date of enrollment and remains an inpatient on the effective date of enrollment, the enrolling MCP shall contact the hospital/inpatient facility. The enrolling MCP shall verify that it is responsible for all medically necessary Medicaid covered services from the effective date of MCP membership, including professional charges related to the inpatient stay; the enrolling MCP must inform the hospital/inpatient facility that the admitting/disenrolling MCP remains responsible for the hospital/inpatient facility charges through the date of discharge. The enrolling MCP shall work with the hospital/inpatient facility to facilitate discharge planning and authorize services as needed.

When an MCP learns that a new member who was previously on Medicaid fee-for-service was admitted prior to the effective date of enrollment and remains an inpatient on the effective date of enrollment, the MCP shall notify the hospital/inpatient facility and treating providers that the MCP is responsible for the professional charges effective on the date of enrollment, and shall work to assure that discharge planning provides continuity using MCP-contracted or authorized providers.

- d. Just Cause Requests - As specified by ODJFS, the MCP shall assist in resolving member-initiated requests affecting membership.
- e. Newborn Notifications – MCP membership for newborns will be in accordance with rule 5101:3-26-02.

In order to encourage the timely addition and authorization for Medicaid and enrollment in the MCP, the MCP must provide notification of the birth to the CDJFS.

The MCP must notify the CDJFS and provide at a minimum the mother's name, social security number, 10 digit CRIS-E case number, 12 digit recipient ID, county and the newborn's name, gender, and date of birth, unless the CDJFS and MCP have agreed to a different minimum set of information to be transmitted for the CDJFS newborn notification. This information must be sent within five

working days of the birth, or immediately upon learning of the birth. The information must be sent again at sixty days from the date of birth if the MCP has not received confirmation by ODJFS of a newborn's MCP membership via the membership roster(s).

- g. Eligible Individuals - If an eligible individual contacts the MCP, the MCP must provide any MCP-specific managed care program information requested. The MCP must not attempt to assess the eligible individual's health care needs. However, if the eligible individual inquires about continuing/transitioning health care services, the MCP shall provide an assurance that all MCPs must cover all medically necessary Medicaid-covered health care services and assist members with transitioning their health care services.
- h. Pending Member - If a pending member (i.e., an eligible individual subsequent to plan selection or assignment, but prior to their membership effective date) contacts the selected MCP, the MCP must provide any membership information requested, including but not limited to explaining how to access services as an MCP member and assistance in determining whether current services require prior authorization. The MCP must also ensure that any care coordination (e.g., PCP selection, prescheduled services and transition of services) information provided by the pending member is logged in the MCP's system and forwarded to the appropriate MCP staff for processing as required.

The MCP may confirm any information provided on the CCR at this time. Such communication does not constitute confirmation of membership. The MCP is prohibited from initiating contact with a pending member. Upon receipt of the CCR or the HIPAA 834, the MCP may contact a pending member to confirm information provided on the CCR or the HIPAA 834, assist with care coordination and transition of care, and inquire if the pending member has any membership questions.

- i. Transition of Fee-For-Service (FFS) Members - Providing care coordination for prescheduled health services, access to preventive and specialized care, care management, member services, and education with minimal disruption to members' established relationships with providers and existing care treatment plans, is critical for members transitioning from FFS to managed care. The MCP is not required to allow the continuation of services identified in C.28.i.b and C.28i.c for a member who resides in a service area in which enrollment in an MCP is not required and the member voluntarily chooses to enroll in the MCP.
 - a. ABD Member Transition Plan - For FFS members who are transitioning to managed care as ABD members, the MCP must develop and implement transition plans that outline how the MCP will effectively address the unique care coordination issues of members in their first three months of MCP membership and how the various MCP departments will coordinate

and share information regarding these new members. The transition plan must include at a minimum:

- i. An effective outreach process to identify each new member's existing and/or potential health care needs that results in a new member profile that includes, but is not limited to identification of:
 - a. Health care needs, including those services received through state sub-recipient agencies [e.g., the Ohio Department of Mental Health (ODMH), the Ohio Department of Developmental Disabilities (DODD), the Ohio Department of Alcohol and Drug Addiction Services (ODADAS) and the Ohio Department of Aging (ODA)];
 - b. Existing sources of care (i.e., primary physicians, specialists, case manager(s), ancillary and other care givers); and
 - c. Current care therapies for all aspects of health care services, including scheduled health care appointments, planned and/or approved surgeries (inpatient or outpatient), ancillary or medical therapies, prescribed drugs, home health care services, private duty nursing (PDN), scheduled lab/radiology tests, necessary durable medical equipment, supplies and needed/approved transportation arrangements.
 - ii. Strategies for how each new member will obtain care therapies from appropriate sources of care as an MCP member. The MCP's strategies must include at a minimum activities specified in Appendix C.28.i.b, as applicable.
- b. ABD and CFC Member Continuation of Services from Out-of-Panel Providers - The MCP must allow a new ABD or CFC member who is transitioning from FFS to an MCP to receive services from out-of-panel providers, if the member or provider contacts the MCP to discuss the scheduled health services in advance of the service date and any of the following applies:
- i. The CFC member has appointments within the initial month of MCP membership with specialty physicians that were scheduled prior to the effective date; or, the ABD member has appointments within the initial three months of MCP membership with a primary care provider or specialty physician that were scheduled prior to the effective date of membership;

- ii. The CFC or ABD member is in her third trimester of pregnancy and has an established relationship with an obstetrician and/or delivery hospital;
 - iii. The CFC or ABD member has been scheduled for an inpatient or outpatient surgery and has been prior-approved and/or pre-certified pursuant to OAC rule 5101:3-2-40 (surgical procedures would also include follow-up care as appropriate);
 - iv. The CFC or ABD member is receiving ongoing chemotherapy or radiation treatment; or
 - v. The ABD member has been released from the hospital within thirty (30) days prior to MCP enrollment and is following a treatment plan. If contacted by the member, the MCP must contact the provider's office as expeditiously as the situation warrants to confirm that the service(s) meets the above criteria.
- c. ABD and CFC Member Continuation of Home Care and Private Duty Nursing (PDN) Services - The MCP must allow its new members that are transitioning from FFS to continue receiving home care services (i.e., nursing, aide, and skilled therapy services) and PDN services if the member or provider contacts the MCP to discuss the health services in advance of the service date. These services must be covered from the date of the member or provider contact at the current service level, and with the current provider, regardless of whether the current provider is a panel or out-of-panel provider, until the MCP conducts a medical necessity review and renders an authorization decision pursuant to OAC rule 5101:3-26-03.1. As soon as the MCP becomes aware of the member's current home care or PDN services, the MCP must initiate contact with the current provider and member as applicable to ensure continuity of care and coordinate a transfer of services to a panel provider, if appropriate.
- d. ABD and CFC Member FFS Authorizations – The MCP must honor any current FFS prior authorization to allow its new members that are transitioning from FFS to receive services from the authorized provider, regardless of whether the authorized provider is a panel or out-of-panel provider, for the following approved services:
- i. An organ, bone marrow, or hematopoietic stem cell transplant pursuant to OAC rule 5101:3-2-07.1 and 2.b.v of Appendix G;
 - ii. Dental services that have not yet been received;
 - iii. Vision services that have not yet been received;

- iv. Durable medical equipment (DME) that has not yet been received. Ongoing DME services and supplies are to be covered by the MCP as previously authorized until the MCP conducts a medical necessity review and renders an authorization decision pursuant to OAC rule 5101:3-26-03.1.
- v. Private Duty Nursing (PDN) services. PDN services must be covered at the previously-authorized service level until the MCP conducts a medical necessity review and renders an authorization decision pursuant to OAC rule 5101:3-26-03.1.

As soon as the MCP becomes aware of the member's current FFS authorization approval, the MCP must initiate contact with the authorized provider and member as applicable to ensure continuity of care. The MCP must implement a plan to meet the member's immediate and ongoing medical needs and coordinate the transfer of services to a panel provider, if appropriate.

For organ, bone marrow or hematopoietic stem cell transplants, MCPs must receive prior approval from ODJFS to transfer services to a panel provider.

When an MCP medical necessity review results in a decision to reduce, suspend, or terminate services previously authorized by FFS Medicaid, the MCP must notify the member of his or her state hearing rights no less than 15 calendar days prior to the effective date of the MCP's proposed action, per OAC rule 5101:3-26-08.4.

- e. Out-of-Panel Provider Reimbursement – The MCP must reimburse out-of-panel providers that agree to provide the transition services at 100% of the current Medicaid FFS provider rate for the service(s) identified in Section 27.i. (b, c, and d) of this appendix.
- f. Documentation of services – The MCP must document the provision of transition of services identified in Section 27.i. (b, c, and d) of this appendix as follows:
 - i. The MCP must provide notification to non-panel providers confirming the provider's agreement or disagreement to provide the service and accept 100% of the current Medicaid FFS rate as payment. If the provider agrees, the MCP shall distribute its materials to the non-panel provider as outlined in Appendix G.3 of this Agreement.

- ii. If the non-panel provider does not agree to provide the service, the MCP must notify the member of the MCP's availability to assist with locating a provider as expeditiously as the member's health condition warrants.
- iii. If the service will be provided by a panel provider, the MCP must notify the panel provider and the member to confirm the MCP's responsibility to cover the service.

MCPs must use the ODJFS-specified model language for the provider and member notices and maintain documentation of all member and/or provider contacts relating to such services.

g. ABD and CFC Member Transition of Care for Prescription Drugs

The MCP is responsible for implementing transition of care processes that prevent access problems for members that are transitioning from the FFS pharmacy benefit administrator to an MCP. The transition of care processes must be prior approved by ODJFS and at a minimum include the following:

- i. The MCP may not require prior authorization (PA) of prescriptions filled according to paragraph ii. below, until the MCP has educated the member that further administration will require the prescribing provider to request PA and, if applicable, the option of using an alternative medication that may be available without PA. Written member education notices must use ODJFS-specified model language. Verbal member education may be done in place of written education but must contain the same information as a written notice. MCP member notices and call scripts must be prior approved by ODJFS.
- ii. For new members who transition from FFS to an MCP, the MCP may not require PA in the first month of membership, for at least one prescription refill for claims approved by Ohio Medicaid during the prior FFS enrollment period.
- iii. For antidepressant and antipsychotic medications, the MCP must abide by the restrictions on PA described in Appendix G.2.b.vi of this Agreement.

28. Health Information System Requirements - The ability to develop and maintain information management systems capacity is crucial to successful plan performance. ODJFS therefore requires MCPs to demonstrate their ongoing capacity in this area by meeting several related specifications.

- a. Health Information System

- i. As required by 42 CFR 438.242(a), the MCP must maintain a health information system that collects, analyzes, integrates, and reports data. The system must provide information on areas including, but not limited to, utilization, grievances and appeals, and MCP membership terminations for other than loss of Medicaid eligibility.
- ii. As required by 42 CFR 438.242(b)(1), the MCP must collect data on member and provider characteristics and on services furnished to its members.
- iii. As required by 42 CFR 438.242(b)(2), the MCP must ensure that data received from providers is accurate and complete by verifying the accuracy and timeliness of reported data, screening the data for completeness, logic, and consistency, and collecting service information in standardized formats to the extent feasible and appropriate.
- iv. As required by 42 CFR 438.242(b)(3), the MCP must make all collected data available upon request by ODJFS or CMS.
- v. Acceptance testing of any data that is electronically submitted to ODJFS is required:
 - a. Before the MCP may submit production files;
 - b. Whenever the MCP changes the method or preparer of the electronic media; and/or
 - c. When ODJFS determines that the MCP's data submissions have an unacceptably high error rate.

When the MCP changes or modifies information systems that are involved in producing any type of electronically submitted files, either internally or by changing vendors, it is required to submit to ODJFS for review and approval a transition plan that includes the submission of test files in the ODJFS-specified formats. Once an acceptable test file is submitted to ODJFS, as determined solely by ODJFS, the MCP can return to submitting production files. ODJFS will inform the MCP in writing when a test file is acceptable. Once the MCP's new or modified information system is operational, that MCP will have up to ninety (90) days to submit an acceptable test file and an acceptable production file.

Submission of test files can start before the new or modified information system is in production. ODJFS reserves the right to verify any MCP's capability to report elements in the minimum data set prior to executing the provider agreement for the next contract period. Penalties for noncompliance with this requirement are specified in Appendix N of the Agreement, *Compliance Assessment System*.

b. Electronic Data Interchange, Claims Adjudication and Payment Processing Requirements

(i) Claims Adjudication

The MCP must have the capacity to electronically accept and adjudicate all claims to final status (payment or denial). Information on claims submission procedures must be provided to non-contracting providers within thirty (30) days of a request. The MCP must inform providers of its ability to electronically process and adjudicate claims and the process for submission. Such information must be initiated by the MCP and not only in response to provider requests.

The MCP must notify providers who have submitted claims of claims status [paid, denied, pended (suspended)] within one month of receipt by the MCP or its designee. Such notification may be in the form of a claim payment/remittance advice produced on a routine monthly, or more frequent, basis.

(ii) The MCP is prohibited from recovering back or adjusting any payments that are beyond two years from the date of payment of the claim due to the MCP member's retroactive termination of coverage from the MCP, unless the MCP is directed to do so by CMS, ODJFS, or applicable state or federal law and regulation. However, the preceding sentence does not prohibit the MCP or ODJFS from initiating a recovery or adjustment more than two years after the payment of a claim in the event of fraud, abuse, or as otherwise provided by applicable state or federal law and regulation.

(iii) The MCP must have policies providing that, upon discovery of claims payment systemic errors that resulted in incorrectly underpaying or denying claims, the MCP is required to reprocess and correctly pay such claims, from the date of identification of the error retroactively through the period specified in the contract between the MCP and the provider for claims payment corrective activity. A claims payment systemic error is defined as involving more than five providers, or involving a significant number of payment errors if five or fewer providers are affected. If a claims payment systemic error occurs, the MCP shall notify ODJFS of the error and shall specify its process and timeline for corrective action, unless the MCP corrects the payments within 60 days from the date of identification of the error. The MCP's policies must include how corrective action

will be taken on behalf of all affected providers, regardless of whether the claims payment systemic error is identified by the MCP or by any provider. If the error is not a claims payment systemic error, the MCP shall correct the payments within 60 days from the date of identification of the error.

(iv) The MCP is prohibited from engaging in practices that unfairly or unnecessarily delay the processing or payment of any claim for MCP members.

(v) Electronic Data Interchange

The MCP shall comply with all applicable provisions of HIPAA including electronic data interchange (EDI) standards for code sets and the following electronic transactions:

Health care claims;

Health care claim status request and response;

Health care payment and remittance status;

Standard code sets; and

National Provider Identifier (NPI).

Each EDI transaction processed by the MCP shall be implemented in conformance with the appropriate version of the transaction implementation guide, as specified by applicable federal rule or regulation.

The MCP must have the capacity to accept the following transactions from the ODJFS consistent with EDI processing specifications in the transaction implementation guides and in conformance with the 820 and 834 Transaction Companion Guides issued by ODJFS:

ASC X12 820 - Payroll Deducted and Other Group Premium Payment for Insurance Products; and

ASC X12 834 - Benefit Enrollment and Maintenance.

The MCP shall comply with the HIPAA mandated EDI transaction standards and code sets no later than the required compliance dates as set forth in the federal regulations.

(vi) Documentation of Compliance with Mandated EDI Standards

The capacity of the MCP and/or applicable trading partners and business associates to electronically conduct claims processing and related transactions in compliance with standards and effective dates mandated by HIPAA must be demonstrated, to the satisfaction of ODJFS, as outlined below.

(vii) Verification of Compliance with HIPAA (Health Insurance Portability and Accountability Act of 1996)

MCPs shall comply with the transaction standards and code sets for sending and receiving applicable transactions as specified in 45 CFR Part 162 (HIPAA regulations). In addition the MCP must enter into the appropriate trading partner agreement and implemented standard code sets. If the MCP has obtained third-party certification of HIPAA compliance for any of the items listed below, that certification may be submitted in lieu of the MCP's written verification for the applicable item(s).

- i. Trading Partner Agreements
- ii. Code Sets
- iii. Transactions
 - a. Health Care Claims or Equivalent Encounter Information (ASC X12N 837 & NCPDP 5)
 - b. Eligibility for a Health Plan (ASC X12N 270/271)
 - c. Referral Certification and Authorization (ASC X12N 278)
 - d. Health Care Claim Status (ASC X12N 276/277)
 - e. Enrollment and Disenrollment in a Health Plan (ASC X12N 834)
 - f. Health Care Payment and Remittance Advice (ASC X12N 835)
 - g. Health Plan Premium Payments (ASC X12N 820)
 - h. Coordination of Benefits

(viii) Trading Partner Agreement with ODJFS

MCPs must complete and submit an EDI trading partner agreement in a format specified by ODJFS. Submission of the copy of the trading partner agreement prior to entering into this Agreement may be waived at the discretion of ODJFS; if submission prior to entering into this Agreement is waived, the trading partner agreement must be submitted at a subsequent date determined by ODJFS.

Noncompliance with the EDI and claims adjudication requirements will result in the imposition of penalties, as outlined in Appendix N of the Agreement, *Compliance Assessment System*.

c. Encounter Data Submission Requirements

General Requirements

Each MCP must collect data on services furnished to members through a claims system and must report encounter data to the ODJFS. The MCP is required to submit this data electronically to ODJFS as specified in Appendix L.

Acceptance Testing

The MCP must have the capability to report all elements in the Minimum Data Set as set forth in the ODJFS Encounter Data Specifications and must submit a test file in the ODJFS-specified medium in the required formats prior to contracting or prior to an information systems replacement or update.

Acceptance testing of encounter data is required as specified in Section 28.a.v. of this Appendix.

Encounter Data File Submission Procedures

A certification letter must accompany the submission of an encounter data file in the ODJFS-specified medium. The certification letter must be signed by the MCP's Chief Executive Officer (CEO), Chief Financial Officer (CFO), or an individual who has delegated authority to sign for, and who reports directly to, the MCP's CEO or CFO.

d. IDSS Data Submission and Audit Report Requirements

In accordance with 42 CFR 438.606, the MCP must submit a signed data certification letter to ODJFS attesting to the accuracy and completeness of its audited HEDIS IDSS data submitted to ODJFS. Each MCP must also submit to ODJFS a signed data certification letter attesting to the accuracy and completeness of its final HEDIS audit report (FAR) submitted to ODJFS.

Each data certification letter is due to ODJFS on the same day the respective HEDIS IDSS data/FAR is to be submitted. For complete instructions on submitting the data certification letters, see *ODJFS Methodology for MCP Self-Reported, Audited HEDIS Results*.

e. Information Systems Review

ODJFS or its designee may review the information system capabilities of each MCP at the following times: before ODJFS enters into a provider agreement with a new MCP, when a participating MCP undergoes a major information system upgrade or change, when there is identification of significant information system problems, or any time at ODJFS' discretion. Each MCP must participate in the review. The review will assess the extent to which the MCP is capable of maintaining a health information system including producing valid encounter data, performance measures, and other data necessary to support quality assessment and improvement, as well as managing the care delivered to its members.

The following activities, at a minimum, will be carried out during the review. ODJFS or its designee will:

- i. Review the Information Systems Capabilities Assessment (ISCA) forms, as developed by CMS, which the MCP will be required to complete;

- ii. Review the completed ISCA and accompanying documents;
 - iii. Conduct interviews with MCP staff responsible for completing the ISCA, as well as staff responsible for aspects of the MCP's information systems function;
 - iv. Analyze the information obtained through the ISCA, conduct follow-up interviews with MCP staff, and write a statement of findings about the MCP's information system;
 - v. Assess the ability of the MCP to link data from multiple sources;
 - vi. Examine MCP processes for data transfers;
 - vii. If an MCP has a data warehouse, evaluate its structure and reporting capabilities;
 - viii. Review MCP processes, documentation, and data files to ensure that they comply with state specifications for encounter data submissions; and
 - ix. Assess the claims adjudication process and capabilities of the MCP.
29. Delivery (Childbirth) Payments – CFC Members Only (File submission requirements will change according to MITS implementation schedule)

The MCP will be reimbursed for paid CFC member deliveries that are identified in the submitted encounters using the methodology outlined in the *ODJFS Delivery Payment and Reporting Procedures document*. The delivery payment represents the facility and professional service costs associated with the delivery event and postpartum care that is rendered in the hospital immediately following the delivery event; no prenatal or neonatal experience is included in the delivery payment.

If a delivery occurred, but the MCP did not reimburse providers for any costs associated with the delivery, then the MCP shall not submit the delivery encounter to ODJFS and is not entitled to receive payment for the delivery. Delivery encounters submitted by the MCP must be received by ODJFS no later than four hundred sixty (460) days after the last date of service (pending ODJFS IT capacity). Delivery encounters which are received by ODJFS after this time will be denied payment. Prior to the implementation of the four hundred sixty (460) day criteria, delivery encounters which are submitted later than three hundred sixty-five (365) days after the last date of service will be denied payment. The MCP will receive notice of the payment denial on the remittance advice.

To capture deliveries outside of institutions (e.g., hospitals) and deliveries in hospitals without an accompanying physician encounter, both the institutional encounters (UB-92) and the non-institutional encounters (NSF) are searched for deliveries.

If a physician and a hospital encounter are found for the same delivery, only one payment will be made. The same is true for multiple births; if multiple delivery encounters are submitted, only one payment will be made.

Rejections

If a delivery encounter is not submitted according to ODJFS specifications, it will be rejected and the MCP will receive this information on the exception report (or error report) that accompanies every file in the ODJFS-specified format. Tracking, correcting and resubmitting all rejected encounters is the responsibility of the MCP and is required by ODJFS.

Timing of Delivery Payments

The MCP will be paid monthly for deliveries. For example, payment for a delivery encounter submitted with the required encounter data submission in March, will be reimbursed in May.

This payment will be a part of the weekly update (adjustment payment) that is in place currently. The third weekly update of the month will include the delivery payment. The remittance advice is in the same format as the capitation remittance advice which is sent once each month.

Updating and Deleting Delivery Encounters

The process for updating and deleting delivery encounters can be found in the Covered Families and Children (CFC) Delivery Payment Reporting Procedures and Specifications for ODJFS Managed Care Plans (MITS version - draft) document.

Auditing of Delivery Payments

A delivery payment audit will be conducted periodically. If medical records do not substantiate that a delivery (at least 22 weeks gestation) occurred related to the payment that was made, then ODJFS will recoup the delivery payment from the MCP. Also, if it is determined that the encounter which triggered the delivery payment was not a paid encounter, then ODJFS will recoup the delivery payment.

30. If the MCP will be using the Internet functions that will allow approved users to access member information (e.g., eligibility verification), the MCP must ensure that the proper safeguards, firewalls, etc., are in place to protect member data.
31. The MCP must receive prior written approval from ODJFS before adding any information to its website that would require ODJFS prior approval in hard copy form (e.g., provider listings, member handbook information).

32. Pursuant to 42 CFR 438.106(b), the MCP acknowledges that it is prohibited from holding a member liable for the cost of services provided to the member in the event that the ODJFS fails to make payment to the MCP.
33. In the event of an insolvency of an MCP, the MCP, as directed by ODJFS, must cover the continued provision of services to members until the end of the month in which insolvency has occurred, as well as the continued provision of inpatient services until the date of discharge for a member who is institutionalized when insolvency occurs.
34. Information Required for MCP Websites
 - a. On-line Provider Directory – The MCP must have an internet-based provider directory or link to the MCEC’s online provider directory available in the same format as its ODJFS-approved provider directory, that allows members to electronically search for the MCP panel providers based on name, provider type and geographic proximity (as specified in Appendix H). MCP provider directories must include all MCP-contracted providers (except as specified by ODJFS) as well as certain ODJFS non-contracted providers.
 - b. On-line Member Website – The MCP must have a secure internet-based website which provides members the ability to submit questions, comments, grievances, and appeals, and receive a response. Members must be given the option of a response by return e-mail or phone call. The MCP’s responses to questions or comments must be made within one working day of receipt. The MCP’s responses to grievances and appeals must adhere to the timeframes specified in OAC rule 5101:3-26-08.4. The member website must be regularly updated to include the most current ODJFS-approved materials, although this website must not be the only means for notifying members of new and/or revised MCP information (e.g., change in holiday closures, changes in additional benefits, and revisions to approved member materials).

The MCP member website must also include, at a minimum, the following information which must be accessible to members and the general public without any log-in restriction: (1) MCP contact information, including the MCP’s toll-free member services phone number, service hours, and closure dates; (2) a list of counties covered in the MCP’s service area; (3) the ODJFS-approved MCP member handbook, recent newsletters and announcements; (4) the MCP’s on-line provider directory as referenced in section 34(a) of this appendix; (5) a list of services requiring PA; and (6) the MCP’s preferred drug list (PDL), including an explanation of the list and identification of any preferred drugs that require PA, the MCP’s list of drugs that require PA, including an explanation of the list, identification of first line drugs for drugs that require PA for step therapy, how to initiate a PA, and the MCP’s policy for coverage of generic versus brand name drugs. The MCP must ensure that all website member information and materials are clearly labeled for CFC members and/or ABD members, as applicable. ODJFS

may require the MCP to include additional information on the member website as needed.

- c. On-line Provider Website – The MCP must have a secure internet-based website for contracting providers through which providers can confirm a consumer’s enrollment and through which providers can submit and receive responses to prior authorization requests (an e-mail process is an acceptable substitute if the website includes the MCP’s e-mail address for such submissions).

The MCP provider website must also include, at a minimum, the following information which must be accessible to providers and the general public without any log-in restrictions: (1) MCP contact information, including the MCP’s designated contact for provider issues; (2) a list of counties covered in the MCP’s service area; (3) the MCP’s provider manual including the MCP’s claims submission process, as well as a list of services requiring PA, recent newsletters and announcements; (4) the MCP’s policies and procedures for out-of-network providers to seek payment of claims for emergency, post-stabilization and any other services authorized by the MCP; (5) the MCP’s on-line provider directory as referenced in section 34(a) of this appendix; and (6) the MCP’s PDL, including an explanation of the list and identification of any preferred drugs that require PA, the MCP’s list of drugs that require PA, including an explanation of the list, identification of first line drugs for drugs that require PA for step therapy, how to initiate a PA, and the MCP’s policy for coverage of generic versus brand name drugs. The MCP must ensure that all website information and materials are clearly labeled for CFC members and/or ABD members, as applicable. ODJFS may require the MCP to include additional information on the provider website as needed.

The MCP must provide prescribers with in-office access to their preferred drug and PA lists via the availability of at least one hand-held software application on or before January 1, 2012.

35. The MCP must provide members with a printed version of its Preferred Drug List (PDL) and Prior Authorization (PA) lists upon request.
36. PCP Feedback – The MCP must have the administrative capacity to offer feedback to individual providers on their: 1) adherence to evidence-based practice guidelines; and 2) positive and negative care variances from standard clinical pathways that may impact outcomes or costs. In addition, the feedback information may be used by the MCP for activities such as provider performance improvement projects that include incentive programs or the development of quality improvement programs.
37. Coordination of Benefits - When a claim is denied due to third party liability, the MCP must timely share appropriate and available information regarding the third party to the

provider for the purposes of coordination of benefits, including, but not limited to third party liability information received from ODJFS.

38. MCP submissions with due dates that fall on a weekend or holiday are due the next business day.
39. Trial Member Level Incentive Programs - The MCP must submit a description of a proposed trial member-level incentive program to ODJFS for review and approval prior to implementation. A trial member level incentive program is defined as a time limited monetary or non-monetary reward offered to a member who complies with the intended goals of the program as outlined by the MCP (e.g., recommended health screenings) in the submission. The incentive must not be considered a medically-necessary Medicaid-covered service or an additional benefit as offered in the MCP's Member Handbook. The MCP should refer to the Guidance Document for Managed Care Plan Submission for Trial Member Level Incentive Programs for additional clarification.
40. The MCP must subscribe to the ODJFS distribution lists for notification of all 1) OAC rule clearances, and 2) final rules published with medical assistance letters (MALs), Medicaid handbook transmittal letters (MHTLs), and other transmittal letters affecting managed care program requirements. Rule clearances and MALs/MHTLs are managed by separate ODJFS entities. The MCP is solely responsible for submitting its names and email addresses to the appropriate ODJFS distribution lists and is also responsible for ensuring the validity of any e-mail addresses maintained on those distribution lists.
41. Transfer of Protected Health Information from ODJFS Fee-For-Service Pharmacy Benefit Manager

ODJFS contracts with ACS to serve as the pharmacy benefits manager for ODJFS (“the PBM Agreement”) with respect to the management, provision and payment of pharmacy benefits for Ohio Medicaid fee-for-service consumers.

In order to compile, analyze, prepare and file HEDIS reports and to assess on-going health care needs, MCPs require certain ongoing data related to pharmacy benefits provided under the PBM Agreement. ODJFS has instructed ACS to provide the data to the MCPs. The data to be transferred includes Protected Health Information (PHI) as defined in 45 C.F.R. Parts 160 and 164 (Privacy Regulations”).

ODJFS and the MCP are covered entities under the Health Insurance Portability and Accountability Act of 1996, and ODJFS asserts that both ACS and MCP are Business Associates of ODJFS, as defined in the Privacy Regulations, and each of ACS and MCP has executed a Business Associate Agreement directly with ODJFS in accordance with the Health Insurance Portability and Accountability Act of 1996 and the Privacy Regulations.

Data shall be transferred in electronic format and is limited to the data fields set forth in the data transfer document that was jointly developed by ODJFS, ACS, and the MCPs.

ACS shall transfer such information for a period of time necessary for the MCP to meet its contractual duties under this agreement. ODJFS represent and warrants that separate from this Provider Agreement, a Business Associate agreement that complies fully with the Health Insurance Portability and Accountability Act of 1996 and the HITECH provisions of the American Recovery and Reinvestment Act of 2009 (collectively "HIPAA") and with 45 C.F.R. Parts 160 and 164 (the "Privacy Regulations") has been executed by ACS and is currently effective, and will remain in effect for the Term of this Agreement.

ACS will automatically delete any file that is older than 30 days (i.e. 31 calendar days or more backwards in time) from their FTP pick-up site. MCPs must reimburse ACS to recreate a file that has been moved and/or automatically deleted from the ACS FTP pick-up site. While the cost to recreate a file will be based on technical human resources, development, and processing time; the maximum cost ACS will charge MCPs to recreate a file will be \$1,000 per file.

42. Upon request by ODJFS, the MCP must share data with ODJFS's actuary, Mercer. ODJFS and the MCP are covered entities under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"). ODJFS represents and warrants that separate from this Provider Agreement, a Business Associate agreement that complies fully with HIPAA and the Health Information Technology for Economic and Clinical Health Act ("HITECH") and the implementing federal regulations under both Acts, has been executed by Mercer, is currently in effect, and will remain in effect for the Term of this Agreement.
43. As outlined in OAC rule 5101:3-26-05(D)(10), MCP subcontractors and referral providers may not bill enrollees any amount greater than would be owed if the entity provided the services directly (i.e., no balance billing by providers).
44. The MCP must comply with Executive Order 2011-12K. A copy of Executive Order 2011-12K can be found at <http://governor.ohio.gov/MediaRoom/ExecutiveOrders.aspx>. This Executive Order prohibits the use of public funds to purchase services that will be provided outside of the United States except under certain circumstances. Such services include the use of offshore programming or call centers. Additionally, the MCP must not transfer PHI to any location outside the United States or its territories.
45. The MCP must hold and maintain, or must be actively seeking and working towards, accreditation by the National Committee for Quality Assurance (NCQA) for the Ohio Medicaid line of business.

An MCP that is not currently NCQA accredited in Ohio for the Medicaid line of business must demonstrate that it is pursuing NCQA accreditation in accordance with the following:

- a. If the MCP submitted a signed copy of the NCQA survey contract by July 1, 2012 to ODJFS, then the MCP must complete the accreditation survey process by June 30, 2013; or
- b. If the MCP has not previously submitted a signed copy of the NCQA survey contract to ODJFS, then the MCP must do so within 12 months of the date that the MCP first receives Medicaid enrollment. The accreditation survey process must be completed within twelve months of the date of the signed NCQA survey contract.

After the MCP has completed the initial accreditation survey, ODJFS expects the MCP to achieve and/or maintain an Excellent, Commendable or Accredited status. If the MCP receives a Provisional or Denied status from NCQA, the MCP will be subject to penalties as noted in Appendix N. Compliance will be assessed beginning in SFY 2014 based on the MCP's accreditation status as of July 1, 2013 and thereafter on an annual basis.

For the purposes of meeting this accreditation requirement, ODJFS will only accept the use of the NCQA Corporate Survey Process to the extent deemed allowable by NCQA.

Upon completion of the accreditation survey, the MCP must submit to ODJFS a copy of the "Final Decision Letter" no later than 10 calendar days upon receipt from NCQA. Thereafter and on an annual basis between accreditation surveys, the MCP must submit a copy of the "Accreditation Summary Report" issued as a result of the Annual HEDIS Update no later than 10 calendar days upon receipt from NCQA. Upon ODJFS's request, the MCP must provide any and all documents related to achieving accreditation.

46. Pursuant to Section 1202 of the Health Care and Education Reform Act of 2010, and final federal regulations that will take effect January 1, 2013, 42 C.F.R. 438.6 and 438.804, MCPs are required to pay minimum rates to qualified primary care physicians, as designated by ODJFS, for certain primary care services, during calendar years 2013 and 2014. For these two calendar years, MCPs must pay at least Medicare rates specified by ODJFS to qualifying physicians designated by ODJFS. This requirement applies to the following services:

- (a) Evaluation and management codes 99201 through 99499, and
- (b) Current Procedural Terminology (CPT) vaccine administration codes 90460, 90461, 90471, 90472, 90473, and 90474, and their successor codes.

MCPs must provide sufficient documentation to ODJFS, as required by ODJFS and CMS, to enable ODJFS and CMS to ensure the primary care physician rate increase and vaccine administration rate increase is implemented according to state and federal regulations and guidance. MCPs must submit an invoice to ODJFS pursuant to a payment methodology approved by CMS. MCPs will be reimbursed based on this approved methodology outside capitation payments for the primary care physician rate increase and vaccine administration rate increase.

APPENDIX D

ODJFS RESPONSIBILITIES

The following are ODJFS responsibilities or clarifications that are not otherwise specifically stated in OAC Chapter 5101:3-26 or elsewhere in the ODJFS-MCP provider agreement.

General Provisions

1. ODJFS will provide MCPs with an opportunity to review and comment on the rate-setting time line and proposed rates, and proposed changes to the OAC program rules and the provider agreement.
2. ODJFS will notify MCPs of managed care program policy and procedural changes and, whenever possible, offer sufficient time for comment and implementation.
3. ODJFS will provide regular opportunities for MCPs to receive program updates and discuss program issues with ODJFS staff.
4. ODJFS will provide technical assistance sessions where MCP attendance and participation is required. ODJFS will also provide optional technical assistance sessions to MCPs, individually or as a group.
5. ODJFS will provide MCP's linkages to organization that can provide guidance on the development of effective strategies to eliminate health disparities.
6. ODJFS will provide MCPs with an annual MCP Calendar of Submissions outlining major submissions and due dates.
7. ODJFS will identify contact staff, including the Contract Administrator, selected for each MCP.
8. ODJFS will provide MCPs with an electronic Provider Master File containing all the Ohio Medicaid FFS providers, which includes their Medicaid Provider Number, as well as all providers who have been assigned a provider reporting number for current encounter data purposes. This file also includes NPI information when available.
9. Service Area Designation

ODJFS will implement a mandatory managed care program in service areas wherever choice and capacity allow and the criteria in 42 CFR 438.50(a) are met.
10. Consumer Information
 - a. ODJFS, or its delegated entity, will provide membership notices, informational materials,

and instructional materials to members and eligible individuals in a manner and format that may be easily understood. At least annually, ODJFS or designee will provide current MCP members with an open enrollment notice which describes the managed care program and includes information on the MCP options in the service area and other information regarding the managed care program as specified in 42 CFR 438.10.

- b. ODJFS will notify members or ask MCPs to notify members about significant changes affecting contractual requirements, member services or access to providers.
- c. If an MCP elects not to provide, reimburse, or cover a counseling service or referral service due to an objection to the service on moral or religious grounds, ODJFS will provide coverage and reimbursement for these services for the MCP's members.

As applicable, ODJFS will provide information to MCP members on what services the MCP will not cover and how and where the MCP's members may obtain these services.

11. Membership Selection and Premium Payment

- a. The Managed Care Enrollment Center (MCEC) - The ODJFS-contracted MCEC is responsible for providing unbiased education and selection services for the Medicaid managed care program. The MCEC operates a statewide toll-free telephone center to assist eligible individuals in selecting an MCP or choosing a health care delivery option.
- b. Auto-Assignment and New MCPs – When an MCP first enters a region or begins serving a new population within a region, ODJFS for a one year period, has the sole discretion to assign consumers by whatever method and standards it chooses for the region and population, irrespective of the methods and limitations outlined in this Appendix.
- c. Auto-Assignment Limitations – In order to ensure market and program stability, ODJFS may limit an MCP's auto-assignments for a population (e.g., ABD or CFC) if they meet any of the following enrollment thresholds:
 - 55% of the statewide ABD or CFC eligible population; and/or
 - 70% of the ABD or CFC eligibles in any region with two MCPs; and/or
 - 55% of the ABD or CFC eligibles in any region with three MCPs

Once an MCP meets one of these enrollment thresholds, the MCP will only be permitted to receive the additional new membership (in the region or statewide, as applicable) through: (1) consumer-initiated enrollment; and (2) auto-assignments which are based on previous enrollment in that MCP or based on an historical provider relationship with a provider who is not on the panel of any other MCP in that region. In the event that an MCP in a region meets one or more of these enrollment thresholds, ODJFS, in their sole discretion, may not impose the auto-assignment limitation and auto-assign members to the MCPs in that region as ODJFS deems appropriate.

- d. Performance Based Auto-Assignments – Consumers who do not voluntarily select an MCP or are not auto-assigned to an MCP based on previous enrollment in that MCP or an historical provider relationship with a provider who is not on the panel of another MCP in that region, will be auto-assigned based on the MCP performance using the following performance rating system:

MCPs will be scored based on the following measures:

One Point

- i. MCP Consumer Call Center (see Appendix C)
 - Average speed of answer
 - Abandonment rate
 - Blockage rate
- ii. MCP Provider Call Center (measurement and standards will match those set for the MCP Consumer Call Center outlined in Appendix C).
 - Average speed of answer
 - Abandonment rate
 - Blockage rate
- iii. Prompt Payment of Claims (see Appendix J)
 - Percentage of claims paid within 30days
 - Percentage of claims paid within 90 days
- iv. MCP Prior Authorization (see OAC 5101:3-26-03.1)
 - Average time to process non-pharmacy requests
 - Average time to process pharmacy requests

Each MCP will receive a specified number of points for meeting the established standard. If an MCP meets the established standard for each measure, they will receive ten points. Because these are performance based calculations, point calculations will be based solely on information reported by the MCP and will not be impacted by MCP requests for reconsideration under the Compliance Assessment System. For each region, the MCP with the highest score will receive the performance-based auto-assignments for the region. If there is a tie for the highest score, then each tying MCP will be considered equal in the auto-assignment process. Scoring will take place quarterly and will be based on the data that is available at the time the calculations are done. Scoring results will be applied to the auto-assignment process once the results are finalized.

On a regional basis, MCPs that have auto-assignment limitations do not qualify for performance-based auto-assignments unless (1) there are two MCPs in the region, (2) the auto-assignment limited MCP received 10 points and (3) the other MCP in the regional failed to receive 10 points. In this case, the MCP with the auto-assignment limitation shall receive auto-assignments in the amount of 10% of the performance based auto-assignments for every point the other MCP is below 10 points (i.e. if the other MCP has 7 points then the MCP would receive 30% [3 points * 10%]).

If ODJFS implements a new enrollment freeze on an MCP as outlined in Appendix N, the MCP will not receive any auto-assignments. Should ODJFS remove the new enrollment freeze, the MCP will not be entitled to receive performance based auto-assignments until the next quarterly review is performed and implemented as outlined in this section.

- e. Consumer Contact Record (CCR): ODJFS or their designated entity shall provide CCRs to MCPs on no less than a weekly basis. The CCRs are a record of each consumer initiated MCP enrollment, change, or termination, and each MCEC initiated MCP assignment processed through the MCEC.
 - f. ODJFS verifies MCP enrollment via a membership roster. ODJFS or its designated entity provides a full member roster (F) and a change roster (C) via HIPAA 834 compliant transactions.
 - g. Monthly Premiums - ODJFS will remit payment to the MCPs via an electronic funds transfer (EFT), or at the discretion of ODJFS, by paper warrant.
 - h. Remittance Advice (RA) - ODJFS will confirm all premium payments paid to the MCP during the month via a monthly RA. ODJFS or its designated entity provides a record of each payment via HIPAA 820 compliant transactions.
12. ODJFS will make available a website which includes current program information.
13. ODJFS will regularly provide information to MCPs regarding different aspects of MCP performance including, but not limited to, information on MCP-specific and statewide external quality review organization surveys, focused clinical quality of care studies, consumer satisfaction surveys and provider profiles.
14. Communications - The Bureau of Managed Care (BMC) is responsible for the oversight of the MCPs' provider agreements with ODJFS. Within the BMC, a specific Contract Administrator (CA) has been assigned to each MCP. Unless expressly directed otherwise, MCPs shall first contact their designated CA for questions/assistance related to Medicaid and/or the MCP's program requirements /responsibilities. If their CA is not available and the MCP needs immediate assistance, MCP staff should request to speak to a supervisor within the Managed Care Contract Administration Section.



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November 30, 2012

Subject: January through June 2013 Capitation Rate Certification – Covered Families and Children

Dear Ms. Ghatak:

The State of Ohio Office of Medical Assistance (State/OMA) has contracted with Mercer Government Human Services Consulting (Mercer) to develop actuarially sound capitation rates for the January through June 2013 (1H 2013) period Covered Families and Children (CFC) Risk-Based Managed Care program. This letter provides an overview of the methodology used for the 1H 2013 rate development and a certification of the resulting CFC rates.

Rate Development Overview

For 1H 2013, the CFC program will operate in eight regions using 10 rate cells, as shown in the table below. Thus, there are 80 distinct rate cells developed for the program.

Table 2.1

Regions
Central
East Central
Northeast
Northeast Central
Northwest
Southeast
Southwest
West Central

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Rate Groups (Program – Gender – Age)

Healthy Start/Healthy Families Male/Female < Age 1 (HST/HF M/F <1)

HST/HF M/F – 1

HST/HF M/F – 2 to 13

HST/HF M – 14 to 18

HST/HF F – 14 to 18

HF M – 19 to 44

HF F – 19 to 44

HF M/F – 45 to 64

HST F – 19 to 64

Delivery payment

The goal of capitation rate development is to take experience that is available for a historical period and convert that experience, using actuarial principles, into appropriate baseline data for the contract period. Actuarially sound rate-setting development for the 1H 2013 CFC program uses two base data sources for the non-pharmacy medical expense: managed care plan (MCP) encounter data and MCP cost reports, each segmented by the regions and rate cells noted above. The two bases are separately developed with appropriate adjustments made to each, as described below. The medical (non-pharmacy) component of the final rates is produced by blending the two data sources.

The pharmacy component is developed separately using data for prescriptions with fills from January 1, 2010 through December 31, 2010. January 2010 represents a time period that the pharmacy risk was within the MCP program, while the remainder of the year represents a fee-for-service (FFS) delivery environment. The development of the pharmacy component of the capitation rates is described separately within this letter.

Each component of the rate development is outlined below:

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- Non-pharmacy base data construction – encounter data
- Non-pharmacy base data construction – cost report data
- Efficiency adjustments
- Program changes
- Pharmacy component development
- Trend adjustments
- Construction of total medical services component
- Care coordination expenses and non-medical expense load
- Sales and Use tax and Health Insuring Corporation (HIC) tax
- Pay for performance

Non-Pharmacy Base Data Construction – Encounter Data

Summarized encounter data for the enrolled population was received for dates of service from January 1, 2009 through December 31, 2010. As a result of a change in actuarial contractors, Mercer used encounter data summaries compiled by the previous actuarial vendor. Mercer reviewed the encounter data summaries at the MCP and rate-cell level, as well as in comparison with corresponding cost reports and supplemental information sources. In general, the encounter data was determined to be valid and reasonably complete. Very minor adjustments were made to composites shown in the data book, based on review of the detailed plan data.

Various adjustments were made to the encounter data to produce a suitable rate-setting base, including:

- Removal of services not included in the State Plan
- Adjustment for third party liability (TPL) and fraud and abuse (FA) recoveries
- Completion for additional claims run out and late submissions (factors were updated to incorporate for more recent information)
- Addition of certain expenditures not included in encounter data
- Application of historical program changes

Encounter Data: Removal of Non-State Plan Services

The encounter data was adjusted to remove the cost and utilization corresponding to non-State Plan services (NSPS), such as supplementary vision benefits. In addition, because some MCPs have waived recipient copays for some services, Mercer adjusted the base data unit cost to reflect the level of copay application used in the Ohio FFS environment. These adjustments were based on plan-reported NSPS and the value of copay waivers.

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Encounter Data: Adjustment for Third Party Liability and Fraud and Abuse Recoveries

To the extent that the encounter data is not already net of recoveries from third party payers and FA recoveries, adjustment is appropriate. Mercer reviewed plan-reported information about these recoveries and how they are reflected in the base data.

Encounter Data: Completion for Additional Claims Run Out and Late Submissions

The base data includes claims incurred for the two years and submitted through March 2011, effectively paid through February 2011. Mercer received updated encounter data from the State for claims submitted through July 2011 and also utilized the more recent information available through the cost reports and National Association of Insurance Commissioners filings to refine these adjustment factors. To account for specific underreporting adjustments, which appear in the encounter data as delayed full payments, as well as normal incurred but not reported claims, Mercer analyzed the completeness by region and category of service in order to make the appropriate adjustments to the base data.

Encounter Data: Addition for Certain Expenditures Not Included in the Data

Similar to past years, the MCP encounter data did not include sufficient experience for covered non-emergent transportation services. As most of the rate group and region combinations did not contain any experience, a standard percentage adjustment applied to the historical data would not provide the desired result. As such, Mercer included explicit per member per month (PMPM) amounts for non-emergent transportation that varied by region and rate group. The PMPMs were determined based on a review of MCP-submitted cost reports and supplemental survey information.

Encounter Data: Application of Historical Program Changes

In order to structure the historical encounter data base appropriately, Mercer reviewed prior rate-setting documentation and other materials from the State to identify program changes that were implemented during the base data period. To place the entire base period on a consistent basis, adjustments were made to the portion of the base data prior to the implementation of the program change.

Blending Calendar Year 2009 and 2010 Encounter Data

After all the base encounter data adjustments that were described previously are made, calendar year (CY) 2009 base data is trended to CY 2010 levels and then the two years are blended to form a "modeled CY 2010" encounter data base. The use of two years of data in this manner bolsters the credibility of smaller rate cells that may have a tendency to be more volatile from year to year. Trend factors applied to CY 2009 reflect observed Medicaid trends during this time period and have been adjusted so as not to double count the impact of historical program changes.

Non-Pharmacy Base Data Construction – Cost Report Data

MCP cost reports covering CY 2009 and CY 2010 were provided to Mercer, along with the prior actuarial vendor's cost report summaries. Mercer reviewed the data at the MCP and rate cell level, as well as in comparison with corresponding summarized encounter data and supplemental information sources. In general, the cost report data was determined to be valid and reasonably complete. Very minor adjustments were made to composites shown in the data book, based on review of the detailed plan data.

Adjustments were made to the cost report data, many similar to those made for the encounter data base. These adjustments included:

- Removal of services not included in the State Plan
- Adjustment for TPL and FA recoveries
- Adjustment for certain subcapitation items
- Application of historical program changes

Cost Report Data: Removal of Non-State Plan Services

The cost report data was adjusted to remove the cost and utilization corresponding to NSPS, such as supplementary vision benefits and certain non-emergency transportation services. In addition, because some MCPs have waived recipient copays for some services, Mercer adjusted the base data unit cost to reflect the level of copay application used in the Ohio FFS environment.

Cost Report Data: Adjustment for Third Party Liability and Fraud and Abuse Recoveries

To the extent that the cost report data is not already net of recoveries from third party payors and FA recoveries, adjustment is appropriate. Mercer reviewed plan-reported information about these recoveries and how they are reflected in the base data.

Cost Report Data: Addition for Certain Sub-Capitation Items

MCPs in the Southeast and Central regions have unique sub-capitation arrangements with a particular provider. Due to the nature of these contracts, accurate experience for this provider is not reflected within the MCP cost reports. For this reason, supplemental data that reflect actual utilization patterns are collected from the MCPs in these regions. Mercer reviewed the supplemental information, comparing it to sub-capitation expenses reported in the MCP cost reports. Mercer made adjustments to the overall medical PMPMs by rate cell to account for the missing experience.

Cost Report Data: Application of Historical Program Changes

The historical program change adjustments described in the encounter data development process were also applied to the cost report data.

Blending 2009 and 2010 Cost Report Data

After all the cost report base data adjustments that were described previously are made, 2009 base data is trended to 2010 levels and then the two years are blended to form a “modeled 2010” cost report data base. The use of two years of data in this manner bolsters the credibility of smaller rate cells that may have a tendency to be more volatile from year to year. Trend factors applied to 2009 reflect observed Medicaid trends during this time period, adjusted so as not to double count the impact of historical program changes.

Efficiency Adjustments

Mercer developed efficiency adjustments that were applied to the base data as part of the process of developing 1H 2013 rates. These adjustments were not changed for the January through June 2013 rates. These adjustments reflect OMA’s intention that Medicaid managed care in Ohio be operated in an efficient, high-quality manner.

Provider Contracting Efficiency Adjustments

To ensure that unit cost levels in the MCP experience are appropriate to use as a baseline for the program contract period, OMA collects information about MCP provider payment levels. Mercer has considered this information in developing the 1H 2013 rates.

Emergency Department Efficiency Adjustment

Mercer performed a retrospective analysis of the MCPs’ CY 2009 and CY 2010 emergency department (ED) encounter data to identify ED visits that were considered avoidable due to the low-acuity nature of the visit. This analysis is not intended to imply that beneficiaries should be denied access to EDs, nor that the MCPs should deny payment for the ED visits. Instead, the analyses were designed to reflect OMA’s objective that more effective, efficient and innovative managed care could have prevented or preempted the need for some beneficiaries to seek care in the ED in the first place.

Using Mercer-identified low-acuity non-emergent (LANE) diagnosis codes compiled through clinical literature review, Mercer scanned the CY 2009–CY 2010 Ohio Medicaid encounter data for ED visits where LANE diagnoses appeared as the primary diagnosis on both the facility claim and any associated physician claim.

While the relevant literature typically considers all such ED visits non-emergent and/or emergent but primary care treatable or potentially preventable, Mercer applied additional filters on the data

to inform an appropriate rate adjustment and then factored in the replacement costs associated with an average office visit.

Non-Pharmacy Program Changes

OMA and Mercer reviewed the program changes that would have a material effect upon the cost, utilization or demographic structure of the program prior to or during the contract period, whose effect was not included within the base data.

Pharmacy Component Development

Effective October 1, 2011, OMA added pharmacy expenditures to the financial responsibility of the MCPs serving the Ohio Medicaid program. OMA engaged Mercer to assess the impact of managed-care principles on pharmacy utilization and reimbursement to support the formulation of the 1H 2013 capitation rates for this prior program change.

Data

Mercer compiled and validated pharmacy claims data from January 1, 2009 through January 31, 2011. Patterns, trends and historic program changes were assessed throughout the entire FFS and managed-care dataset. The base data used for the pharmacy rate development was January 1, 2010 through December 31, 2010. To estimate the impact of the managed care environment, the time period of February 1, 2010 through January 31, 2011 was used; one full year of FFS data. The annual impacts estimated from the one year of FFS data were then decreased to be eleven-twelfths of their original estimate in order to properly align with one month of managed care and 11 months of FFS data in the CY 2010 base. This is unchanged from the development of the CY 2012 rates.

Outpatient Pharmacy Claim Repricing

In the creation of the repricing algorithm to determine the equivalent pharmacy reimbursement costs, if the claims were paid by the MCPs, Mercer researched various Medicaid pharmacy program reimbursement structures for brand and generic drugs and layered on information obtained in the recent Milliman surveys to the MCPs. Upon reviewing the OMA pharmacy claims data and comparing that experience to the MCP-submitted pharmacy experience for the first half of 2012, Mercer believes the following reimbursement structure is achievable by managed care operations. Mercer determined whether a claim was for a single-source brand, multi-source brand or generic drug, using a proprietary algorithm based on multiple data fields contained in both the First Databank and Medispan databases.

Brand Name Drugs

Though several MCPs reported higher discounts on brand name drugs, Mercer believes the plans can achieve better discounts for brand name drugs. All single-source brand name drugs, as well as multi-source brand name drugs (which adjudicated at POS as a brand name drug) were repriced.

Generic Drugs

Each generic drug claim was repriced using an industry benchmark Medicaid maximum allowable cost (MAC) list for the same date of service. For each pharmacy claim for which there was a benchmark MAC unit price in place on the claim's date of service, the claim paid amount was compared to the derived paid amount using the MAC unit price benchmark. Each claim was repriced regardless of whether the benchmark price was higher or lower than the original amount on the claim line.

Copay and Dispensing Fees

OMA has not indicated that the copay structure for any population in the Medicaid program would change prior to or during the rate-setting period. In addition, Mercer believes the current dispensing fee is appropriate and achievable by most managed care plans and pharmacy benefit managers. Because of this, Mercer has made no changes in reimbursement assumptions as it pertains to copays or dispensing fees throughout the analysis. The FFS base pharmacy data paid amounts are assumed net of applicable copays, thus no further adjustment was required. Furthermore, these copays were consistent with what the MCPs reported in their pharmacy experience for the first half 2012.

Drug-Mix Assumptions

Mercer was able to flag the FFS pharmacy claims data as generic, multi-source brand or single-source brand. In doing so, we were able to calculate a generic dispensing rate, as well as a generic substitution rate, for select drug categories: traditional retail, specialty and mental health. This granularity allowed for the adjustment of drug mix to be done not only at the category of aid level but to also be individualized for specific categories of drugs. Based on the current FFS generic dispensing rates, Mercer developed drug-mix assumptions for the expected increase in generic dispensing, by population for each of the drug categories and adjusted the base experience accordingly.

Utilization Management Assumptions

No adjustments were made to account for improvements in utilization management for these extension rates.

Rebates

Through provisions of the 2010 Affordable Care Act, OMA will continue to have the ability to secure federal rebates from pharmaceutical manufacturers. Many MCPs have realized a resultant drop in their supplemental (or market share) rebate payments. Mercer has evaluated this decrease in rebate revenue for several states operating a managed care pharmacy program. This experience, as well as the negative impact of the commonality of formularies can have on the plans ability to garner supplemental rebates, was considered when Mercer determined the appropriate rebate adjustment.

Trend

Trend is an estimate of the change in the cost of providing a specific set of benefits over time, resulting from both unit cost (price and service mix) and utilization changes. Trend factors are used to estimate the cost of providing services in some future year (contract year) based on the cost incurred in a prior period (base period). As part of the development of actuarially sound capitation rates for 1H 2013, Mercer used annual trend factors to project the modeled CY 2010 base data forward. The trends used included a seasonality adjustment increase for 1H 2013.

Construction of Total Medical Services Component

After all of the above described adjustments are applied, Mercer blended the non-pharmacy components of the developed encounter data and developed cost report data. The separately-developed pharmacy component was added to form the complete medical services component of the capitation rate.

Care Coordination Expenses and Non-Medical Expense Load

To develop an appropriate value for the non-medical expense capitation component, Mercer reviewed current Ohio MCP CFC financial reports (including the CY 2011 information) to identify recent and historical program administrative expenses. In this review, Mercer considered both reported expenses by rate cell and in aggregate. MCPs may have different methods for allocating administrative expenses by rate cell and region and, thus, reported values by rate cell may not be directly comparable. Mercer compared trended administrative expenses to other industry benchmarks for reasonableness.

In addition to this review, Mercer also included the expected costs associated with the State's HealthChek mailing requirements that were added to the MCP's responsibilities for the CFC MCP.

Sales and Use Tax and Health Insuring Corporation Tax

MCPs are required to remit Sales and Use taxes as well as a HIC tax on the revenue they receive. The HIC tax is 1% of revenue and the Sales and Use tax varies by county. To determine appropriate regional Sales and Use tax rates for capitation purposes, Mercer evaluated

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county-level enrollment for each region and composited the county-level tax rates to a regional total, which was incorporated into the capitation rates.

Pay for Performance

Per terms of the Provider Agreement effective July 1, 2012, 1% of total premium will be placed in the managed care program performance payment fund and is available to the contracted MCPs as a bonus payment above and beyond the contracted actuarially sound capitation rates. The disposition of any bonus amount will be in accordance with Appendix O of the Provider Agreement.

Rate Certification

In preparing the capitation rates for the 1H 2013 CFC Risk-Based Managed Care program, Mercer has used and relied upon enrollment, eligibility, encounter and other information supplied by the State and its vendors. The State and its vendors are responsible for the validity and completeness of this supplied data and information. We have reviewed the data and information for internal consistency and reasonableness, but we did not audit it. If the data and information is incomplete or inaccurate, the values shown in this letter may need to be revised accordingly.

Mercer certifies that the rates were developed in accordance with generally accepted actuarial practices and principles and are appropriate for the Medicaid covered populations and services under the managed care contract. The undersigned actuaries are members of the American Academy of Actuaries and meet its qualification standards to certify to the actuarial soundness of Medicaid managed care capitation rates.

Capitation rates developed by Mercer are actuarial projections of future contingent events. Actual costs will differ from these projections. Mercer has developed these rates on behalf of the State to demonstrate compliance with the Centers for Medicare and Medicaid Services (CMS) requirements under 42 CFR 438.6(c) and in accordance with applicable laws and regulations. Use of these rates for any purpose beyond that stated may not be appropriate.

MCPs are advised that the use of these rates may not be appropriate for their particular circumstance and Mercer disclaims any responsibility for the use of these rates by MCPs for any purpose. Mercer recommends that any MCP considering contracting with the State should analyze its own projected medical expense, administrative expense and any other premium needs for comparison to these rates before deciding whether to contract with the State.

This certification letter assumes the reader is familiar with the Ohio Medicaid program, Medicaid eligibility rules and actuarial rating techniques. It is intended for the State and CMS and should not be relied upon by third parties. Other readers should seek the advice of actuaries or other



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qualified professionals competent in the area of actuarial rate projections to understand the technical nature of these results. This document should only be reviewed in its entirety.

If you have any questions on any of the above, please feel free to contact Mike Nordstrom at +1 602 522 6510 or Ernest Jaramillo at +1 602 522 6444.

Sincerely,

Mike Nordstrom, ASA, MAAA
Partner

Ernest Jaramillo, ASA, MAAA
Associate

DB/jh

Attachments

Copy:
Andrea Armendariz, Mercer
Denise Blank, Mercer
Marissa Horgash, Mercer
Dennis Yano, Mercer



ENCLOSURE 1

Rate Summary

State of Ohio
Office of Medical Assistance
Capitation Rate and Bonus Summary - Rate Group Level - CFC

Region	Rate Group	Projected		Eligible	
		Jan-Jun 2013	Jan-Jun 2013	Jan-Jun 2013	Jan-Jun 2013
		MMs/Deliveries	% of MM	Guaranteed Rate	1% Bonus
Central	HF/HST <1 M+F	101,344	4.90%	\$ 798.04	\$ 7.98
Central	HF/HST 1 M+F	92,914	4.50%	163.66	1.64
Central	HF/HST 2-13 M+F	949,196	45.92%	117.98	1.18
Central	HF/HST 14-18 M	138,922	6.72%	162.20	1.62
Central	HF/HST 14-18 F	141,036	6.82%	196.82	1.97
Central	HF 19-44 M	150,230	7.27%	305.90	3.06
Central	HF 19-44 F	404,255	19.56%	418.54	4.19
Central	HF 45+ M+F	60,504	2.93%	608.31	6.08
Central	HST 19-64 F	28,519	1.38%	442.93	4.43
Central	Composite Non-Delivery	2,066,921		\$ 253.01	\$ 2.53
Central	Delivery CFC	5,678		4,485.78	44.86
Central	Composite with Delivery	2,066,921		\$ 265.33	\$ 2.65
East Central	HF/HST <1 M+F	53,653	4.76%	\$ 649.85	\$ 6.50
East Central	HF/HST 1 M+F	47,841	4.24%	180.37	1.80
East Central	HF/HST 2-13 M+F	496,774	44.08%	125.25	1.25
East Central	HF/HST 14-18 M	81,143	7.20%	153.24	1.53
East Central	HF/HST 14-18 F	82,051	7.28%	199.78	2.00
East Central	HF 19-44 M	80,858	7.17%	243.98	2.44
East Central	HF 19-44 F	235,060	20.86%	391.78	3.92
East Central	HF 45+ M+F	35,107	3.11%	551.28	5.51
East Central	HST 19-64 F	14,556	1.29%	522.96	5.23
East Central	Composite Non-Delivery	1,127,043		\$ 242.52	\$ 2.43
East Central	Delivery CFC	3,282		4,634.30	46.34
East Central	Composite with Delivery	1,127,043		\$ 256.01	\$ 2.56
Northeast	HF/HST <1 M+F	83,373	4.53%	\$ 937.54	\$ 9.38
Northeast	HF/HST 1 M+F	74,848	4.07%	177.16	1.77
Northeast	HF/HST 2-13 M+F	821,654	44.67%	110.97	1.11
Northeast	HF/HST 14-18 M	134,789	7.33%	150.51	1.51
Northeast	HF/HST 14-18 F	141,748	7.71%	181.22	1.81
Northeast	HF 19-44 M	109,333	5.94%	264.38	2.64
Northeast	HF 19-44 F	389,605	21.18%	365.46	3.65
Northeast	HF 45+ M+F	62,753	3.41%	564.77	5.65
Northeast	HST 19-64 F	21,249	1.16%	484.62	4.85
Northeast	Composite Non-Delivery	1,839,352		\$ 242.27	\$ 2.42
Northeast	Delivery CFC	5,468		4,864.23	48.64
Northeast	Composite with Delivery	1,839,352		\$ 256.73	\$ 2.57
Northeast Central	HF/HST <1 M+F	19,699	4.16%	\$ 712.23	\$ 7.12
Northeast Central	HF/HST 1 M+F	18,857	3.98%	175.99	1.76
Northeast Central	HF/HST 2-13 M+F	209,371	44.20%	133.53	1.34
Northeast Central	HF/HST 14-18 M	34,101	7.20%	165.72	1.66
Northeast Central	HF/HST 14-18 F	35,195	7.43%	203.80	2.04
Northeast Central	HF 19-44 M	33,986	7.17%	287.75	2.88
Northeast Central	HF 19-44 F	99,856	21.08%	409.66	4.10
Northeast Central	HF 45+ M+F	16,199	3.42%	589.11	5.89
Northeast Central	HST 19-64 F	6,463	1.36%	600.66	6.01
Northeast Central	Composite Non-Delivery	473,727		\$ 258.04	\$ 2.58
Northeast Central	Delivery CFC	1,400		4,577.90	45.78
Northeast Central	Composite with Delivery	473,727		\$ 271.57	\$ 2.72

State of Ohio
Office of Medical Assistance
Capitation Rate and Bonus Summary - Rate Group Level - CFC

Region	Rate Group	Projected		Eligible	
		Jan-Jun 2013	Jan-Jun 2013	Jan-Jun 2013	Jan-Jun 2013
		MMs/Deliveries	% of MM	Guaranteed Rate	1% Bonus
Northwest	HF/HST <1 M+F	50,437	4.89%	\$ 616.76	\$ 6.17
Northwest	HF/HST 1 M+F	45,238	4.39%	168.40	1.68
Northwest	HF/HST 2-13 M+F	481,083	46.68%	122.93	1.23
Northwest	HF/HST 14-18 M	68,320	6.63%	156.55	1.57
Northwest	HF/HST 14-18 F	72,359	7.02%	202.38	2.02
Northwest	HF 19-44 M	69,454	6.74%	289.23	2.89
Northwest	HF 19-44 F	204,361	19.83%	426.82	4.27
Northwest	HF 45+ M+F	25,610	2.49%	716.70	7.17
Northwest	HST 19-64 F	13,698	1.33%	508.73	5.09
Northwest	Composite Non-Delivery	1,030,559		\$ 248.25	\$ 2.48
Northwest	Delivery CFC	2,874		4,245.24	42.45
Northwest	Composite with Delivery	1,030,559		\$ 260.09	\$ 2.60
Southeast	HF/HST <1 M+F	25,437	4.21%	\$ 731.27	\$ 7.31
Southeast	HF/HST 1 M+F	22,405	3.71%	172.12	1.72
Southeast	HF/HST 2-13 M+F	266,666	44.15%	132.72	1.33
Southeast	HF/HST 14-18 M	46,072	7.63%	166.04	1.66
Southeast	HF/HST 14-18 F	43,890	7.27%	212.50	2.13
Southeast	HF 19-44 M	51,792	8.57%	278.51	2.79
Southeast	HF 19-44 F	121,809	20.16%	414.86	4.15
Southeast	HF 45+ M+F	18,663	3.09%	601.37	6.01
Southeast	HST 19-64 F	7,333	1.21%	501.68	5.02
Southeast	Composite Non-Delivery	604,067		\$ 256.07	\$ 2.56
Southeast	Delivery CFC	1,712		3,909.81	39.10
Southeast	Composite with Delivery	604,067		\$ 267.16	\$ 2.67
Southwest	HF/HST <1 M+F	61,369	4.43%	\$ 710.60	\$ 7.11
Southwest	HF/HST 1 M+F	62,951	4.54%	211.94	2.12
Southwest	HF/HST 2-13 M+F	658,854	47.52%	130.93	1.31
Southwest	HF/HST 14-18 M	90,827	6.55%	172.12	1.72
Southwest	HF/HST 14-18 F	95,118	6.86%	212.30	2.12
Southwest	HF 19-44 M	84,986	6.13%	301.21	3.01
Southwest	HF 19-44 F	274,892	19.83%	400.86	4.01
Southwest	HF 45+ M+F	36,244	2.61%	623.73	6.24
Southwest	HST 19-64 F	21,322	1.54%	481.98	4.82
Southwest	Composite Non-Delivery	1,386,563		\$ 250.78	\$ 2.51
Southwest	Delivery CFC	3,872		5,352.32	53.52
Southwest	Composite with Delivery	1,386,563		\$ 265.72	\$ 2.66
West Central	HF/HST <1 M+F	41,712	4.49%	\$ 705.60	\$ 7.06
West Central	HF/HST 1 M+F	39,768	4.28%	164.35	1.64
West Central	HF/HST 2-13 M+F	434,329	46.74%	121.33	1.21
West Central	HF/HST 14-18 M	64,131	6.90%	166.42	1.66
West Central	HF/HST 14-18 F	66,399	7.15%	211.16	2.11
West Central	HF 19-44 M	61,160	6.58%	302.77	3.03
West Central	HF 19-44 F	183,524	19.75%	448.61	4.49
West Central	HF 45+ M+F	25,720	2.77%	690.39	6.90
West Central	HST 19-64 F	12,484	1.34%	539.44	5.39
West Central	Composite Non-Delivery	929,227		\$ 256.88	\$ 2.57
West Central	Delivery CFC	2,597		6,582.72	65.83
West Central	Composite with Delivery	929,227		\$ 275.27	\$ 2.75

State of Ohio
Office of Medical Assistance
Capitation Rate and Bonus Summary - Rate Group Level - CFC

Region	Rate Group	Projected		Eligible	
		Jan-Jun 2013 MMs/Deliveries	% of MM	Jan-Jun 2013 Guaranteed Rate	Jan-Jun 2013 1% Bonus
All Regions	HF/HST <1 M+F	437,024	4.62%	\$ 756.68	\$ 7.57
All Regions	HF/HST 1 M+F	404,822	4.28%	177.28	1.77
All Regions	HF/HST 2-13 M+F	4,317,926	45.66%	122.01	1.22
All Regions	HF/HST 14-18 M	658,306	6.96%	160.35	1.60
All Regions	HF/HST 14-18 F	677,795	7.17%	199.46	1.99
All Regions	HF 19-44 M	641,800	6.79%	285.13	2.85
All Regions	HF 19-44 F	1,913,364	20.23%	404.98	4.05
All Regions	HF 45+ M+F	280,799	2.97%	609.27	6.09
All Regions	HST 19-64 F	125,624	1.33%	494.19	4.94
All Regions	Composite Non-Delivery	9,457,461		\$ 249.65	\$ 2.50
All Regions	Delivery CFC	26,883		4,850.65	48.51
All Regions	Composite with Delivery	9,457,461		\$ 263.44	\$ 2.63



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Confidential

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November 30, 2012

Subject: January through June 2013 Capitation Rate Certification – Aged, Blind or Disabled

Dear Ms. Ghatak:

The State of Ohio Office of Medical Assistance (State/OMA) has contracted with Mercer Government Human Services Consulting (Mercer) to develop actuarially sound capitation rates for the January through June 2013 period (1H 2013) for the Aged, Blind or Disabled (ABD) Risk-Based Managed Care program. This letter provides an overview of the methodology used for the 1H 2013 rate development and a certification of the resulting ABD rates.

Rate Development Overview

For 1H 2013, the ABD program will operate in eight regions. One ABD rate cell (Age 21+) applies in each region. Managed care plan (MCP) payments are risk adjusted.

Table 2.1

Regions
Central
East Central
Northeast
Northeast Central
Northwest
Southeast
Southwest
West Central

The goal of capitation rate development is to take experience that is available from an historical period and convert that experience, using actuarial principles, into appropriate baseline data for the contract period. Actuarially sound rate-setting development for the 1H 2013 ABD program

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uses two base data sources for the non-pharmacy medical expense: MCP encounter data and MCP cost reports, each segmented by the regions noted above. The two bases are separately developed with appropriate adjustments made to each, as described below. The medical (non-pharmacy) component of the final rates is produced by blending the two data sources.

The pharmacy component is developed separately using data for prescriptions with fills from January 1, 2010 through December 31, 2010. January 2010 represents a time period that the pharmacy risk was within the MCP program, while the remainder of the year represents a fee-for-service (FFS) delivery environment. The development of the pharmacy component of the capitation rates is described separately within this letter.

Each component of the rate development is outlined below:

- Non-pharmacy base data construction – encounter data
- Non-pharmacy base data construction – cost report data
- Efficiency adjustments
- Program changes
- Trend adjustments
- Construction of total medical services component
- Care coordination expenses and non-medical expense load
- Sales and Use tax and Health Insuring Corporation (HIC) tax
- Pay for performance

Non-Pharmacy Base Data Construction – Encounter Data

Summarized encounter data for the enrolled population was received for dates of service from January 1, 2009 through December 31, 2010. As a result of a change in actuarial contractors, Mercer used encounter data summaries compiled by the previous actuarial vendor. Mercer reviewed the encounter data summaries at the MCP and region level, as well as in comparison with corresponding cost reports and supplemental information sources. In general, the encounter data was determined to be valid and reasonably complete. Very minor adjustments were made to composites shown in the data book, based on review of the detailed plan data.

Various adjustments were made to the encounter data to produce a suitable rate-setting base, including:

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- Removal of services not included in the State Plan
- Adjustment for third party liability (TPL) and fraud and abuse (FA) recoveries
- Completion for additional claims run out and late submissions (factors were updated to incorporate for more recent information)
- Addition of certain expenditures not included in encounter data
- Application of historical program changes

Encounter Data: Removal of Non-State Plan Services

The encounter data was adjusted to remove the cost and utilization corresponding to non-State Plan services (NSPS), such as supplementary vision benefits. In addition, because some MCPs have waived recipient copays for some services, Mercer adjusted the base data unit cost to reflect the level of copay application used in the Ohio FFS environment. These adjustments were based on plan-reported NSPS and the value of copay waivers.

Encounter Data: Adjustment for Third Party Liability and Fraud and Abuse Recoveries

To the extent that the encounter data is not already net of recoveries from third party payers and FA recoveries, adjustment is appropriate. Mercer reviewed plan-reported information about these recoveries and how they are reflected in the base data.

Encounter Data: Completion for Additional Claims Run Out and Late Submissions

The base data includes claims incurred for the two years and submitted through March 2011, effectively paid through February 2011. Mercer received updated encounter data from the State for claims submitted through July 2011 and also utilized the more recent information available through the cost reports and the National Association of Insurance Commissioners filings to refine these adjustment factors. To account for specific underreporting adjustments, which appear in the encounter data as delayed full payments, as well as normal incurred but not reported claims, Mercer analyzed the completeness by region and category of service in order to make the appropriate adjustments to the base data.

Encounter Data: Addition for Certain Expenditures Not Included in the Data

Similar to past years, the MCP encounter data did not include sufficient experience for non-emergent transportation. As most of the regional summaries did not contain any experience, a standard percentage adjustment applied to the historical data would not provide the desired result. As such, Mercer included explicit per member per month (PMPM) amounts for non-emergent transportation that varied by region. The PMPMs were determined based on a review of MCP-submitted cost reports and supplemental survey information. The resulting PMPMs for each region can be seen in the modeled base data within Attachment 4.

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Additionally, the base encounter data for the nursing facility category of service did not seem reasonable and appeared to be underreported. Similar to the non-emergent transportation adjustment, since the MCP cost report data emerged as a more appropriate source for this detail, Mercer included explicit PMPMs from the MCP cost reports in the encounter base data to replace the existing PMPMs.

Encounter Data: Application of Historical Program Changes

In order to structure the historical encounter data base appropriately, Mercer reviewed prior rate-setting documentation and other materials from the State to identify program changes that were implemented during the base data period. To place the entire base period on a consistent basis, adjustments were made to the portion of the base data prior to the implementation of the program change.

Blending Calendar Year 2009 and 2010 Encounter Data

After all the encounter base data adjustments that were described previously are made, calendar year (CY) 2009 base data is trended to CY 2010 levels and then the two years are blended to form a “modeled CY 2010” encounter data base. The use of two years of data in this manner bolsters the credibility of smaller rate cells that may have a tendency to be more volatile from year to year. Trend factors applied to CY 2009 reflect observed Medicaid trends during this time period and have been adjusted to avoid double counting the impact of historical program changes.

Non-Pharmacy Base Data Construction – Cost Report Data

MCP cost reports covering CY 2009 and CY 2010 were provided to Mercer, along with the prior actuarial vendor’s cost report summaries. Mercer reviewed the data at the MCP and region level, as well as in comparison with corresponding summarized encounter data and supplemental information sources. In general, the cost report data was determined to be valid and reasonably complete. Very minor adjustments were made to composites shown in the data book, based on review of the detailed plan data.

Adjustments were made to the cost report data, many similar to those made for the encounter data base. These adjustments included:

- Removal of services not included in the State Plan
- Adjustment for TPL and FA recoveries
- Application of historical program changes

Cost Report Data: Removal of Non-State Plan Services

The cost report data was adjusted to remove the cost and utilization corresponding to NSPS, such as supplementary vision benefits and certain non-emergency transportation services. In addition, because some MCPs have waived recipient copays for some services, Mercer adjusted the base data unit cost to reflect the level of copay application used in the Ohio FFS environment.

Cost Report Data: Adjustment for Third Party Liability and Fraud and Abuse Recoveries

To the extent that the cost report data is not already net of recoveries from third party payors and FA recoveries, adjustment is appropriate. Mercer reviewed plan-reported information about these recoveries and how they are reflected in the base data.

Cost Report Data: Application of Historical Program Changes

The historical program change adjustments described in the encounter data development process were also applied to the cost report data.

Blending 2009 and 2010 Cost Report Data

After all the cost report base adjustments that were described previously are made, 2009 base data is trended to 2010 levels and then the two years are blended to form a “modeled 2010” cost report data base. The use of two years of data in this manner bolsters the credibility of smaller rate cells that may have a tendency to be more volatile from year to year. Trend factors applied to 2009 reflect observed Medicaid trends during this time period and have been adjusted to avoid double counting the impact of historical program changes.

Efficiency Adjustments

Mercer developed efficiency adjustments that were applied to the base data as part of the process of developing the rates. These adjustments reflect OMA’s intention that Medicaid managed care in Ohio be operated in an efficient, high-quality manner.

Provider Contracting Efficiency Adjustments

To ensure that unit cost levels in the MCP experience are appropriate to use as a baseline for the program contract period, OMA collects information about MCP provider payment levels. Mercer has considered this information in developing the 1H 2013 rates.

Emergency Department Efficiency Adjustment

Mercer performed a retrospective analysis of the MCPs’ CY 2009 and CY 2010 emergency department (ED) encounter data to identify ED visits that were considered avoidable due to the low acuity nature of the visit. This analysis is not intended to imply that beneficiaries should be denied access to EDs, nor that the MCPs should deny payment for the ED visits. Instead, the

analyses were designed to reflect OMA's objective that more effective, efficient and innovative managed care could have prevented or preempted the need for some beneficiaries to seek care in the ED in the first place.

Using Mercer-identified low-acuity non-emergent (LANE) diagnosis codes compiled through clinical literature review, Mercer scanned the CY 2009–CY2 010 Ohio Medicaid encounter data for ED visits where LANE diagnoses appeared as the primary diagnosis on both the facility claim and any associated physician claim.

While the relevant literature typically considers all such ED visits non-emergent and/or emergent but primary care treatable or potentially preventable, Mercer applied additional filters on the data to inform an appropriate rate adjustment and then factored in the replacement costs associated with an average office visit.

Non-Pharmacy Program Changes

OMA and Mercer reviewed the program changes that would have a material effect upon the cost, utilization or demographic structure of the program prior to or during the contract period, whose effect was not included within the base data. Several changes were evaluated for their impact on the 1H 2013 rates.

Pharmacy Component Development

Effective October 1, 2011, OMA added pharmacy expenditures to the financial responsibility of the MCPs serving the Ohio Medicaid program. OMA engaged Mercer to assess the impact of managed-care principles on pharmacy utilization and reimbursement to support the formulation of the 1H 2013 capitation rates for this prior program change.

Data

Mercer compiled and validated pharmacy claims data from January 1, 2009 through January 31, 2011. Patterns, trends and historic program changes were assessed throughout the entire FFS and managed-care dataset. The base data used for the pharmacy rate development was January 1, 2010 through December 31, 2010. To estimate the impact of the managed care environment, the time period of February 1, 2010 through January 31, 2011 was used; one full year of FFS data. The annual impacts estimated from the one year of FFS data were then decreased to be eleven-twelfths of their original estimate in order to properly align with one month of managed care and 11 months of FFS data in the CY 2010 base. This is unchanged from the development of the CY 2012 rates.

Outpatient Pharmacy Claim Repricing

In the creation of the repricing algorithm, to determine the equivalent pharmacy reimbursement costs if the claims were paid by the MCPs, Mercer researched various Medicaid pharmacy program reimbursement structures for brand and generic drugs and layered on information obtained in the recent Milliman surveys to the MCPs. Upon reviewing the OMA pharmacy claims data and comparing that experience to the MCP submitted pharmacy experience for the first half of 2012, Mercer believes the following reimbursement structure is achievable by managed care operations. Mercer determined whether a claim was for a single-source brand, multi-source brand or generic drug, using a proprietary algorithm based on multiple data fields contained in both the First Databank and Medispan databases.

Brand Name Drugs

Though several MCPs reported higher discounts on brand name drugs, Mercer believes the plans can achieve better discounts for brand name drugs. All single-source brand name drugs, as well as multi-source brand name drugs (which adjudicated at POS as a brand name drug), were repriced.

Generic Drugs

Each generic drug claim was repriced using an industry benchmark Medicaid maximum allowable cost (MAC) list for the same date of service. For each pharmacy claim for which there was a benchmark MAC unit price in place on the claim's date of service, the claim paid amount was compared to the derived paid amount using the MAC unit price benchmark. Each claim was repriced regardless of whether the benchmark price was higher or lower than the original amount on the claim line.

Copay and Dispensing Fees

OMA has not indicated that the copay structure for any population in the Medicaid program would change prior to or during the rate-setting period. In addition, Mercer believes the current dispensing fee is appropriate and achievable by most managed care plans and pharmacy benefit managers. Because of this, Mercer has made no changes in reimbursement assumptions as it pertains to copays or dispensing fees throughout the analysis. The FFS base pharmacy data paid amounts are assumed net of applicable copays, thus no further adjustment was required. Furthermore, these copays were consistent with what the MCPs reported in their pharmacy experience for the first half 2012.

Drug-Mix Assumptions

Mercer was able to flag the FFS pharmacy claims data as generic, multi-source brand or single-source brand. In doing so, we were able to calculate a generic dispensing rate, as well as a

generic substitution rate, for select drug categories: traditional retail, specialty and mental health. This granularity allowed for the adjustment of drug mix to be done not only at the category of aid level but to also be individualized for specific categories of drugs. Based on the current FFS generic dispensing rates, Mercer developed drug-mix assumptions for the expected increase in generic dispensing, by population for each of the drug categories and adjusted the base experience accordingly.

Utilization Management Assumptions

No adjustments were made to account for improvements in utilization management for these extension rates.

Rebates

Through provisions of the 2010 Affordable Care Act, OMA will continue to have the ability to secure federal rebates from pharmaceutical manufacturers. Many MCPs have realized a resultant drop in their supplemental (or market share) rebate payments. Mercer has evaluated this decrease in rebate revenue for several states operating a managed care pharmacy program. This experience, as well as the negative impact of the commonality of formularies can have on the plans ability to garner supplemental rebates, was considered when Mercer determined the appropriate rebate adjustment.

Trend

Trend is an estimate of the change in the cost of providing a specific set of benefits over time, resulting from both unit cost (price and service mix) and utilization changes. Trend factors are used to estimate the cost of providing services in some future year (contract year) based on the cost incurred in a prior period (base period). As part of the development of actuarially sound capitation rates for 1H 2013, Mercer used annual trend factors to project the modeled CY 2010 base data forward. The trends used included a seasonality adjustment increase for 1H 2013.

Construction of Total Medical Services Component

After all of the above described adjustments are applied, Mercer blended the non-pharmacy components of the developed encounter data and developed cost report data. The separately-developed pharmacy component was added to form the complete medical services component of the capitation rate.

Care Coordination Expenses and Non-Medical Expense Load

To develop an appropriate value for the non-medical expense capitation component, Mercer reviewed current Ohio MCP ABD financial reports (including the CY 2011 cost reports) to identify recent and historical program administrative expenses. Mercer compared trended administrative expenses to other industry benchmarks for reasonableness.

Sales and Use Tax and Health Insuring Corporation Tax

MCPs are required to remit Sales and Use taxes as well as a HIC tax on the revenue they receive. The HIC tax is 1% of revenue and the Sales and Use tax varies by county. To determine appropriate regional Sales and Use tax rates for capitation purposes, Mercer evaluated county-level enrollment for each region and composited the county-level tax rates to a regional total, which was incorporated into the capitation rates.

Pay for Performance

Per terms of the Provider Agreement effective July 1, 2012 include 1% of total premium to be placed in the managed care program performance payment fund and is available to the contracted managed care plans as a bonus payment above and beyond the contracted actuarially sound capitation rates. The disposition of any bonus amount will be in accordance with Appendix O of the Provider Agreement.

Risk-Adjustment Process Overview

OMA uses the Chronic Illness and Disability Payment System (CDPS+Rx) model to adjust the ABD capitation payments. The CDPS+Rx model uses both diagnosis data on facility and professional records in addition to pharmacy data, to classify individuals into disease conditions. Member demographics (age and sex categories) are also incorporated to measure each MCP's anticipated health risk. The results are adjusted to ensure that the process does not increase or decrease the overall costs for the ABD Risk-Based Managed Care program.

Rate Certification

In preparing the capitation rates for the 1H 2013 ABD Risk-Based Managed Care program, Mercer has used and relied upon enrollment, eligibility, encounter and other information supplied by the State and its vendors. The State and its vendors are responsible for the validity and completeness of this supplied data and information. We have reviewed the data and information for internal consistency and reasonableness, but we did not audit it. If the data and information is incomplete or inaccurate, the values shown in this letter may need to be revised accordingly.

Mercer certifies that the rates were developed in accordance with generally accepted actuarial practices and principles and are appropriate for the Medicaid covered populations and services under the managed care contract. The undersigned actuaries are members of the American Academy of Actuaries and meet its qualification standards to certify to the actuarial soundness of Medicaid managed care capitation rates.

Capitation rates developed by Mercer are actuarial projections of future contingent events. Actual costs will differ from these projections. Mercer has developed these rates on behalf of the State to

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demonstrate compliance with the Centers for Medicare and Medicaid Services (CMS) requirements under 42 CFR 438.6(c) and in accordance with applicable laws and regulations. Use of these rates for any purpose beyond that stated may not be appropriate.

MCPs are advised that the use of these rates may not be appropriate for their particular circumstance and Mercer disclaims any responsibility for the use of these rates by MCPs for any purpose. Mercer recommends that any MCP considering contracting with the State should analyze its own projected medical expense, administrative expense and any other premium needs for comparison to these rates before deciding whether to contract with the State.

This certification letter assumes the reader is familiar with the Ohio Medicaid program, Medicaid eligibility rules and actuarial rating techniques. It is intended for the State and CMS and should not be relied upon by third parties. Other readers should seek the advice of actuaries or other qualified professionals competent in the area of actuarial rate projections to understand the technical nature of these results. This document should only be reviewed in its entirety.

If you have any questions on any of the above, please feel free to contact Mike Nordstrom at +1 602 522 6510 or Ernest Jaramillo at +1 602 522 6444.

Sincerely,

Mike Nordstrom, ASA, MAAA
Partner

Ernest Jaramillo, ASA, MAAA
Associate

DB/jh

Attachments

Copy:
Andrea Armendariz, Mercer
Denise Blank, Mercer
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ENCLOSURE 1

Rate Summary

State of Ohio
Office of Medical Assistance
Capitation Rate and Bonus Summary - Rate Group Level - ABD

FINAL

Region	Projected	% of MM	Jan-Jun 2013	Eligible
	Jan-Jun 2013		Jan-Jun 2013	Jan-Jun 2013
	Member Months		Guaranteed Rate	1% Bonus
Central	161,469	20.37%	\$ 1,518.25	\$ 15.18
East Central	82,795	10.44%	1,437.30	14.37
Northeast	173,556	21.89%	1,535.62	15.36
Northeast Central	48,499	6.12%	1,396.11	13.96
Northwest	77,244	9.74%	1,445.01	14.45
Southeast	75,982	9.58%	1,258.37	12.58
Southwest	103,181	13.01%	1,373.00	13.73
West Central	70,065	8.84%	1,545.32	15.45
All Regions	792,792		\$ 1,457.57	\$ 14.58

APPENDIX F

PREMIUM PAYMENTS: AT-RISK AMOUNTS

I. ABD AT-RISK AMOUNTS

An at-risk amount of 1% was applied to the MCP premium payments for delivery of services through December 31, 2011. The disposition of the at-risk amount will be made in accordance with Appendix O, *Pay-for-Performance (P4P)*.

II. CFC AT-RISK AMOUNTS

An at-risk amount of 1% was applied to the MCP premium payments for delivery of services through December 31, 2011. The disposition of the at-risk amount will be made in accordance with Appendix O, *Pay-for-Performance (P4P)*.

APPENDIX G

COVERAGE AND SERVICES

1. Basic Benefit Package

Pursuant to OAC rule 5101:3-26-03(A), with limited exclusions, limitations and clarifications (see OAC rule 5101:3-26-03(H) and section G.2 of this appendix), MCPs must ensure that members have access to medically-necessary services covered by the Ohio Medicaid fee-for-service (FFS) program, and any additional services as specified in OAC rule 5101:3-26-03. For information on Medicaid-covered services, MCPs must refer to the ODJFS website. The following includes but is not limited to a general list of services covered through the MCP benefit package:

- Inpatient hospital services
- Outpatient hospital services
- Rural health clinics (RHCs) and federally qualified health centers (FQHCs)
- Physician services whether furnished in the physician's office, the covered person's home, a hospital, or elsewhere
- Laboratory and x-ray services
- Screening, diagnosis, and treatment services to children under the age of twenty-one (21) under the HealthChek, Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) program
- Family planning services and supplies
- Home health and private duty nursing services
- Podiatry
- Chiropractic services
- Physical therapy, occupational therapy, developmental therapy, and speech therapy
- Nurse-midwife, certified family nurse practitioner, and certified pediatric nurse practitioner services
- Free-standing birth center services in free-standing birth centers as defined in OAC 5101:3-18-01

- Prescription drugs
- Ambulance and ambulance services
- Dental services
- Durable medical equipment and medical supplies
- Vision care services, including eyeglasses
- Nursing facility stays as specified in OAC rule 5101:3-26-03
- Hospice care
- Behavioral health services (see section G.2.b.iii of this appendix)
- Immunizations (*MCPs must follow the coverage requirements provided by ODJFS for any newly approved vaccine under the Vaccines for Children (VFC) program)
- Screening and counseling for obesity provided during an evaluation and management or preventive medicine visit, as described in OAC rule 5101:3-4-34

2. Exclusions, Limitations and Clarifications

a. Exclusions

MCPs are not required to pay for FFS program non-covered services, except as specified in OAC rule 5101:3-26-03. For information regarding Medicaid non-covered services, MCPs must refer to the ODJFS website. The following includes but is not limited to a general list of the services not covered by the FFS program:

- Services or supplies that are not medically necessary
- Treatment of obesity unless medically necessary
- Experimental services and procedures, including drugs and equipment, not covered by Medicaid, and not in accordance with customary standards of practice.
- Abortions, except in the case of a reported rape, incest, or when medically necessary to save the life of the mother
- Infertility services for males or females
- Voluntary sterilization if under 21 years of age or legally incapable of consenting to the procedure

- Reversal of voluntary sterilization procedures
- Plastic or cosmetic surgery that is not medically necessary*
- Sexual or marriage counseling
- Acupuncture and biofeedback services
- Services to find cause of death (autopsy) or services related to forensic studies
- Paternity testing
- Services determined by another third-party payor as not medically necessary.
- Drugs not covered by the Ohio Medicaid pharmacy program as specified in OAC 5101:3-9-03, including drugs for the treatment of obesity.
- Assisted suicide services, defined as services for the purpose of causing, or assisting to cause, the death of an individual. This does not pertain to withholding or withdrawing medical treatment, nutrition or hydration or to the provision of a service for the purpose of alleviating pain or discomfort, even if the use may increase the risk of death, so long as the service is not furnished for the specific purpose of causing death.
- Medical services if the service was caused by a provider-preventable condition as defined in 42 CFR 447.26. The prohibition on payment for provider-preventable conditions shall not result in a loss of access to care or services for Medicaid consumers.

MCPs are not required to pay for non-emergency services or supplies received without members following the directions in their MCP member handbook, unless otherwise directed by ODJFS.

*These services could be deemed medically necessary if medical complications/conditions in addition to the physical imperfection are present.

b. Limitations & Clarifications

i. Member Cost-Sharing

As specified in OAC rules 5101:3-26-05(D) and 5101:3-26-12, MCPs are permitted to impose the applicable member co-payment amount(s) for dental services, vision services, non-emergency emergency department services, or prescription drugs, MCPs must notify ODJFS if they intend to impose a co-

payment. ODJFS must approve the notice to be sent to the MCP's members and the timing of when the co-payments will begin to be imposed. If ODJFS determines that an MCP's decision to impose a particular co-payment on their members would constitute a significant change for those members, ODJFS may require the effective date of the co-payment to coincide with the "Open Enrollment" month.

Notwithstanding the preceding paragraph, MCPs must provide an ODJFS-approved notice to all their members 90 days in advance of the date that the MCP will impose the co-payment. With the exception of member co-payments the MCP has elected to implement in accordance with OAC rules 5101:3-26-05(D) and 5101:3-26-12, the MCP's payment constitutes payment in full for any covered services and their subcontractors must not charge members or ODJFS any additional co-payment, cost sharing, down-payment, or similar charge, refundable or otherwise.

ii. Abortion and Sterilization

The use of federal funds to pay for abortion and sterilization services is prohibited unless the specific criteria found in federal law and OAC rules 5101:3-17-01 and 5101:3-21-02.2 are met. MCPs must verify that all of the information on the applicable required forms (JFS 03197, JFS 03199, HHS-687 and HHS-687-1 (SPANISH VERSION)) is provided and that the service meets the required criteria before any such claim is paid.

Additionally, payment must not be made for associated services such as anesthesia, laboratory tests, or hospital services if the abortion or sterilization itself does not qualify for payment. MCPs are responsible for educating their providers on the requirements; implementing internal procedures including systems edits to ensure that claims are only paid once the MCP has determined if the applicable forms are completed and the required criteria are met, as confirmed by the appropriate certification/consent forms; and for maintaining documentation to justify any such claim payments. If MCPs have made the determination that the requirements associated with an abortion, sterilization, or hysterectomy were sufficiently met by the facility/provider, then no additional information (i.e. operative notes, history and physical, ultrasound etc.) is required from ancillary providers.

iii. Behavioral Health Services

Coordination of Services: MCPs must ensure that members have access to all medically-necessary behavioral health services covered by the FFS program and are responsible for coordinating those services with other medical and support services, including the publicly funded community behavioral health system. There are a number of Medicaid-covered mental health services available through Ohio Department of Mental Health (ODMH)-certified Community Mental Health

Centers (CMHCs) and Medicaid-covered substance abuse services available through Ohio Department of Alcohol and Drug Addiction Services (ODADAS)-certified Medicaid providers. MCPs must notify members via the member handbook and provider directory of where and how to access behavioral health services, including the ability to self-refer to mental health services offered through ODMH CMHCs as well as substance abuse services offered through ODADAS-certified Medicaid providers.

MCPs must provide Medicaid-covered behavioral health services for members who are unable to timely access services or are unwilling to access services through the publicly funded community behavioral health system as specified below.

iv. Financial Responsibility for Behavioral Health Services: MCPs are responsible for the following:

- Medicaid-covered prescription drugs when prescribed by an ODMH- certified or ODADAS-certified provider and obtained through an MCP's panel pharmacy.
- Medicaid-covered, provider-administered medications including:
 1. Injectable long-acting 2nd generation antipsychotic drugs, haloperidol, haloperidol decanoate, lorazepam, fluphenazine decanoate, and valium when administered by an ODMH-certified provider.
 2. Generic buprenorphone for induction and/or titration and vivitrol (injectable naltrexone) when administered by ODADAS-certified provider.

When administered as a medical benefit, MCPs shall reimburse ODMH-certified or ODADAS-certified providers for Medicaid-covered, provider-administered medications listed above at the lesser of 100% of the provider's cost or 100% of the Ohio Medicaid program fee-for-service reimbursement rate.

- Medicaid-covered services provided by an MCP's panel laboratory when referred by an ODMH CMHC or ODADAS-certified provider;
- Physician services in an IMD as long as the member is 21 years of age and under or 65 years of age and older.
- The following Medicaid-covered behavioral health services obtained through providers other than those who are ODMH-certified CMHCs or ODADAS-certified providers when arranged/authorized by the MCP:

Mental Health: MCPs are responsible for ensuring access to counseling and

psychotherapy, physician/psychologist/psychiatrist services, outpatient clinic services, general hospital outpatient psychiatric services, pre-hospitalization screening, diagnostic assessment (clinical evaluation), crisis intervention, psychiatric hospitalization in general hospitals (for all ages) and laboratory services.

Substance Abuse: MCPs are responsible for ensuring access to alcohol and other drug (AOD) urinalysis screening, assessment, counseling, physician/psychologist/psychiatrist AOD treatment services, outpatient clinic AOD treatment services, general hospital outpatient AOD treatment services, crisis intervention, inpatient detoxification services in a general hospital, and laboratory services.

v. Limitations:

- MCPs are not responsible for paying for behavioral health services provided through ODMH-certified CMHCs and ODADAS-certified Medicaid providers;
- MCPs are not responsible for payment of partial hospitalization (mental health), inpatient psychiatric care in a private or public free-standing psychiatric hospital, outpatient detoxification, substance abuse intensive outpatient programs (IOP) or methadone maintenance; and
- MCPs are not responsible for providing mental health services to persons between 22 and 64 years of age while residing in an institution for mental disease (IMD) as defined in Section 1905(i) of the Social Security Act.

vi. Pharmacy Benefit:

- a. In providing the Medicaid pharmacy benefit to their members, MCPs must cover the same drugs covered by the FFS program, in accordance with OAC rule 5101:3-26-03(A) and (B). However, pursuant to ORC Section 5111.172, MCPs may, subject to ODJFS approval, implement strategies for the management of drug utilization. (See appendix K.2.f.i).
- b. MCPs must participate in quarterly meetings to obtain prior ODJFS approval of changes to the MCP list of drugs requiring prior authorization. Unless otherwise authorized by ODJFS, the quarterly meeting process will assure that the combined list of drugs requiring prior authorization for each MCP and Ohio Medicaid results in a combined percentage agreement that is no less than the previous quarter's approved percentage.
- c. MCPs are not permitted to require prior authorization (PA) in the case of a drug to which all of the following apply:
 - (i) The drug is an antidepressant or antipsychotic.
 - (ii) The drug is administered or dispensed in a standard tablet or capsule form, except that in the case of an antipsychotic, the drug

also may be administered or dispensed in a long-acting injectable form.

- (iii) The drug is prescribed by either of the following:
 - (a) An MCP panel provider psychiatrist;
 - (b) A psychiatrist practicing at a CMHC;
 - (iv) The drug is prescribed for a use that is indicated on the drug's labeling, as approved by the federal food and drug administration.
- d. Notwithstanding paragraph 27.i.g of Appendix C, MCPs may require PA for antidepressant or antipsychotic drugs that do not meet the criteria outlined in paragraph b, above. MCPs must consider the prescribing provider's verification that the member is stable on the specific medication when making the PA decision.
- v. Organ Transplants: MCPs must ensure coverage for organ transplants and related services in accordance with OAC 5101-3-2- 07.1 (B)(4) & (5). Coverage for all organ transplant services, except kidney transplants, is contingent upon review and recommendation by the "Ohio Solid Organ Transplant Consortium" based on criteria established by Ohio organ transplant surgeons and authorization from the ODJFS prior authorization unit. Reimbursement for bone marrow transplant and hematopoietic stem cell transplant services, as defined in OAC 3701:84-01, is contingent upon review and recommendation by the "Ohio Hematopoietic Stem Cell Transplant Consortium" again based on criteria established by Ohio experts in the field of bone marrow transplant. While MCPs may require prior authorization for these transplant services, the approval criteria would be limited to confirming the consumer is being considered and/or has been recommended for a transplant by either consortium. Additionally, in accordance with OAC 5101:3-2-03 (A)(4) all services related to organ donations are covered for the donor recipient when the consumer is Medicaid eligible.

3. Information Sharing with Non-Panel Providers

To assist members in accessing medically-necessary Medicaid covered services, MCPs are required to share specific information with certain non-panel providers. The information is to assist non-panel providers to recognize MCP membership, access information needed to provide services and if applicable successfully submit claims to the MCP.

a. ODJFS-Designated Providers

Per OAC rule 5101:3-26-03.1(A)(4), MCPs must share specific information with ODMH-certified CMHCs, ODADAS-certified Medicaid providers, FQHCs/RHCs, qualified family planning providers [QFPPs], hospitals and if applicable, certified nurse midwives [CNMs], certified nurse practitioners [CNPs], and free-standing birth centers (FBCs) as defined in OAC 5101:3-18-01 within the MCP's service area and in

bordering regions if appropriate based on member utilization information. The information must be shared within the first month after the MCP has been awarded a Medicaid provider agreement for a specific region and annually thereafter. At a minimum, the information must include the following:

- the information's purpose;
- claims submission information including the MCP's Medicaid provider number for each region (this information is only required to be provided to non-panel FQHCs/RHCs, QFPPs, CNMs, CNPs and hospitals);
- the MCP's prior authorization and referral procedures;
- a picture of the MCP's member ID card (front and back);
- contact numbers for obtaining information for eligibility verification, claims processing, referrals/prior authorization, post-stabilization care services and if applicable information regarding the MCP's behavioral health administrator;
- a listing of the MCP's laboratories and radiology providers; and
- a listing of the MCP's contracting behavioral health providers and how to access services through them (this information is only required to be provided to non-panel ODMH-certified CMHCs and ODADAS-certified Medicaid providers).

b. MCP-authorized Providers

Per OAC rule 5101:3-26-05(A)(9), MCPs authorizing the delivery of services from a non-panel provider must ensure that they have a mutually agreed upon compensation amount for the authorized service and notify the provider of the applicable provisions of paragraph D of OAC rule 5101:3-26-05. This notice is provided when an MCP authorizes a non-panel provider to furnish services on a one-time or infrequent basis to an MCP member and must include required ODJFS-model language and information. This notice must also be included with the transition of services form sent to providers as outlined in paragraph 27.i. of Appendix C.

APPENDIX H

PROVIDER PANEL SPECIFICATIONS

1. FEDERAL ACCESS STANDARDS

MCPs must provide or arrange for the delivery of all medically necessary, Medicaid-covered health services, as well as assure that they are in compliance with the following federally defined Provider panel access standards as required by 42 CFR 438.206:

In establishing and maintaining their provider panel, MCPs must consider the following:

- The anticipated Medicaid membership.
- The expected utilization of services, taking into consideration the characteristics and health care needs of specific Medicaid populations represented in the MCP.
- The number and types (in terms of training, experience, and specialization) of panel providers required to deliver the contracted Medicaid services.
- The geographic location of panel providers and Medicaid members, considering distance, travel time, the means of transportation ordinarily used by Medicaid members, and whether the location provides physical access for Medicaid members with disabilities.
- MCPs must adequately and timely cover services to an out-of-network provider if the MCP's contracted provider panel is unable to provide the services covered under the MCP's provider agreement. The MCP must cover the out-of-network services for as long as the MCP network is unable to provide the services. MCPs must coordinate with the out-of-network provider with respect to payment and ensure that the provider agrees with the applicable requirements.

Contracting providers must offer hours of operation that are no less than the hours of operation offered to commercial members or comparable to Medicaid FFS, if the provider serves only Medicaid members. MCPs must ensure that services are available 24 hours a day, 7 days a week, when medically necessary. MCPs must establish mechanisms to ensure that panel providers comply with timely access requirements, and must take corrective action if there is failure to comply.

In order to demonstrate adequate provider panel capacity and services, 42 CFR 438.206 and 438.207 stipulates that the MCP must submit documentation to ODJFS, in a format specified by ODJFS, that demonstrates it offers an appropriate range of preventive, primary care and specialty services adequate for the anticipated number of members in the service area, while maintaining a provider panel that is sufficient in number, mix, and geographic distribution to meet the needs of the number of members in the service area.

This documentation of assurance of adequate capacity and services must be submitted to ODJFS no less frequently than at the time the MCP enters into a contract with ODJFS; at any time there is a significant change (as defined by ODJFS) in the MCP's operations that would affect

adequate capacity and services (including changes in services, benefits, geographic service or payments); and at any time there is enrollment of a new population in the MCP.

2. GENERAL PROVISIONS

The ODJFS provider panel requirements are specified in the charts included with this appendix and must be met prior to the MCP receiving a provider agreement with ODJFS. The MCP must remain in compliance with these requirements for the duration of the provider agreement.

If an MCP is unable to provide the medically necessary, Medicaid-covered services through their contracted provider panel, the MCP must ensure access to these services on an as needed basis. For example, if an MCP meets the orthopedist requirement but a member is unable to obtain a timely appointment from an orthopedist on the MCP's provider panel, the MCP will be required to secure an appointment from a panel orthopedist or arrange for an out-of-panel referral to an orthopedist.

If the MCP offers transportation to their members as an additional benefit and this transportation benefit only covers a limited number of trips, the required transportation listed above may **not** be counted toward this trip limit (as specified in Appendix C).

In developing the provider panel requirements, ODJFS considered, on a county-by-county basis, the population size and utilization patterns of the Ohio Medicaid ABD and CFC consumers, as well as the potential availability of the designated provider types. ODJFS has integrated existing utilization patterns into the provider network requirements to avoid disruption of care. Most provider panel requirements are county-specific but in certain circumstances, ODJFS requires providers to be located anywhere in the region.

ODJFS will recalculate the minimum provider panel specifications if ODJFS determines that significant changes have occurred in the availability of specific provider types and the number and composition of the eligible population.

On a monthly basis, ODJFS or its designee will provide MCPs with an electronic file containing the MCP's provider panel as reflected in the ODJFS Managed Care Provider Network (MCPN) database, or other designated system.

3. PROVIDER SUBCONTRACTING

Unless otherwise specified in this appendix or OAC rule 5101:3-26-05, all MCPs are required to enter into fully-executed subcontracts with their providers. These subcontracts must include a baseline contractual agreement, as well as the appropriate ODJFS-approved Model Medicaid Addendum. The Model Medicaid Addendum incorporates all applicable OAC rule requirements specific to provider subcontracting and therefore cannot be modified except to add personalizing information such as the MCP's name.

MCPs may not employ or contract with providers excluded from participation in federal health care programs under either section 1128 or section 1128A of the Social Security Act. Only those providers who meet the applicable criteria specified in this document, and as determined by ODJFS, will be counted toward meeting minimum panel requirements. MCPs must credential/recredential providers in accordance with OAC rule 5101:3-26-05. The MCP must ensure that the provider has met all applicable credentialing criteria before the provider can be listed as a panel provider. At the direction of ODJFS, the MCPs must submit documentation verifying that all necessary contract documents have been appropriately completed.

The MCPN is a centralized database system that maintains information on the status of all MCP-submitted providers. MCPs must notify ODJFS of the addition and deletion of their contracting providers as specified in OAC rule 5101:3-26-05, and must notify ODJFS within one working day, in instances where the MCP has identified that they are not in compliance with the provider panel requirements specified in this appendix. For provider deletions, MCPs must complete and submit an electronic record terminating the provider from the MCPN or other designated system.

4. PROVIDER PANEL REQUIREMENTS

The provider network criteria that must be met by each MCP are as follows:

a. Primary Care Providers (PCPs)

PCP means an individual physician (M.D. or D.O.), certain physician group practice/clinic (Primary Care Clinics [PCCs]), or an advanced practice nurse (APN) as defined in ORC 4723.43 or advanced practice nurse group practice within an acceptable specialty, contracting with an MCP to provide services as specified in paragraph (B) of OAC rule 5101: 3-26-03.1. Acceptable specialty types for PCPs include family/general practice, internal medicine, pediatrics, and obstetrics/ gynecology (OB/GYN). Acceptable PCCs include FQHCs, RHCs and the acceptable group practices/clinics specified by ODJFS. As part of their subcontract with an MCP, PCPs must stipulate the total Medicaid member capacity that they can ensure for that individual MCP.

Each PCP must have the capacity and agree to serve at least 50 Medicaid MCP members at each practice site in order for the PCP to count toward minimum provider panel requirements. Where indicated, ODJFS may set a cap on the maximum amount of capacity that will be recognized for a specific PCP.

For PCPs contracting with more than one MCP, the MCP must ensure that the capacity figure stated by the PCP in their subcontract reflects only the capacity the PCP intends to provide for that one MCP. ODJFS utilizes each approved PCP's capacity figure to determine if an MCP meets the provider panel requirements and this stated capacity figure does not prohibit a PCP from actually having a caseload that exceeds the capacity figure indicated in their subcontract.

ODJFS recognizes that MCPs will need to utilize specialty providers to serve as PCPs for some special needs members. In these situations the MCP would submit these specialists to the MCPN

database, or other system as PCPs, however they will not count toward minimum provider panel PCP requirements they must be submitted to MCPN, or other system, as the appropriate required provider type and coded as a PCP. Also, in some situations (e.g., continuity of care) a PCP may only want to serve a very small number of members for an MCP. These PCPs will, however, need to execute a subcontract with the MCP which includes the appropriate Model Medicaid Addendum.

The PCP requirement is based on an MCP having sufficient PCP capacity to serve 40% of the eligibles in the region if three MCPs are serving the region and 55% of the eligibles in the region if two MCPs are serving the region. At a minimum, each MCP serving CFC members must meet the PCP capacity requirement for that region, each MCP serving ABD members must meet the PCP capacity requirements and the minimum number of PCP requirements for that region. Rural areas are defined pursuant to 42 CFR 412.62(f)(1)(iii).

In addition to the PCP capacity requirement, MCPs serving CFC members must also contract with the specified number of pediatric PCPs for each region. These pediatric PCPs will have their stated capacity counted toward the PCP capacity requirement.

A pediatric PCP must maintain a general pediatric practice (e.g., a pediatric neurologist would not meet this definition unless this physician also operated a practice as a general pediatrician) at a site(s) located within the county/region and be listed as a pediatrician with the Ohio State Medical Board. In addition, half of the required number of pediatric PCPs must also be certified by the American Board of Pediatrics. The provider panel requirements for pediatricians are included in the practitioner charts in this appendix.

b. Non-PCP Provider Network

Although there are currently no capacity requirements of the non-PCP required provider types, MCPs are required to ensure that adequate access is available to members for all required provider types. Additionally, for certain non-PCP required provider types, MCPs must ensure that these providers maintain a full-time practice at a site(s) located in the specified county/region (i.e., the ODJFS-specified county within the region or anywhere within the region if no particular county is specified). A full-time practice is defined as one where the provider is available to patients at their practice site(s) in the specified county/region for at least 25 hours a week. ODJFS will monitor access to services through a variety of data sources, including: consumer satisfaction surveys; member appeals/grievances/complaints and state hearing notifications/requests; clinical quality studies; encounter data volume; provider complaints, and clinical performance measures.

In addition to the PCP capacity requirements, each MCP is also required to maintain adequate access in the remainder of its provider network within the following categories: hospitals, dentists, vision care providers, OB/GYNs, allergists, general surgeons, otolaryngologists, orthopedists, FQHCs/RHCs and QFPs. CNMs, CNPs, FQHCs/RHCs and QFPs are federally-required provider types.

Each MCP serving ABD members is required to maintain adequate capacity in addition to the remainder of its provider network within the following categories: cardiovascular, gastroenterology, nephrology, neurology, oncology, physical medicine, podiatry, psychiatry, and urology.

All Medicaid-contracting MCPs must provide all medically-necessary Medicaid-covered services to their members and therefore their complete provider network will include many other additional specialists and provider types. MCPs must ensure that all non-PCP network providers follow community standards in the scheduling of routine appointments (i.e., the amount of time members must wait from the time of their request to the first available time when the visit can occur).

Hospitals - MCPs must contract with the number and type of hospitals specified by ODJFS for each county/region. In developing these hospital requirements, ODJFS considered, on a county-by-county basis, the population size and utilization patterns of the Ohio Medicaid ABD and CFC consumers and integrated the existing utilization patterns into the hospital network requirements to avoid disruption of care. For this reason, ODJFS may require that MCPs contract with out-of-state hospitals (i.e. Kentucky, West Virginia, etc.). For each Ohio hospital, ODJFS utilizes the hospital's most current Annual Hospital Registration and Planning Report, as filed with the Ohio Department of Health (ODH), in verifying types of services that hospital provides. Although ODJFS has the authority, under certain situations, to obligate a non-contracting hospital to provide non-emergency hospital services to an MCP's members, MCPs must still contract with the specified number and type of hospitals unless ODJFS approves a provider panel exception (see Section 5 of this appendix, *Provider Panel Exceptions*).

If an MCP-contracted hospital elects not to provide specific Medicaid-covered hospital services because of an objection on moral or religious grounds, the MCP must ensure that these hospital services are available to its members through another MCP-contracted hospital in the specified county/region.

OB/GYNs - MCPs must contract with at least the minimum number of OB/GYNs for each county/region, all of whom must maintain a full-time obstetrical practice at a site(s) located in the specified county/region. Only MCP-contracting OB/GYNs with current hospital privileges at a hospital under contract with the MCP in the region can be submitted to the MCPN, or other system, count towards MCP minimum panel requirements, and be listed in the MCPs' provider directory.

Certified Nurse Midwives (CNMs) and Certified Nurse Practitioners (CNPs) - MCPs must ensure access to CNM and CNP services in the region if such provider types are present within the region. The MCP may contract directly with the CNM or CNP providers, or with a physician or other provider entity which is able to obligate the participation of a CNM or CNP. If an MCP does not contract for CNM or CNP services and such providers are present within the region, the MCP will be required to allow members to receive CNM or CNP services outside of the MCP's provider network.

Only CNMs with hospital delivery privileges at a hospital under contract with the MCP in the region can be submitted to the MCPN, or other system, count towards MCP minimum panel requirements, and be listed in the MCPs' provider directory. The MCP must ensure a member's access to CNM and CNP services if such providers are practicing within the region.

Vision Care Providers - MCPs must contract with at least the minimum number of ophthalmologists/ optometrists for each specified county/region, all of whom must maintain a full-time practice at a site(s) located in the specified county/region to count toward minimum panel requirements. All ODJFS-approved vision providers must regularly perform routine eye exams. MCPs will be expected to contract with an adequate number of ophthalmologists as part of their overall provider panel, but only ophthalmologists who regularly perform routine eye exams can be used to meet the vision care provider panel requirement. If optical dispensing is not sufficiently available in a region through the MCP's contracting ophthalmologists/optometrists, the MCP must separately contract with an adequate number of optical dispensers located in the region.

Dental Care Providers - MCPs must contract with at least the minimum number of dentists.

FQHCs/RHCs - MCPs are required to ensure member access to any FQHCs/RHCs, regardless of contracting status. Contracting FQHC/RHC providers must be submitted for ODJFS review via the MCPN process, or other designated process. Even if no FQHC/RHC is available within the region, MCPs must have mechanisms in place to ensure coverage for FQHC/RHC services in the event that a member accesses these services outside of the region.

In order to ensure that any FQHC/RHC has the ability to submit a claim to ODJFS for the state's supplemental payment, MCPs must offer FQHCs/RHCs reimbursement pursuant to the following:

- MCPs must provide expedited reimbursement on a service-specific basis in an amount no less than the payment made to other providers for the same or similar service.
- If the MCP has no comparable service-specific rate structure, the MCP must use the regular Medicaid FFS payment schedule for non-FQHC/RHC providers.

Additionally, MCPs must:

- Provide FQHCs/RHCs the MCP's Medicaid provider number(s) for each region to enable FQHC/RHC providers to bill for the ODJFS wraparound payment.
- Educate their staff and providers on the need to assure member access to FQHC/RHC services.

Qualified Family Planning Providers (QFPPs) - All MCP members must be permitted to self-refer for services and supplies allowed under Title X of the Public Health Services Act (Title X services) provided by a QFPP. A QFPP is defined as any public or not-for-profit health care

provider that complies with Title X guidelines/standards, and receives either Title X funding or family planning funding from the ODH.. MCPs must reimburse all medically-necessary Medicaid-covered Title X services provided to eligible members by a QFPP provider (including on-site pharmacy and diagnostic services) on a patient self-referral basis, regardless of the provider's status as a panel or non-panel provider. A description of Title X services can be found on the ODH website.

MCPs will be required to work with QFPPs in the region to develop mutually-agreeable HIPAA compliant policies and procedures to preserve patient/provider confidentiality, and convey pertinent information to the member's PCP and/or MCP.

Behavioral Health Providers – MCPs must assure member access to all Medicaid-covered behavioral health services for members as specified in Appendix G.2. b.iii. herein. Although ODJFS is aware that certain outpatient substance abuse services may only be available through Medicaid providers certified by the ODADAS in some areas, MCPs must maintain an adequate number of contracted mental health providers in the region to assure access for members who are unable to timely access services or unwilling to access services through community mental health centers. MCPs may contract with ODMH community mental health centers and/or ODADAS alcohol and other drug treatment providers for medical services based on MCP business or operational needs intended to enhance patient-centered medical home and care coordination. These contracts must expressly prohibit payment for services for which the non-federal share of the cost is provided by a board of alcohol, drug addiction and mental health services or a state agency other than ODJFS.

Other Specialty Types (allergists, pediatricians, general surgeons, otolaryngologists, orthopedists for the CFC population and general surgeons, otolaryngologists, orthopedists, cardiologists, gastroenterologists, nephrologists, neurologists, oncologists, podiatrists, physiatrists, psychiatrists, and urologists for the ABD population) - MCPs must contract with at least the minimum number of ODJFS designated specialty provider types. In order to be counted toward meeting the provider panel requirements, these specialty providers must maintain a full-time practice at a site(s) located within the specified county/region. Only contracting general surgeons, orthopedists, and otolaryngologists, cardiologists, gastroenterologists, nephrologists, neurologists, oncologists, physiatrists, and urologists with admitting privileges at a hospital under contract with the MCP in the region can be submitted to the MCPN, or other system, count towards MCP minimum panel requirements, and be listed in the MCP's provider directory.

5. PROVIDER PANEL EXCEPTIONS

ODJFS may approve exceptions to the minimum provider panel requirements specified in this appendix if:

- the MCP presents sufficient documentation to ODJFS to verify that they have been unable to meet or maintain certain provider panel requirements in a particular service area despite all reasonable efforts on their part to secure such a contract(s), and

- if notified by ODJFS, the provider(s) in question fails to provide a reasonable argument why they would not contract with the MCP, and
- the MCP presents sufficient assurances to ODJFS that their members will have adequate access to the services in question.

If an MCP is unable to contract with or maintain a sufficient number of providers to meet the ODJFS-specified provider panel criteria, the MCP may request an exception to these criteria by submitting a provider panel exception request as specified by ODJFS. ODJFS will review the exception request and determine whether the MCP has sufficiently demonstrated that all reasonable efforts were made to obtain contracts with providers of the type in question and that they the MCP will be able to provide access to the services in question.

ODJFS may approve a provider panel exception request (PPE) for a period of not more than one year. If there exists an active PPE for a provider panel criteria, ODJFS will not review or approve an additional PPE for that criteria sooner than the month immediately preceding the month in which the existing PPE is set to expire. For example, if there is an approved PPE for dentists in X county that expires January 2013, ODJFS would not review or approve a new PPE for dentists in X county before December 2012. The PPE approval date shall be specified in the ODJFS approval letter. Once the MCP has resolved the deficiency, the PPE is no longer valid.

ODJFS will aggressively monitor access to all services related to the approval of a provider panel exception request through a variety of data sources, including: consumer satisfaction surveys; member appeals/grievances/complaints and state hearing notifications/requests; member just-cause for termination requests; clinical quality studies; encounter data volume; provider complaints, and clinical performance measures. ODJFS approval of a PPE request does not exempt the MCP from assuring access to the services in question. If ODJFS determines that an MCP has not provided sufficient access to these services, the MCP may be subject to sanctions.

6. PROVIDER DIRECTORIES

MCP provider directories must include all MCP-contracted providers as well as certain non-contracted providers as specified by ODJFS. At the time of ODJFS' review, the information listed in the MCP's provider directory for all ODJFS-required provider types specified on the attached charts must exactly match the data currently on file in the ODJFS MCPN, or other designated process.

MCP provider directories must utilize a format specified by ODJFS. Directories may be region-specific or include multiple regions, however, the providers within the directory must be divided by region, county, and provider type, in that order.

The directory must also specify:

- provider address(es) and phone number(s);

- an explanation of how to access providers (e.g. referral required vs. self-referral);
- an indication of which providers are available to members on a self-referral basis;
- foreign-language speaking PCPs and specialists and the specific foreign language(s) spoken;
- how members may obtain directory information in alternate formats that takes into consideration the special needs of eligible individuals including but not limited to, visually-limited, LEP, and LRP eligible individuals,
- any PCP or specialist practice limitations; and
- An indication of whether the provider is accepting new members.

Printed Provider Directory

Prior to executing a provider agreement with ODJFS, all MCPs must develop a printed provider directory that shall be prior-approved by ODJFS. Once approved, this directory may be regularly updated with provider additions or deletions by the MCP without ODJFS prior-approval, however, a copy of the revised directory (or inserts) must be submitted to ODJFS prior to distribution to members.

On a quarterly basis, MCPs **must** create an insert to each printed directory that lists those providers **deleted** from the MCP's provider panel during the previous three months. Although this insert does not need to be prior approved by ODJFS, a copy of the insert must be submitted to ODJFS two weeks prior to distribution to members.

Internet Provider Directory

MCPs are required to have an internet-based provider directory available in a format prior approved by ODJFS. This internet directory must allow members to electronically search for MCP panel providers based on name, provider type, and geographic proximity. If an MCP has one internet-based directory for multiple populations, each provider must include a description of which population they serve.

The internet directory may be updated at any time to include providers who are **not** one of the ODJFS-required provider types listed on the charts included with this appendix. ODJFS-required providers **must** be added to the internet directory within one week of submitting the provider to the MCPN. Providers being deleted from the MCP's panel must be deleted from the internet directory within one week of notification from the provider to the MCP. Providers being deleted from the MCP's panel must be posted to the internet directory within one week of notification from the provider to the MCP of the deletion. These deleted providers must be included in the inserts to the MCP's printed provider directory referenced above.

Central Region

	Crawford	Delaware	Fairfield	Fayette	Franklin	Hocking	Knox	Licking	Logan	Madison	Marion	Morrow	Perry	Pickaway	Pike	Ross	Scioto	Union	Additional Required: In-Region	Total Required
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PCP Capacity - ABD																				
Capacity	170	174	395	152	4,670	176	211	502	131	104	367	102	243	222	375	543	1,196	74		9,807
PCPs	2	2	3	2	17	2	2	4	2	1	3	1	3	2	3	4	5	1		59
PCP Capacity - CFC																				
Capacity	2,016	2,307	4,698	1,341	55,101	1,672	2,236	5,897	1,656	1,378	3,042	1,492	2,263	2,123	2,116	4,442	5,204	1,269		100,253

*Any additional CFC required capacity must be located within the region.

Hospitals - ABD																				
General Hospital			1	1				1			1			1		1	1		3	10
Hospital System					2															2
Hospitals - CFC																				
General Hospital	1		1	1	1		1	1	1	1	1			1		1	1	1	1	14
Hospital System					2															2

*ABD hospital systems include: physician networks and therefore these physicians could be considered when fulfilling contracts for PCP and non-PCP provider panel requirements.

*CFC general hospitals must provide obstetrical services if such a hospital is available in the county/region.

Practitioners - ABD																				
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Central Region

	Crawford	Delaware	Fairfield	Fayette	Franklin	Hocking	Knox	Licking	Logan	Madison	Marion	Morrow	Perry	Pickaway	Pike	Ross	Scioto	Union	Additional Required: In-Region	Total Required
Cardiovascular					2														3	5
Dentists		1	1		15		1	1			1					1				21
Gastroenterology					1														2	3
General Surgeons		1	1		5											1	1		1	10
Nephrology					1														1	2
Neurology					1														2	3
OB/GYNs		1	1		6														2	10
Oncology																			1	1
Orthopedists			1		3			1			1					1				7
Otolaryngologist		1			2															3
Physical Med Rehab					1														2	3
Podiatry		1			3														3	7
Psychiatry			1		5														4	10
Urology																			4	4
Vision	1	1	1		5		1	1	1		1					1	1			14

*All required providers and additional required providers must be located within the region.

Practitioners - CFC

Pediatricians		4	3		55		1	2	1	1	2			1		2	2	1	11	86
OB/GYNs		2	2		12		1	1			1					1	1		3	24
Vision	1	2	2		15		1	1	1		1			1		1	1	1	3	31
General Surgeons	1	1	1		10		1	1	1		1					1	1	1	2	22
Otolaryngologist		1			4														1	6
Allergists					2														2	4
Orthopedists			1		7			1			1					1			2	13
Dentists	1	2	3	1	45	1	2	3	1	1	2	1	1	1	1	3	2	1	5	77

*All required providers and additional required providers must be located within the region.

*Half of the pediatricians must be certified by the American Board of Pediatrics.

East Central Region

	Ashland	Carroll	Holmes	Portage	Richland	Stark	Summit	Tuscarawas	Wayne	Additional Required: In- Region	Total Required
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PCP Capacity - ABD											
Capacity	106	97	57	327	530	1,332	2,121	327	357		5,254
PCPs	1	1	1	2	3	4	5	2	2		21
PCP Capacity - CFC											
Capacity	1,732	1,226	794	4,329	5,363	14,376	20,279	3,616	3,291		55,006

*Any additional CFC required capacity must be located within the region.

Hospitals - ABD											
General Hospital				1	1	1		1	1	2	7
Hospital System							1				1
Hospitals - CFC											
General Hospital	1		1	1	1	1	1	1	1		8
Hospital System							1				1

*ABD hospital systems include: physician networks and therefore these physicians could be considered when fulfilling contracts for PCP and non-PCP provider panel requirements.

*CFC general hospitals must provide obstetrical services if such a hospital is available in the county/region.

Practitioners - ABD											
Cardiovascular						1	1			1	3

East Central Region

	Ashland	Carroll	Holmes	Portage	Richland	Stark	Summit	Tuscarawas	Wayne	Additional Required: In-Region	Total Required
Dentists	1				2	4	6	1			14
Gastroenterology										2	2
General Surgeons					1	1	2		1	2	7
Nephrology										1	1
Neurology										2	2
OB/GYNs						2	4				6
Oncology										1	1
Orthopedists						1	1			2	4
Otolaryngologist						1	1				2
Physical Med Rehab										2	2
Podiatry						1	2			1	4
Psychiatry						2	3			1	6
Urology										2	2
Vision					1	2	3			2	8

*All required providers and additional required providers must be located within the region.

Practitioners - CFC

Pediatricians	1			2	3	14	20	2	2	5	49
OB/GYNs					1	5	8		1	2	17
Vision					1	5	8			4	18
General Surgeons				1	2	3	4	1	1	1	13
Otolaryngologist						2	2			3	7
Allergists						1	1			1	3
Orthopedists					1	2	2		1	3	9
Dentists	2			3	5	13	17	3	3	2	48

*All required providers and additional required providers must be located within the region.

*Half of the pediatricians must be certified by the American Board of Pediatrics.

Northeast Region

	Ashtabula	Cuyahoga	Erie	Geauga	Huron	Lake	Lorain	Medina	Additional Required: In-Region	Total
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PCP Capacity - ABD										
Capacity	585	7,370	213	85	173	385	990	180		9,981
PCPs	4	16	2	1	1	2	4	1		31
PCP Capacity - CFC										
Capacity	5,256	66,564	2,873	1,111	2,612	5,210	11,431	3,155		98,212

*Any additional required CFC capacity must be located within the region.

Hospitals - ABD										
General Hospital	1			1	1	1	1	1		6
Hospital System		1							1	2
Hospitals - CFC										
General Hospital	1	1	1	1	1	1	1	1		8
Hospital System		1								1

*ABD hospital systems include: physician networks and therefore these physicians could be considered when fulfilling contracts for PCP and non-PCP provider panel requirements.

*CFC general hospitals must provide obstetrical services if such a hospital is available in the county/region.

Practitioners - ABD										
Cardiovascular		3					1		2	6

Northeast Region

	Ashtabula	Cuyahoga	Erie	Geauga	Huron	Lake	Lorain	Medina	Additional Required: In-Region	Total
Dentists	1	20				2	3	1	1	28
Gastroenterology		2							1	3
General Surgeons		6	1		1	1	1	1		11
Nephrology		1							1	2
Neurology		2							1	3
OB/GYNs		8	1				1		2	12
Oncology									1	1
Orthopedists		4					1		2	7
Otolaryngologist		1					1		1	3
Physical Med Rehab		2							1	3
Podiatry		4					2		2	8
Psychiatry		5					3		3	11
Urology		2							2	4
Vision	1	7	1			1	1		3	14
*All required providers and additional required providers must be located within the region.										
Practitioners - CFC										
Pediatricians	1	66	2			3	8	3	7	90
OB/GYNs	1	16	1		1	1	2	1	2	25
Vision	1	25	1			1	2	1	2	33
General Surgeons		12	1		1	1	2	1	2	20
Otolaryngologist		2					1		3	6
Allergists		2					1		2	5
Orthopedists		8	1			1	2	1	3	16
Dentists	2	65	1	1	1	5	10	3	1	89
*All required providers and additional required providers must be located within the region.										
*Half of the pediatricians must be certified by the American Board of Pediatrics.										

Northeast Central Region

	Columbiana	Mahoning	Trumbull	Additional Required: In- Region	Total
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<u>PCP Capacity - ABD</u>					
Capacity	582	1,440	1,007		3,029
PCPs	3	4	4		11
<u>PCP Capacity - CFC</u>					
Capacity	5,281	12,039	9,047	5,000	31,367

*Any additional required CFC capacity must be located within the region.

<u>Hospitals - ABD</u>					
General Hospital	1	1	1		3
Hospital System	0	0	0		0
<u>Hospitals - CFC</u>					
General Hospital	1	1	1		3
Hospital System	0	0	0		0

*CFC general hospitals must provide obstetrical services if such a hospital is available in the county/region.

<u>Practitioners - ABD</u>					
Cardiovascular		1		1	2
Dentists	1	3	3		7

Northeast Central Region

	Columbiana	Mahoning	Trumbull	Additional Required: In- Region	Total
Gastroenterology				1	1
General Surgeons	1	1	1		3
Nephrology				1	1
Neurology				1	1
OB/GYNs	1	1	1	1	4
Oncology				1	1
Orthopedists		1		1	2
Otolaryngologist		1			1
Physical Med Rehab				1	1
Podiatry				1	1
Psychiatry		3	2	1	6
Urology				1	1
Vision		2	2	1	5
*All required providers and additional required providers must be located within the region.					
Practitioners - CFC					
Pediatricians	2	10	6	5	23
OB/GYNs	1	3	2	1	7
Vision		3	2	2	7
General Surgeons	1	3	1	1	6
Otolaryngologist		1		1	2
Allergists				1	1
Orthopedists		2	1	1	4
Dentists	2	11	8	2	23
*All required providers and additional required providers must be located within the region.					
*Half of the pediatricians must be certified by the American Board of Pediatrics.					

Northwest Region

	Allen	Auglaize	Defiance	Fulton	Hancock	Hardin	Henry	Lucas	Mercer	Ottawa	Paulding	Putnam	Sandusky	Seneca	Van Wert	Williams	Wood	Wyandot	Additional Required: In-Region	Total
Dentists	1			1				6				1	1			1				11
Gastroenterology								1											1	2
General Surgeons	1							2									1		1	5
Nephrology																			1	1
Neurology								1											1	2
OB/GYNs	1							2					1	1			1			6
Oncology																			1	1
Orthopedists	1				1			1									1			4
Otolaryngologist								1											1	2
Physical Med Rehab								1											1	2
Podiatry								2									1		1	4
Psychiatry	1							3											1	5
Urology								1											1	2
Vision	1		1					2	1				1		1					7

*All required providers and additional required providers must be located within the region.

Practitioners - CFC

Pediatricians	4				1			23					1			1	2			13	45
OB/GYNs	2				1			5					1	1			1			2	13
Vision	2	1	1		1			7	1				1			1	2			1	18
General Surgeons	2				1			4					1			1	2			2	13
Otolaryngologist	1				1			2												3	7
Allergists	1							1												1	3
Orthopedists	2				1			2					1				1				7
Dentists	4	1	1	1	2	1	1	20	1	1		1	2	2	1	1	2	1	2		45

*All required providers and additional required providers must be located within the region.

*Half of the pediatricians must be certified by the American Board of Pediatrics.

Southwest Region

	Adams	Brown	Butler	Clermont	Clinton	Hamilton	Highland	Warren	Additional Required: In- Region	Total
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PCP Capacity - ABD										
Capacity	346	187	1,157	507	146	3,268	241	238		6,090
PCPs	3	1	4	3	1	6	2	2		22
PCP Capacity - CFC										
Capacity	2,063	2,122	12,296	5,787	1,705	29,787	2,240	2,754		58,754

*Any additional required CFC capacity must be located within the region.

Hospitals - ABD										
General Hospital		1	1		1	1	1		1	6
Hospital System						2				2
Hospitals - CFC										
General Hospital		1	1		1	1	1		1	6
Hospital System						2				2

*ABD hospital systems include: physician networks and therefore these physicians could be considered when fulfilling contracts for PCP and non-PCP provider panel requirements.

*CFC general hospitals must provide obstetrical services if such a hospital is available in the county/region.

Practitioners - ABD										
Cardiovascular						1		1	2	4

Southwest Region

	Adams	Brown	Butler	Clermont	Clinton	Hamilton	Highland	Warren	Additional Required: In-Region	Total
Dentists			3	1		8	1	1	1	15
Gastroenterology									2	2
General Surgeons			1	1	1	3	2	1		9
Nephrology									1	1
Neurology									2	2
OB/GYNs		1	1			4		1		7
Oncology									1	1
Orthopedists			1			2			2	5
Otolaryngologist						1			1	2
Physical Med Rehab									2	2
Podiatry			1			2			2	5
Psychiatry						3			4	7
Urology									3	3
Vision			1		1	3	1	1	1	8

*All required providers and additional required providers must be located within the region.

Practitioners - CFC

Pediatricians			7	2	1	39			10	59
OB/GYNs		1	2	1	1	9		1	1	16
Vision			3	1	1	11	1	1	3	21
General Surgeons			2	1	1	7		1	1	13
Otolaryngologist			1			3		1	1	6
Allergists						4			3	7
Orthopedists			2			5			2	9
Dentists	1	1	10	4	1	26	2	2	3	50

*All required providers and additional required providers must be located within the region.

*Half of the pediatricians must be certified by the American Board of Pediatrics.

Southeast Region

	Athens	Belmont	Coshocton	Gallia	Guernsey	Harrison	Jackson	Jefferson	Lawrence	Meigs	Monroe	Morgan	Muskingum	Noble	Vinton	Washington	Additional Required: In-Region	Total
Dentists	1	1			1				1				1			1	2	8
Gastroenterology																	2	2
General Surgeons		1		1	1			1					1					5
Nephrology																	1	1
Neurology																	2	2
OB/GYNs	1				1			1					1			1	1	6
Oncology																	1	1
Orthopedists				1													3	4
Otolaryngologist				1									1					2
Physical Med Rehab																	2	2
Podiatry		1											1				2	4
Psychiatry		1											1				2	4
Urology																	2	2
Vision	1	1		1	1		1		1				1			1		8
*All required providers and additional required providers must be located within the region.																		
Practitioners - CFC																		
Pediatricians	1	1		2	1			1					2			1	22	31
OB/GYNs	1				1			1					1			1	4	9
Vision	1	1		1	1		1	1	1				2			1	3	13
General Surgeons		1		1	1			1					1			1	2	8
Otolaryngologist				1									1				1	3
Allergists																	1	1
Orthopedists				1													4	5
Dentists	2	3	1	1	3		1	3	2				3			2	9	30
*All required providers and additional required providers must be located within the region.																		
*Half of the pediatricians must be certified by the American Board of Pediatrics.																		

West Central Region

	Champaign	Clark	Darke	Greene	Miami	Montgomery	Preble	Shelby	Additional Required: In-Region	Total
Cardiovascular						1			2	3
Dentists		1				3			1	5
Gastroenterology									1	1
General Surgeons		1		1		1			2	5
Nephrology									1	1
Neurology									2	2
OB/GYNs		1		1		3				5
Oncology									1	1
Orthopedists				1		1			1	3
Otolaryngologist						1			1	2
Physical Med Rehab									2	2
Podiatry						2			2	4
Psychiatry				1		2			2	5
Urology									2	2
Vision		1		1		3			2	7

*All required providers and additional required providers must be located within the region.

Practitioners - CFC

Pediatricians		2		3	1	22			8	36
OB/GYNs		2		1	1	6		1	1	12
Vision		2	1	2	2	10		1	2	20
General Surgeons		2		2	1	3			2	10
Otolaryngologist		1				3			3	7
Allergists						2			2	4
Orthopedists				1		2			2	5
Dentists	1	5	1	3	3	20		1	4	38

*All required providers and additional required providers must be located within the region.

*Half of the pediatricians must be certified by the American Board of Pediatrics.

APPENDIX I

PROGRAM INTEGRITY

MCPs must comply with all applicable program integrity requirements, including those specified in 42 CFR 455 and 42 CFR 438 Subpart H.

1. Fraud and Abuse Program:

In addition to the specific requirements of OAC rule 5101:3-26-06, MCPs must have a program that includes administrative and management arrangements or procedures, including a mandatory compliance plan to guard against fraud and abuse. The MCP's compliance plan must designate staff responsibility for administering the plan and include clear goals, milestones or objectives, measurements, key dates for achieving identified outcomes, and explain how the MCP will determine the compliance plan's effectiveness.

In addition to the requirements in OAC rule 5101:3-26-06, the MCP's compliance program which safeguards against fraud and abuse must, at a minimum, specifically address the following:

- a. Employee education about false claims recovery: In order to comply with Section 6032 of the Deficit Reduction Act of 2005 MCPs must, as a condition of receiving Medicaid payment, do the following:
 - i. Establish and make readily available to all employees, including the MCP's management, the following written policies regarding false claims recovery:
 - a. Detailed information about the federal False Claims Act and other state and federal laws related to the prevention and detection of fraud, waste, and abuse, including administrative remedies for false claims and statements as well as civil or criminal penalties;
 - b. The MCP's policies and procedures for detecting and preventing fraud, waste, and abuse; and
 - c. The laws governing the rights of employees to be protected as whistleblowers.
 - ii. Include in any employee handbook the required written policies regarding false claims recovery;
 - iii. Establish written policies for any MCP contractors and agents that provide detailed information about the federal False Claims Act and other state and federal laws related to the prevention and detection of fraud, waste, and abuse, including administrative remedies for false claims and statements as well as civil

or criminal penalties; the laws governing the rights of employees to be protected as whistleblowers; and the MCP's policies and procedures for detecting and preventing fraud, waste, and abuse. MCPs must make such information readily available to their subcontractors; and

- iv. Disseminate the required written policies to all contractors and agents, who must abide by those written policies.
- b. Monitoring for fraud and abuse: The MCP's program which safeguards against fraud and abuse must specifically address the MCP's prevention, detection, investigation, and reporting strategies in at least the following areas:
- i. Embezzlement and theft – MCPs must monitor activities on an ongoing basis to prevent and detect activities involving embezzlement and theft (e.g., by staff, providers, contractors, etc.) and respond promptly to such violations.
 - ii. Underutilization of services – MCPs must monitor for the potential underutilization of services by their members in order to assure that all Medicaid-covered services are being provided, as required. If any underutilized services are identified, the MCP must immediately investigate and, if indicated, correct the problem(s) which resulted in such underutilization of services.

The MCP's monitoring efforts must, at a minimum, include the following activities: a) an annual review of their prior authorization procedures to determine that they do not unreasonably limit a member's access to Medicaid-covered services; b) an annual review of the procedures providers are to follow in appealing the MCP's denial of a prior authorization request to determine that the process does not unreasonably limit a member's access to Medicaid-covered services; and c) ongoing monitoring of MCP service denials and utilization in order to identify services which may be underutilized.
 - iii. Claims submission and billing – On an ongoing basis, MCPs must identify and correct claims submission and billing activities which are potentially fraudulent including, at a minimum, double-billing and improper coding, such as upcoding and bundling, to the satisfaction of ODJFS.
- c. Reporting MCP fraud and abuse activities: Pursuant to OAC rule 5101:3-26-06, MCPs are required to submit annually to ODJFS a report which summarizes the MCP's fraud and abuse activities for the previous year in each of the areas specified above. The MCP's report must also identify any proposed changes to the MCP's compliance plan for the coming year.
- d. Member fraud: MCPs are required to promptly report all suspicions of member fraud to the appropriate County Department of Job and Family Services (CDJFS).

- e. Reporting fraud and abuse: MCPs are required to promptly report all instances of provider fraud and abuse to ODJFS and member fraud to the CDJFS. The MCP, at a minimum, must report the following information on cases where the MCP's investigation has revealed that an incident of fraud and/or abuse has occurred:
- i. Provider's name and Medicaid provider number or provider reporting number (PRN);
 - ii. Source of complaint;
 - iii. Type of provider;
 - iv. Nature of complaint;
 - v. Approximate range of dollars involved, if applicable;
 - vi. Results of MCP's investigation and actions taken;
 - vii. Name(s) of other agencies/entities (e.g., medical board, law enforcement) notified by MCP; and
 - viii. Legal and administrative disposition of case, including actions taken by law enforcement officials to whom the case has been referred.
- f. Monitoring for prohibited affiliations: The MCP's policies and procedures for ensuring that, pursuant to 42 CFR 438.610, the MCP will not knowingly have a relationship with individuals debarred by Federal Agencies, as specified in Article XII of the Agreement.
- g. The MCP must disclose any change in ownership and control information and this information must be furnished to ODJFS within 35 days in accordance with 42 CFR 455.104 including at a minimum:
- i. the name, date of birth, Social Security Number or other tax identification number (in the case of a corporation) and address of each person (individual or corporation) with an ownership or control interest in the MCP or in any subcontractor in which the MCP has direct or indirect ownership of 5 percent or more;
 - ii. whether any of the persons named in I.1.g.i is related to another as spouse, parent, child, or sibling;
 - iii. the name of any other Medicaid provider (other than an individual practitioner or group of practitioners) or a fiscal agent, in which a person with an ownership or control interest in the MCP also has an ownership or control interest; and
 - iv. the name, date of birth, Social Security Number and address of any managing employee of the MCP.

- h. In accordance with 42 CFR 455.105, the MCP must submit within 35 days of the date requested by ODJFS or HHS full and complete information about:
 - i. the ownership of any subcontractor with whom the MCP has had business transactions totaling more than \$25, 000 during the 12-month period ending on the date of the request.
 - ii. any significant business transactions between the MCP and any wholly owned supplier, or between the provider and any subcontractor, during the 5-year period ending on the date of the request.
- i. The MCP must disclose the following information on persons convicted of crimes in accordance with 42 CFR 455.106 who:
 - i. has ownership or control interest in the provider, or is an agent or managing employee of the provider; and
 - ii. has been convicted of a criminal offense related to that person's involvement in any program under Medicare, Medicaid, or the Title XX services program since the inception of those programs.

This information must also be disclosed at any time upon written request by the Medicaid agency. The Medicaid agency may refuse to enter into or may terminate a provider agreement if it determines that the provider did not fully and accurately make any disclosure referenced in this section.

- j. In accordance with 42 CFR 1002.3(b), MCPs must notify ODJFS when the MCPs deny credentialing to providers for program integrity reasons.
- k. Non-federally qualified MCPs must report to ODJFS a description of certain transactions with parties of interest as outlined in section 1903(m)(4)(A) of SSA [42 U.S.C. 1396b].

2. Data Certification:

Pursuant to 42 CFR 438.604 and 42 CFR 438.606, MCPs are required to provide certification as to the accuracy, completeness, and truthfulness of data and documents submitted to ODJFS which may affect MCP payment.

- a. MCP Submissions: MCPs must submit the appropriate ODJFS-developed certification concurrently with the submission of the following data or documents:
 - i. Encounter Data [as specified in the Data Quality Appendix (Appendix L)]
 - ii. Prompt Pay Reports [as specified in the Fiscal Performance Appendix (Appendix J)]
 - iii. Cost Reports [as specified in the Fiscal Performance Appendix (Appendix J)]
 - iv. Care Management Data [as specified in the Data Quality Appendix (Appendix L)]

- v. HEDIS IDSS Data/FAR [as specified in the Data Quality Appendix (Appendix L)]
 - vi. CAHPS Data [as specified in the Data Quality Appendix (Appendix L)]
- b. Source of Certification: The above MCP data submissions must be certified by one of the following:
- i. The MCP's Chief Executive Officer;
 - ii. The MCP's Chief Financial Officer,
 - iii. An individual who has delegated authority to sign for, and who reports directly to, the MCP's Chief Executive Officer or Chief Financial Officer.

ODJFS may also require MCPs to certify as to the accuracy, completeness, and truthfulness of additional submissions.

3. Pursuant to 42 CFR 455.20, MCPs must have a method for verifying with enrollees whether services billed by providers were received. Therefore, the MCP is required to conduct a mailing of Explanation of Benefits (EOBs) to a 95% confidence level (plus or minus 5 percent margin of error) sample of the MCP's enrollees once a year. The EOB mailing must only include those members that have received health care services within the last six months, comply with all state and federal regulations regarding release of personal health information, outline the recent medical services identified as having been provided to the enrollee, and request that the enrollee report any discrepancies to the MCP. MCPs must inform their Contract Administrator of the date of the EOB mailing and provide results of the mailing 60 to 90 days after the mailing (i.e., number mailed, number of enrollees reporting discrepancies).
4. Breaches of Protected Health Information: MCPs must report the number of breaches of protected health information (PHI) and specify how many breaches were reported to HHS as required by 45 CFR Part 164.408 (b) and (c). This report must be submitted annually as indicated on the "MCP Calendar of Required Submissions."

MCP:

APPENDIX J

FINANCIAL PERFORMANCE

1. SUBMISSION OF FINANCIAL STATEMENTS AND REPORTS

MCPs must submit the following financial reports to ODJFS:

- a. The National Association of Insurance Commissioners (NAIC) quarterly and annual Health Statements (hereafter referred to as the “Financial Statements”), as outlined in OAC rule 5101:3-26-09(B). The Financial Statements must include all required Health Statement filings, schedules and exhibits as stated in the NAIC Annual Health Statement Instructions including, but not limited to, the following sections: Assets, Liabilities, Capital and Surplus Account, Cash Flow, Analysis of Operations by Lines of Business, Five-Year Historical Data, and the Exhibit of Premiums, Enrollment and Utilization and the Supplemental Health Care Exhibit*. The Financial Statements must be submitted to the Ohio Department of Job and Family Services (ODJFS) even if the ODI does not require the MCP to submit these statements to ODI. An electronic copy of the reports in the NAIC-approved format must be provided to ODJFS;
- b. Annual financial statements for those entities who have an ownership interest totaling five percent or more in the MCP or an indirect interest of five percent or more, or a combination of direct and indirect interest equal to five percent or more in the MCP;
- c. Annual audited Financial Statements prepared by a licensed independent external auditor as submitted to the ODI, as outlined in OAC rule 5101:3-26-09(B);
- d. Medicaid MCP Annual ODJFS Cost Reports for both the ABD and CFC programs and the auditor’s certification of the cost report, as outlined in OAC rule 5101:3-26-09(B);
- e. Medicaid MCP Annual Restated Cost Report for both the ABD and CFC programs for the prior calendar year. The restated cost report shall be audited upon the ODJFS’s request;
- f. Annual physician incentive plan disclosure statements and disclosure of and changes to the MCP’s physician incentive plans, as outlined in OAC rule 5101:3-26-09(B);
- g. Reinsurance agreements, as outlined in OAC rule 5101:3-26-09(C);
- h. Prompt Pay Reports, in accordance with OAC rule 5101:3-26-09(B). An electronic copy of the reports in the ODJFS-specified format must be provided to ODJFS;

- i. Notification of requests for information and copies of information released pursuant to a tort action (i.e., third party recovery), as outlined in OAC rule 5101:3-26-09.1;
- j. Financial, utilization, and statistical reports, when ODJFS requests such reports, based on a concern regarding the MCP's quality of care, delivery of services, fiscal operations or solvency, in accordance with OAC rule 5101:3-26-06(D);
- k. MCPs must submit ODJFS-specified reports for the calculation of items 2.b, 2.c and 2.d below in electronic formats.

Penalty for noncompliance: Noncompliance with submission of the above items will result in penalties, as outlined in Appendix N of the Provider Agreement.

2. FINANCIAL PERFORMANCE MEASURES AND STANDARDS

This Appendix establishes specific expectations concerning the financial performance of MCPs. In the interest of administrative simplicity and non-duplication of areas of the ODI authority, ODJFS' emphasis is on the assurance of access to and quality of care. ODJFS will focus only on a limited number of indicators and related standards to monitor plan performance. The four indicators and standards for this contract period are identified below, along with the calculation methodologies. The source for each indicator will be the NAIC Quarterly and Annual Financial Statements and Supplemental Health Care Exhibit*. The report period that will be used to determine compliance will be the annual Financial Statement and Supplemental Health Care Exhibit*.

a. **Indicator: Net Worth as measured by Net Worth Per Member**

Please refer to the ODJFS Methods for Financial Performance Measures for the definition and calculations for the Net Worth Per Member indicator.

Standard: For the period of July, 2011 through June, 2012 a minimum net worth per member of \$ 000.00, was determined from the annual CY 2010 Financial Statement submitted to ODI and the ODJFS.

b. **Indicator: Medical Loss Ratio***

Please refer to the ODJFS Methods for Financial Performance Measures for the definition and calculations for the Medical Loss Ratio indicator.

Standard: Minimum Medical Loss Ratio is not to fall below 85%, as determined from the annual Supplemental Health Care Exhibit* of the annual Financial Statement submitted to ODI and ODJFS.

* The Supplemental Health Care Exhibit is a slightly modified version supplied by ODJFS.

c. **Indicator: Administrative Expense Ratio**

Please refer to the ODJFS Methods for Financial Performance Measures for the definition and calculations for the Administration Expense Ratio indicator.

Standard: Administrative Expense Ratio not to exceed 15%, as determined from the annual Financial Statement submitted to ODI and ODJFS.

d. **Indicator: Overall Expense Ratio**

Please refer to the ODJFS Methods for Financial Performance Measures for the definition and calculations for the Overall Expense Ratio indicator.

Standard: Overall Expense Ratio not to exceed 100% as determined from the annual Financial Statement submitted to ODI and ODJFS.

Penalty for noncompliance: Noncompliance with the above standards will result in penalties, as outlined in Appendix N of the Provider Agreement.

In addition, ODJFS will review two liquidity indicators if a plan demonstrates potential problems in meeting related administrative requirements or the standards listed above. The two standards, 2.e and 2.f, reflect ODJFS' expected level of performance. At this time, ODJFS has not established penalties for noncompliance with these standards; however, ODJFS will consider the MCP's performance regarding the liquidity measures, in addition to indicators 2.a., 2.b., 2.c. and 2.d., in determining whether to impose a new enrollment freeze, as outlined above, or to not issue or renew a contract with an MCP. The source for each indicator will be the NAIC Quarterly and annual Financial Statements.

Long-term investments that can be liquidated without significant penalty within 24 hours, which a plan would like to include in cash and short-term investments in the next two measurements, must be disclosed in footnotes on the NAIC Reports. Descriptions and amounts should be disclosed. Please note that "significant penalty" for this purpose is

any penalty greater than 20%. Also, enter the amortized cost of the investment, the market value of the investment, and the amount of the penalty.

e. **Indicator: Days Cash on Hand**

Please refer to the ODJFS Methods for Financial Performance Measures for the definition and calculations for the Days Cash on Hand liquidity measure.

Standard: Greater than 25 days as determined from the annual Financial Statement submitted to ODI and ODJFS.

f. **Indicator: Ratio of Cash to Claims Payable**

Please refer to the ODJFS Methods for Financial Performance Measures for the definition and calculations for the Ratio of Cash to Claims Payable liquidity measure.

Standard: Greater than 0.83 as determined from the annual Financial Statement submitted to ODI and ODJFS.

3. REINSURANCE REQUIREMENTS

Pursuant to the provisions of OAC rule 5101:3-26-09(C), each MCP must carry reinsurance coverage from a licensed commercial carrier to protect against inpatient-related medical expenses incurred by Medicaid members.

The annual deductible or retention amount for such insurance must be specified in the reinsurance agreement and must not exceed \$100,000.00, unless ODJFS has provided the MCP with prior approval in writing for a higher deductible amount or alternate reinsurance arrangement. Except for transplant services, and as provided below, this reinsurance must cover, at a minimum, 80% of inpatient costs incurred by one member in one year, in excess of \$100,000.00 unless ODJFS has provided the MCP with prior approval in writing for a higher deductible amount or alternate reinsurance arrangement.

For transplant services, the reinsurance must cover, at a minimum, 50% of inpatient transplant related costs incurred by one member in one year, in excess of \$100,000.00 unless ODJFS has provided the MCP with prior approval in writing for a higher deductible amount or alternate reinsurance arrangement.

An MCP may request a higher deductible amount and/or that the reinsurance cover less than 80% of inpatient costs in excess of the deductible amount, only after the MCP has one year of enrollment in Ohio. If the MCP does not have more than 75,000 members in

Ohio, but does have more than 75,000 members between Ohio and other states, ODJFS may consider alternate reinsurance arrangements. However, depending on the corporate structures of the Medicaid MCP, other forms of security may be required in addition to reinsurance. These other security tools may include parental guarantees, letters of credit, or performance bonds. In determining whether or not the request will be approved, the ODJFS may consider any or all of the following:

- a. Whether the MCP has sufficient reserves available to pay unexpected claims;
- b. The MCP's history in complying with financial indicators 2.a., 2.b., and 2.c., as specified in this Appendix;
- c. The number of members covered by the MCP;
- d. How long the MCP has been covering Medicaid or other members on a full risk basis;
- e. Risk based capital ratio greater than 2.5 or higher calculated from the last annual ODI financial statement.;
- f. Scatter diagram or bar graph from the last calendar year that shows the number of reinsurance claims that exceeded the current reinsurance deductible graph/chart showing the claims history for reinsurance above the previously approved deductible from the last calendar year.

Penalty for noncompliance: Noncompliance with submission of the above items will result in penalties, as outlined in Appendix N of the Provider Agreement.

4. PROMPT PAY REQUIREMENTS

In accordance with 42 CFR 447.46, MCPs must pay 90% of all submitted clean claims within 30 days of the date of receipt and 99% of such claims within 90 days of the date of receipt, unless the MCP and its contracted provider(s) have established an alternative payment schedule that is mutually agreed upon and described in their contract. The clean pharmacy and non-pharmacy claims will be separately measured against the 30 and 90 day prompt pay standards. The prompt pay requirement applies to the processing of both electronic and paper claims for contracting and non-contracting providers by the MCP and delegated claims processing entities.

The date of receipt is the date the MCP receives the claim, as indicated by its date stamp on the claim. The date of payment is the date of the check or date of electronic payment transmission. A claim means a bill from a provider for health care services that is assigned a unique identifier. A claim does not include an encounter form.

A "claim" can include any of the following: (1) a bill for services; (2) a line item of services; or (3) all services for one recipient within a bill. A "clean claim" is a claim that

can be processed without obtaining additional information from the provider of a service or from a third party.

Clean claims do not include payments made to a provider of service or a third party where the timing of the payment is not directly related to submission of a completed claim by the provider of service or third party (e.g., capitation). A clean claim also does not include a claim from a provider who is under investigation for fraud or abuse, or a claim under review for medical necessity.

Penalty for noncompliance: Noncompliance with submission of the above items will result in penalties, as outlined in Appendix N of the Provider Agreement.

5. PHYSICIAN INCENTIVE PLAN DISCLOSURE REQUIREMENTS

MCPs must comply with the physician incentive plan requirements stipulated in 42 CFR 438.6(h). If the MCP operates a physician incentive plan, no specific payment can be made directly or indirectly under this physician incentive plan to a physician or physician group as an inducement to reduce or limit medically necessary services furnished to an individual.

If the physician incentive plan places a physician or physician group at substantial financial risk [as determined under paragraph (d) of 42 CFR 422.208] for services that the physician or physician group does not furnish itself, the MCP must assure that all physicians and physician groups at substantial financial risk have either aggregate or per-patient stop-loss protection in accordance with paragraph (f) of 42 CFR 422.208, and conduct periodic surveys in accordance with paragraph (h) of 42 CFR 422.208.

In accordance with 42 CFR 417.479 and 42 CFR 422.210, MCPs must maintain copies of the following required documentation and submit to ODJFS upon request:

- a. A description of the types of physician incentive arrangements the MCP has in place which indicates whether they involve a withhold, bonus, capitation, or other arrangement. If a physician incentive arrangement involves a withhold or bonus, the percent of the withhold or bonus must be specified.
- b. A description of information/data feedback to a physician/group on their: 1) adherence to evidence-based practice guidelines; and 2) positive and/or negative care variances from standard clinical pathways that may impact outcomes or costs. The feedback information may be used by the MCP for activities such as physician performance improvement projects that include incentive programs or the development of quality improvement initiatives.

- c. A description of the panel size for each physician incentive plan. If patients are pooled, then the pooling method used to determine if substantial financial risk exists must also be specified.
- d. If more than 25% of the total potential payment of a physician/group is at risk for referral services, the MCP must maintain a copy of the results of the required patient satisfaction survey and documentation verifying that the physician or physician group has adequate stop-loss protection, including the type of coverage (e.g., per member per year, aggregate), the threshold amounts, and any coinsurance required for amounts over the threshold.

Upon request by a member or a potential member and no later than 14 calendar days after the request, the MCP must provide the following information to the member: (1) whether the MCP uses a physician incentive plan that affects the use of referral services; (2) the type of incentive arrangement; (3) whether stop-loss protection is provided; and (4) a summary of the survey results if the MCP was required to conduct a survey. The information provided by the MCP must adequately address the member's request.

6. NOTIFICATION OF REGULATORY ACTION

Any MCP notified by the ODI of proposed or implemented regulatory action must report such notification and the nature of the action to ODJFS no later than one working day after receipt from ODI. The ODJFS may request, and the MCP must provide, any additional information as necessary to assure continued satisfaction of program requirements. MCPs may request that information related to such actions be considered proprietary in accordance with established ODJFS procedures. Failure to comply with this provision will result in an immediate enrollment freeze.

APPENDIX K

QUALITY CARE

This appendix establishes program requirements and expectations related to the managed care plan's responsibilities for developing and implementing health, prevention, and wellness programs; performing care coordination activities; developing and implementing a Quality Assessment and Performance Improvement program; and participating in external quality review activities. These program requirements support the priorities and goals set forth in the Ohio Medicaid Quality Strategy.

1. Health, Prevention, and Wellness Programs

Managed care plans are required to develop health, prevention, and wellness programs that are designed to promote the use of evidence-based clinical practices and appropriate health service utilization. The MCP must design programs that include the following elements:

1.a. Identification of members who are at risk for developing a disease and/or who inappropriately utilize health care services. The MCP must implement mechanisms to identify such members through the following sources, as applicable: administrative data review (e.g., pharmacy claims, emergency department claims, or inpatient hospital admissions), provider/member referrals, telephone interviews, home visits, referrals resulting from internal MCP operations, and information as reported by the Managed Care Enrollment Center (MCEC) during membership selection.

1.b. Provision for education, outreach or other targeted initiatives (e.g., incentive programs) to each member identified in 1.a to help the member maintain his/her health and wellness. The MCP must also enable the member to make informed decisions about accessing and utilizing health care services appropriately.

The MCP must consider evidence based clinical practices in the design of the health, prevention and wellness programs. The MCP must also inform providers of the programs which are available to members, and enable providers to refer members to the programs.

2. Care Coordination Activities

Managed care plans are required to develop and implement care coordination activities that eliminate fragmentation in the care delivery system, promote clear communication, and ensure that patients and providers have access to information in order to optimize care. The care coordination activities must address the following components:

2.a. Establishment of a primary care provider (PCP) for each member and encouragement of the member to maintain an ongoing relationship with the PCP. The MCP must ensure the

PCP agrees to perform the care coordination responsibilities as outlined in OAC 5101: 3-26-03.1.

2.b. Provision for members, specifically those with special health care needs, to directly access a specialist (e.g., for an approved number of visits or a standing referral) as appropriate for the member's condition and health care needs. The MCP must inform members identified with a special health care need of their right to directly access a specialist.

2.c. Support ODJFS's efforts to promote the patient centered medical home (PCMH) model. The following are examples of how this can be accomplished: assisting providers with obtaining certification as a PCMH by a nationally recognized accreditation organization, creating electronic member profiles for use by providers in managing patients, and providing assistance to providers with practice transformation.

2.d. Participation in, and support of, ODJFS's efforts to develop the health homes model as defined by the following services: comprehensive care management, care coordination and health promotion, comprehensive transitional care from inpatient to other settings, individual and family support, referral to community and social support services, and the use of health information technology to link services.

Beginning in State Fiscal Year (SFY) 2012, community mental health centers (CMHCs) certified by the Ohio Department of Mental Health (ODMH) may apply to become Medicaid Health Home providers. Approved Medicaid Health Home providers will provide Health Home services to individuals with serious and persistent mental illness (SPMI). Health Home services consist of the following components: comprehensive care management, care coordination, health promotion, comprehensive transitional care, individual and family support services, referrals to community and social support services, and the use of health information technology to link health home activities. Health Home services will be available to individuals with SPMI who are enrolled in a managed care plan (MCP). ODJFS will contract with the approved CMHC Health Home for the provision of, and payment for, Health Home services.

The MCP will play a critical role in supporting the CMHC Health Home to ensure all of its members receiving Health Home services have their needs met. The MCP will be required to perform the tasks specified below in order to support the CMHC Health Home and the delivery of Health Home services:

2.d.i. Within either four weeks of the CMHC receiving approval by the State to be a Health Home or prior to the CMHC Health Home providing Health Home services to the MCP's members, the MCP must establish a partnership with each CMHC Health Home and develop written policies and procedures that address the following components:

2.d.i.a. a delineation of the responsibilities of the CMHC Health Home and the MCP in providing the Health Home services and supports, respectively, in order

to avoid duplication or gaps in services. In collaboration with the CMHC, the MCP may provide Health Home supports, such as assistance with arranging transportation, scheduling appointments, facilitating transitions of care, providing education to the member, lending plan staff to serve as clinical consultants/resources to the core CMHC Health Home team, etc.

2.d.i.b. identification of a single point of contact for each CMHC Health Home who shall work with the CMHC Health Home on activities such as the following: participating on the CMHC Health Home's Care Management Team (i.e., CMHC Health Home core team, member, family/supports, primary care provider, specialists, the managed care plan, etc.), collaborating on the development of the assessment and the care plan, facilitating data exchange with the CMHC Health Home, etc.

2.d.i.c. transmission of data, information, and reports to the CMHC Health Home.

Unless otherwise indicated, the data, information and reports must be provided to the CMHC Health Home within 30 calendar days of the date the MCP is notified that a member is receiving Health Home services. A routine data exchange schedule should be established and based on a frequency agreed to by the CMHC Health Home and the MCP. At a minimum, the following data, information and reports, as applicable, shall be provided to the CMHC Health Home:

1. The most recent assessment, care plan, and progress notes for any member who is either currently enrolled in the MCP's care management program or was discharged from the MCP's care management program within the three months prior to the Health Home services start date;
2. Approved prior authorizations for future services (e.g., inpatient facility stays);
3. Same day notification of recent/upcoming admissions and discharges for an inpatient facility stay or emergency department visit;
4. Clinical patient summaries (including diagnosis and medication profiles);
5. Summaries of member contacts with the 24/7 nurse advice line, care management department, or the member services line that pertain to the delivery or receipt of Health Home services for a member;
6. Enrollment of the member in the plan's Coordinated Services Program;
7. Grievances (as defined in 5101:3-26-08.4) related to Health Home services; or
8. Other data, information or reports as agreed upon by the CMHC Health Home and the MCP.

2.d.i.d. providing the CMHC Health Home with a list of contracted primary care providers, inpatient facilities, and specialists who may provide services to the plan's members who are receiving Health Home services. The MCP must also educate the CMHC Health Home about provider credentialing requirements in the event any of the CMHC Health Home's partnering providers are interested in contracting with the MCP; and

2.d.i.e. identification of the CMHC's partnering primary care providers. These partnering primary care providers may be co-located with the CMHC Health Home, directly owned by the CMHC Health Home, or in a referral and coordination relationship with the CMHC Health Home. The MCP must then use its best efforts to contract with CMHC Health Home partnering primary care providers who may not currently be a part of the plan's panel of providers.

2.d.ii. Within 5 business days of being notified that a member is receiving Health Home services, the MCP must contact the CMHC Health Home to:

2.d.ii.a. confirm the start date for Health Home services;

2.d.ii.b. identify the member's primary care provider, as selected by the member or that the MCP and CMHC Health Home agree is the best option to deliver primary care for the member. If the primary care provider is not currently contracted with the MCP, the MCP must use its best efforts to contract with the primary care provider in order to promote continuity of care;

2.d.ii.c. identify a single point of contact as specified in 2.d.i.b.;

2.d.ii.d. identify the data/information that will be transferred from the MCP to the CMHC Health Home as specified in 2.d.i.c; and

2.d.ii.e. collaboratively develop a transition plan for members. The transition period must be concluded within thirty (30) days of the MCP being informed that a member is receiving Health Home services in order to prevent unnecessary duplication of, or gaps in, services.

2.d.iii. On a routine basis, the MCP must:

2.d.iii.a. perform ongoing identification of members who have a diagnosis of SPMI and who could benefit from receiving Health Home services;

2.d.iii.b. contact members identified in iii.a, educate the members about the benefits of Health Home services, assist the members in selecting a CMHC Health Home, and then facilitate the referral of the members to the selected CMHC Health Home;

2.d.iii.c. establish and maintain a mechanism to track the plan's members who are receiving Health Home services;

- 2.d.iii.d. integrate all information/data transmitted by the CMHC or ODJFS related to a member receiving Health Home services into any appropriate system or database that is maintained by the MCP, including member assessments, care management notes, discharge plans, care plans, etc;
- 2.d.iii.e. participate in comprehensive transitional care activities with the CMHC Health Home for members who are discharged from, or transferred between, care settings and which may include discharge planning, primary care provider follow up, medication reconciliation, and timely provision of post discharge services (e.g., durable medical equipment);
- 2.d.iii.f. integrate the results from the Health Homes' metrics into the plan's overall quality improvement program; and
- 2.d.iii.g. participate in the Medicaid Health Homes Learning Community which will consist of the CMHC Health Homes, the Ohio Department of Mental Health, the MCPs and ODJFS.

2.d.iv. An MCP may submit a member who is receiving Health Home services to the Care Management System (CAMS). This member will also be included in the care management program evaluation measures specified in section 2.h.ii.2.f. of this Appendix. The MCP must demonstrate that it is supporting the CMHC Health Home in the care management of that member. Therefore, prior to submitting a member to CAMS, the MCP must: 1) participate in one CMHC Health Home Care Management Team meeting; and 2) receive a copy of the care plan developed by the CMHC and integrate the plan into the MCP's system. In order to maintain an open enrollment span for the member in CAMS, the MCP must demonstrate that it has collaborated on at least a quarterly basis with the CMHC Health Home (e.g., re-evaluation of the member's needs, revision to the member's care plan, etc.). If an MCP does not meet these requirements for any member receiving Health Home services, then the MCP will be required to close the enrollment span for that member in CAMS.

2.d.v. The requirements established in Appendix K.2.g and K.2.h do not apply to MCP members who are receiving health home services.

2.e Assurance of a single point of care management for a member. ODJFS recognizes that a member may receive care management from multiple entities which can create fragmentation in the delivery system and duplication of services. The MCP is in an optimal position to review the member's health care needs and determine the entity (e.g., MCP, community based entity, or health home) that is most appropriate to manage and coordinate the member's health care needs. The goal is to avoid duplication of efforts and maximize efficiencies in the care delivery system.

2.f Implementation of Utilization Management Programs with clearly defined structures and processes to maximize the effectiveness of the care provided to members pursuant to OAC rule 5101:3-26-03.1(A)(7).

2.f.i. Drug Utilization Management - Pursuant to ORC Sec. 5111.172, MCPs may implement strategies for the management of drug utilization.

MCPs may, subject to ODJFS prior-approval, require PA of certain drug classes and place limitations on the type of provider and locations where certain drugs may be administered. MCPs must establish their PA system so that it does not unnecessarily impede member access to medically-necessary Medicaid-covered services as follows:

- a. As outlined in paragraph 28.i.g. of Appendix C, MCPs must adhere to specific PA limitations to assist with the transition of new members from FFS Medicaid.
- b. As outlined in paragraph 2.b.vi of Appendix G, MCPs must allow members to receive without PA certain antidepressant and antipsychotic drugs and to take into consideration if the member is stabilized on a specific antidepressant or antipsychotic drug when PA is permitted.
- c. MCPs must comply with the provisions of 1927(d)(5) of the Social Security Act, 42 USC 1396r-8(k)(3), and OAC rule 5101:3-26-03.1 regarding the timeframes for prior authorization of covered outpatient drugs.

MCPs must develop and submit for prior approval, a coordinated services program as defined in OAC rule 5101:3-20-01 to address the utilization or pattern of receiving medications at a frequency or in an amount that exceeds medical necessity. MCPs must also develop retrospective drug utilization review programs designed to promote the appropriate clinical prescribing of covered drugs. MCPs must also provide care management services to any member who is enrolled in the coordinated services program.

2.f.ii. Emergency Department Diversion (EDD) – MCPs must provide access to services in a way that assures access to primary, specialist and urgent care in the most appropriate settings and that minimizes frequent, preventable utilization of emergency department (ED) services. OAC rule 5101:3-26-03.1(A)(7)(d) requires MCPs to implement the ODJFS-required EDD program for frequent utilizers.

Each MCP must establish an ED diversion (EDD) program with the goal of minimizing frequent ED utilization. The MCP's EDD program must include the monitoring of ED utilization, identification of frequent ED utilizers, and targeted approaches designed to reduce avoidable ED utilization. MCP EDD programs must, at a minimum, address those ED visits which could have been prevented through improved education, access, quality, or care management approaches.

It is important to ensure that a member's frequent ED utilization is not due to problems such as their PCP's lack of accessibility or failure to make appropriate specialist referrals. The MCP's EDD program must therefore also include the

identification of providers who serve as PCPs for a substantial number of frequent ED utilizers and the implementation of corrective action with these providers as so indicated.

This requirement does not replace the MCP's responsibility to inform and educate all members regarding the appropriate use of the ED.

MCPs must also implement the ODJFS-required EDD program for frequent users. In that ODJFS has developed the parameters for an MCP's EDD program, it therefore does not require ODJFS prior approval.

2.f.iii. Other UM Programs – MCPs may develop other UM programs, subject to prior approval by ODJFS. For the purposes of this requirement, UM programs which require ODJFS prior-approval are any other program designed by the MCP with the purpose of redirecting or restricting access to a particular service or service location.

2.g. Inpatient Hospital/Nursing Facility Post Discharge Follow Up

Nursing Facility Discharge - The MCP must ensure that a discharge plan is in place to meet a member's health care needs following discharge from a nursing facility, and is integrated into the member's plan of care. The discharge plan must address the services to be provided for the member and must be developed prior to the date of discharge from the nursing facility. The MCP must ensure follow-up contact occurs with the member, or authorized representative, within fourteen (14) days of the member's discharge from the nursing facility to ensure that the member's health care needs are being met.

Inpatient Hospital Discharge – The MCP must contact a member, with a recent inpatient hospital stay, within 14 days of the discharge date in order to: verify that the member, or the member's caregiver, received a discharge plan; ensure the member understands the instructions in the discharge plan (e.g., schedule visit with the primary care provider or specialist); and ensure that the member's health care needs are being met.

2.h. Each MCP must implement a Care Management Program as outlined below which coordinates and monitors the care for members with complex needs. The MCP must consider the Case Management Society of America's *Standards of Practice for Case Management, 2010* when designing and implementing its care management program.

2.h.i In accordance with OAC 5101: 3-26-03.1(A)(8), the managed care plan must offer and provide care management services which coordinate and monitor the care for members with complex needs.

2.h.ii. Members who are eligible for care management have varying needs and require differing levels of interventions. Therefore, the MCP must design its care management program using risk stratification levels (e.g., low, medium, complex or high) which then determine the intensity of interventions and follow up care that is required for each member enrolled in the care management program. At a minimum,

the MCP must use three stratification levels as part of its care management program that range from low risk to high risk; one of the levels must correspond to the high risk stratification level as specified below. The MCP will be afforded flexibility in the structuring of the care management program for the low, medium or complex risk stratification levels. ODJFS will set forth explicit requirements for the high risk stratification level.

2.h.ii.a. For low, medium or complex risk stratification levels, the MCP must ensure the following functions are incorporated in to the care management program and plan operations:

2.h.ii.a.1. Identification strategy: The MCP must implement mechanisms to identify members eligible for care management services.

2.h.ii.a.2. Risk Stratification level: The MCP must develop a strategy to assign a member to a low, medium or complex risk stratification level based on the results of the identification and/or assessment processes. The risk level shall be adjusted by the MCP based on the completion of the assessment and the member's demonstrated progress in meeting the goals established in the care plan.

2.h.ii.a.3. Assessment: The MCP must conduct, or arrange for, an assessment to determine the member's need for care management.

2.h.ii.a.4. Care plan: The MCP must develop a care plan for the member based on the assessment and must include the following elements:

- i. Prioritized goals and actions with timeframes for completion, and the member's documented progress towards achieving the goals;
- ii. Continuous review and revision which includes follow up, as needed, with the member to ensure the care plan is adequately monitored including the identification of gaps between recommended care and the care that is received by the member;
- iii. Provision for input to the care plan by the member; and
- iv. Provision to share the care plan when requested by the provider.

2.h.ii.a.5. Care manager/care management team: The MCP must assign an accountable point of contact (i.e., care manager) for each member. The MCP is encouraged to formulate a multidisciplinary team to provide care management services for the member that is appropriate for the member's health care needs. The team may consist of a care manager, licensed social worker, registered nurse, community health worker, physician, allied health professional, dietician, pharmacist, disease educator, care coordinator, and others as appropriate and available. All members of the team are responsible for ensuring patient centered care and communicating information about the member to the accountable point of contact.

2.h.ii.a.6. Interaction with the member: The MCP must develop a communication plan that is based on the member's needs and includes a provision for two-way communication between the MCP and the member.

2.h.ii.b. For the high risk stratification level, the MCP must ensure the following functions are incorporated in to the care management program and plan operations:

2.h.ii.b.1. Identification strategy: The MCP must include the following components:

- i. Use of an industry-standard predictive model
- ii. A means to target costly members
- iii. A health risk assessment tool
- iv. Physician referrals
- v. Consumer referrals

ODJFS encourages the MCP to integrate the results of the health risk assessment tool in to the predictive model. The plan must integrate the above components in to the overall strategy to identify members for whom the plan can have the greatest impact on health outcomes and cost.

2.h.ii.b.2. Assessment: The MCP must complete an assessment that is comprehensive and evaluates the following: the member's physical, functional, behavioral (i.e., mental health and substance abuse disorders), social and psychological needs; medical and behavioral health history including diagnoses, treatments and service utilization; individual's preferences, goals and desired level of involvement in the care planning process; discharge and/or transition plans; environmental/safety concerns; residential/care setting; self-care capabilities; readiness to change; barriers to accessing care, etc. The MCP must solicit input from the member, caregivers/family, the primary care provider, and other providers, as appropriate. The initial assessment shall be completed by the MCP within thirty days of identifying the member's need for care management. After the initial enrollment to the care management program, the MCP must update the assessment when there's been a change in health status, needs, or a significant health care event. If the MCP is unaware of any such changes, then the MCP must re-evaluate the member's needs on at least a quarterly basis. A comprehensive reassessment must be completed at least once every twelve (12) months after the completion of the initial comprehensive assessment.

2.h.ii.b.3. Care plan: The MCP must implement a person-centered care planning process that yields a single, individualized care plan for the member, is based on the comprehensive assessment, and includes the following elements:

- i. Prioritized measureable goals, interventions and anticipated outcomes with completion timeframes that address the member's clinical and non-clinical needs.
- ii. Process to develop, update and review the care plan (i.e., both initial and revised) with the member, the family/caregivers, and the primary care provider/specialist, and other providers, as appropriate. The MCP shall work with the member and providers to identify needs and opportunities for intervention.

- iii. An aggressive strategy for effective and comprehensive transitions of care between care settings which includes obtaining discharge/transition plan; conducting timely follow up; and arranging for services specified in the discharge/transition plan.
- iv. Ongoing medication management and reconciliation.
- v. A communication plan developed with the member, including the method of preferred contact and a contact schedule that is based on the member's needs.
- vi. Identification of the providers responsible for delivering services, identification of referrals made to specialists or providers, and confirmation that the member received the services.
- vii. Implementation and monitoring of the care plan, that includes:
 - Assessment and documentation of the member's progress in achieving goals and outcomes established in the care plan;
 - Coordination of care for the member with the primary care provider, specialists, and other providers, as appropriate;
 - Completion of a care gap analysis between recommended care and actual care received, and revision to the care plan when gaps in care or a change in health status or need is identified;
 - Collaboration with the member, provider, and others on the updates to the care plan.
- viii. A provision to refer the member, if applicable, to a community/social recovery support agency, assist the member in contacting the agency, and validate the member received the service.
- ix. A provision to report feedback to the provider on member compliance with the care plan.
- x. Continuous evaluation of the member's need for care management services as specified in K.2.h.iii.e.

2.h.ii.b.4. Care Manager/Care Management Team: The MCP must assign an accountable point of contact for each member (i.e., care manager). The MCP must use a multidisciplinary team approach to provide care management services for the member that is appropriate for the member's needs. The team may consist of a care manager, licensed social worker, registered nurse, community health workers, physician, allied health professional, dietician, pharmacist, disease educators, care coordinators, and others as appropriate and available. The MCP may subcontract with, and/or delegate functions to, a community based entity to augment the MCP's delivery of care management services/interventions; this entity shall be considered a member of the MCP's care management team. All members of the team are responsible for ensuring patient centered care and information about the member is reported to the member's accountable point of contact.

The MCP is required to maintain a staffing ratio of one (1) full time equivalent (FTE) for every twenty-five (25) members enrolled in high risk care management. The MCP may only include staff and functions that are directly linked to the care management activities performed for a member enrolled in the plan's high risk

care management program. An MCP may not include staff and functions in the FTE count that support the operations for the overall Medicaid membership. The MCP may use time directly spent on the member's case, by any member of the care management team (i.e., including time expended by the community based entity), to meet this requirement as long as the staff person is operating within the professional scope of practice. The MCP shall submit the staffing model and the FTE counts with the annual submission of the high risk care management program structure.

ODJFS will assess plan compliance with the staffing ratio as specified in the *ODJFS Methods for the High Risk Care Management Staffing Ratio*. The minimum performance standard for the July-December 2012 and January-June 2013 report periods will be one full time equivalent for every 25 members enrolled in high risk care management. The penalties for non-compliance with the minimum performance standard are listed in Appendix N, *Compliance Assessment System*.

2.h.ii.b.5. Interaction with the member: The MCP must establish a contact schedule with the member that is based on his/her needs and facilitates on-going communication with the member. At a minimum, the MCP must complete one successful face-to-face contact with the member every 90 calendar days. The activity conducted during the face-to-face contact must be linked to the goals, interventions, and outcomes identified in the care plan and must be directed by the MCP care manager. The face-to-face contact should occur at a location that is agreed upon by the member and the MCP. The outcome of the face-to-face visit should be documented, reported back to the MCP care manager, and integrated in to the plan of care. Upon request, the MCP must provide a copy of the contact schedule to the member.

2.h.ii.b.6. Care Management Program evaluation measures:

i. Care Management of High Risk Members

Measure: The percent of members in the MCP that are care managed at a high risk stratification level (methods TBD).

Report Period: For the SFY 2013 contract period, July-December 2012, and January-June 2013.

Minimum Performance Standard: 1.0%.

The penalties for noncompliance with the standards for this measure are listed in Appendix N, *Compliance Assessment System*.

ii. Overall Medical Costs of Members in High Risk Care Management

Measure: The change in overall medical costs of the MCP members who are in high risk care management (methods TBD).

Report Period: The report period will start in SFY 2013.

Minimum Performance Standard: The overall medical costs of the members in high risk care management must decrease.
The penalties for noncompliance with the standards for this measure are listed in Appendix N, *Compliance Assessment System*.

iii. Emergency Department Utilization Rate of Members in High Risk Care Management

Measure: The change in the emergency department utilization rate of the MCP members who are in high risk care management (methods TBD).

Report Period: The report period will start in SFY 2013.

Minimum Performance Standard: The emergency department utilization rate of the members in high risk care management must decrease.

The penalties for noncompliance with the standards for this measure are listed in Appendix N, *Compliance Assessment System*.

iv. Inpatient Hospitalization Rate of Members in High Risk Care Management

Measure: The change in the inpatient hospitalization rate of the MCP members who are in high risk care management (methods TBD).

Report Period: The report period will start in SFY 2013.

Minimum Performance Standard: The inpatient hospitalization rate of the members in high risk care management must decrease.

The penalties for noncompliance with the standards for this measure are listed in Appendix N, *Compliance Assessment System*.

2.h.iii. The MCP is expected to address the following components in the overall care management program structure (i.e., apply to all risk stratification levels):

2.h.iii.a. The MCP must inform all members and contracting providers of the MCP's care management services.

2.h.iii.b. The MCP is responsible for ensuring that staff who are completing care management functions are operating within their professional scope of practice, are appropriate for responding to the member's health care needs, and follow the state's licensure/credentialing requirements.

2.h.iii.c. The MCP's care manager and/or the care management team are expected to conduct the following activities for each member enrolled in care management:

- i. Help the member obtain medically necessary care;
- ii. Assist with health related services;
- iii. Coordinate care for the member with the primary care provider, specialists, and other care managers;

- iv. Disseminate information to the member concerning the health condition types of services that may be available and how to access the services; and
- v. Implement and monitor the care plan

2.h.iii.d. A member must be enrolled in the MCP's care management program within 90 days of identifying the member's need for care management. This includes the care management activities of identification of the member's need for care management, completion of the assessment, and development of the care plan.

2.h.iii.e. The MCP must develop a strategy that continuously evaluates a member's ongoing need for care management and aims to either transition the member out of the care management program or to a different risk stratification level. The MCP should identify the reason(s) for changing the member's care management status (e.g., achieving goals in the care plan, member declines participation in care management, etc.); discuss the proposed action with the member and the primary care provider, as appropriate; provide reasonable notice about the change in the care management status to the member and the provider; revise the communication plan, if necessary; and issue a written communication to the member regarding the change in the care management status.

2.h.iii.f. The MCP may implement an "opt out" process for members in the low, medium and complex risk stratification levels. An opt out process allows the MCP to automatically enroll a member in the care management program until the member declines the offer to participate. For members assigned to a high risk stratification level, the MCP must obtain verbal or written confirmation from the member that he/she understands the enrollment in the care management program.

2.h.iii.g. The MCP must apply evidence based guidelines or best practices when developing and implementing care management interventions.

2.h.iii.h. The MCP must have a care management tracking system that captures, at a minimum, for each member the results of the assessment and the care plan content, including the measureable goals, interventions, outcomes and completion dates. This system must be linked to other databases or systems that the MCP uses to maintain information about the member. The goal is to integrate the member information in a meaningful way to facilitate care management needs. Upon request by the member or the provider, the system(s) must contain the capability to share care management information with the member, the PCP, and specialists.

2.h.iii.i. The MCP must identify community, social, and recovery support services that are available at the county level and develop a resource guide which contains a listing of the support service agencies and contact information that is easily

accessible by care managers, members, and providers. The resource guide must be updated as new contacts are identified by the MCP. The MCP is encouraged to collaborate with other MCPs in the service area to develop a unified approach to contact and partner with community service agencies.

2.h.iii.j. The MCP must submit a monthly electronic file to the Care Management System (CAMS) for all members who are provided care management services as specified in the *ODJFS Care Management File and Submission Specifications*. For an MCP to submit a member as being care managed to CAMS, the MCP must first perform the activities of identification, completion of the assessment and development of the care plan. ODJFS, or the external quality review organization, will validate the accuracy of the information contained in the CAMS with the member's care management record.

2.h.iii.k. On an annual basis, the MCP must complete an evaluation of the effectiveness and impact of the MCP's care management program and make changes to the program structure as needed. The MCP must also submit a description of the high risk care management program to, and as specified by, ODJFS on an annual basis. This documentation is subject to a review and audit by ODJFS and the external quality review organization as specified by ODJFS.

3. Quality Assessment and Performance Improvement Program

Managed care plans are expected to administer their Medicaid line of business in an efficient and effective manner while maintaining an organizational focus on quality and continuous learning.

As required by 42 CFR 438.240, each MCP must have a Quality Assessment and Performance Improvement Program (QAPI) that is submitted on an annual basis to ODJFS. The program must include the following elements:

3a. Performance Improvement Projects

Each MCP must conduct performance improvement projects (PIPs), as specified by ODJFS. PIPs must achieve, through periodic measurements and intervention, significant and sustained improvement in clinical and non-clinical areas which are expected to have a favorable impact on health outcomes and satisfaction. The MCPs must adhere to ODJFS PIP content and format specifications.

All PIPs referenced in this Appendix must be approved by ODJFS. In addition, the MCP must submit on an annual basis to ODJFS the status and results of each PIP. The external quality review organization (EQRO) will assist MCPs with the development and implementation of PIPs by providing technical assistance, and will annually validate the PIPs. As a result of the EQRO validation process, the MCP must meet performance standards as outlined in the *Standards for Performance Improvement Projects*. The

penalties for noncompliance with the standards for PIPs are listed in Appendix N, *Compliance Assessment System*.

The MCP may be required to participate in a PIP collaborative, and as specified by ODJFS. A PIP Collaborative is defined as a cooperative quality improvement effort by the MCP, ODJFS, and the EQRO to address a clinical or non-clinical topic area relevant to the Medicaid managed care program, which is designed to identify, develop, and implement standardized measures and statewide interventions to optimize health outcomes for MCP members and improve efficiencies related to health care service delivery.

The MCP must initiate and complete the following PIPs:

- i. Non-Clinical Topic: Care Managing members with complex needs.
- ii. Clinical Topic: Increasing access to comprehensive diabetes services for members aged 18 – 75 years with diabetes.

Initiation of the PIPs will begin in the second year of participation in the Medicaid managed care program.

3b. Health Care Service Utilization

Each MCP must have mechanisms in place to detect under- and over-utilization of health care services. The MCP must specify the mechanisms used to monitor utilization in the annual submission of the QAPI program to ODJFS. The MCP must ensure the utilization analysis documented in the QAPI is linked to the strategies employed by the MCP for the Health, Wellness, and Prevention programs and the Utilization Management programs sections of this appendix.

It should also be noted that pursuant to the program integrity provisions outlined in Appendix I, MCPs must monitor for the potential under-utilization of services by their members in order to assure that all Medicaid-covered services are being provided, as required. If any underutilized services are identified, the MCP must immediately investigate and correct the problem(s) which resulted in such under utilization of services.

In addition, the MCP must conduct an ongoing review of service denials and must monitor utilization on an ongoing basis in order to identify services which may be underutilized.

3c. Quality and Appropriateness of Care for Members with Special Health Care Needs

Each MCP must have mechanisms in place to assess the quality and appropriateness of care furnished to members with special health care needs. The MCP must specify the mechanisms used in the annual submission of the QAPI program to ODJFS.

3d. Submission of Performance Measurement Data

Each MCP must submit data as required by ODJFS that enables ODJFS to calculate standard measures as defined in Appendix M.

Each MCP must also submit self-reported, audited Healthcare Effectiveness Data and Information Set (HEDIS) data (see *ODJFS Methodology for MCP Self-Reported, HEDIS-Audited Data*) for performance measures set forth in Appendix M.

3e. Addressing Health Disparities

The MCP must participate in, and support, ODJFS's efforts to eliminate health disparities in Ohio. The U.S. Department of Health and Human Services – Centers for Disease Control and Prevention defines health disparities as “differences in health outcomes and their determinants as defined by social, demographic, geographic, and environmental attributes.”

The MCP will be required to participate in a Health Equity Workgroup (HEW) which will, at a minimum, be comprised of representatives from each MCP, ODJFS, Ohio Commission on Minority Health, and the Ohio Department of Health. The HEW will be charged with characterizing the extent of healthcare disparities among health plan members by establishing common health disparity measures and developing a strategy to address disparities revealed by the results of the measures. When establishing disparity measures, the workgroup will determine the data elements (e.g., self-identified race, ethnicity, and language) needed to calculate the health disparity measures. MCPs will collect the data elements and calculate the results of the measures to inform the development of the strategy.

3.f. Impact and Effectiveness of the QAPI Program

Each MCP must evaluate the impact and effectiveness of the QAPI program. The MCP must update the QAPI program based on the findings of the self-evaluation and submit annually to ODJFS for review and approval.

4. External Quality Review

The MCP must participate in annual external quality review activities as specified in OAC 5101:3-26-07.

The review will include but not be limited to the following activities:

- 4.a. Administrative compliance assessment as required by 42 CFR 438.358 and as specified by ODJFS.

4.a.i. Non duplication exemption – As allowed by 42 CFR 438.360 and 438.362, an MCP with accreditation from a national organization approved by the Centers for Medicare and Medicaid services may request to be exempted from certain portions of the administrative compliance assessment. ODJFS will inform the MCP when a non duplication exemption may be requested.

4.a.ii. The EQRO may conduct focused reviews of MCP performance in the following domains which include, but are not limited to:

1. Availability of services
 2. Assurance of adequate capacity and services
 3. Coordination and continuity of care
 4. Coverage and authorization of services
 5. Credentialing and recredentialing of services
 6. Subcontractual relationships and delegation
 7. Enrollee information and enrollee rights
 8. Confidentiality of health information
 9. Enrollment and disenrollment
 10. Grievance process
 11. Practice guidelines
 12. Quality assessment and performance improvement program
 13. Health information systems
 14. Fraud and abuse
- 4.b. Encounter data studies
- 4.c. Validation of performance measurement data
- 4.d. Review of information systems
- 4.e. Validation of performance improvement projects
- 4.f. Member satisfaction and/or quality of life surveys

The penalties for non-compliance with external quality review activities are listed in Appendix N, Compliance Assessment System.

APPENDIX L

DATA QUALITY

A high level of performance on the data quality standards and requirements established in this appendix is crucial in order for the ODJFS to determine the value of the Medicaid Managed Health Care Program and to evaluate Medicaid consumers' access to and quality of services. Data collected from MCPs are used in key performance assessments such as the external quality review, clinical performance measures, utilization review, care coordination and care management, and in determining incentives. The data will also be used in conjunction with the cost reports in setting the premium payment rates. Data sets collected from MCPs with data quality standards and/or submission requirements include: encounter data; Healthcare Effectiveness Data and Information Set (HEDIS) data; care management data; appeals and grievances data; utilization management data; and Consumer Assessment of Healthcare Providers and Systems (CAHPS) data.

The following measures, as specified in this appendix, will be calculated per MCP and include all Ohio Medicaid members receiving services from the MCP (i.e., ABD and CFC membership, if applicable): Rejected Encounters, Acceptance Rate, Encounter Data Accuracy Study measure 2 (Payment Accuracy), Incomplete Rendering Provider Data, NPI Provider Number Usage Without Medicaid/Reporting Provider Numbers, and Timeliness of Encounter Data Submission. The Encounter Data Volume measure will be calculated separately for each population (i.e., ABD and CFC) an MCP serves. The Encounter Data Accuracy Study measure 1 (Delivery Encounters) will be calculated for the CFC population only.

ODJFS reserves the right to revise the measures and report periods established in this appendix (and their corresponding compliance periods), as needed, due to unforeseen circumstances. Unless otherwise noted, the most recent report or study finalized prior to the end of the contract period will be used in determining the MCP's performance level for that contract period.

1. ENCOUNTER DATA

For detailed descriptions of the encounter data quality measures below, see *ODJFS Methods for the CFC and ABD Encounter Data Quality Measures*.

1.a. Encounter Data

Each MCP's encounter data submissions will be assessed for completeness. The MCP is responsible for collecting information from providers and reporting the data to ODJFS in accordance with program requirements established in Appendix C, *MCP Responsibilities*. Failure to do so jeopardizes the MCP's ability to demonstrate compliance with other performance standards.

1.a.i. Encounter Data Volume

This measure is calculated separately for each population (i.e., ABD and CFC) an MCP serves.

Measure: The volume measure for each service category, as listed in the tables below, is the rate of utilization (e.g., discharges, visits) per 1,000 member months (MM).

Report Period: The report periods for the SFY 2012, SFY 2013, and SFY 2014 contract periods are listed in Table 1 below. Note: The pharmacy service category was reporting only beginning with report period Q1 2010 through report period Q3 2011.

Table 1. Report Periods for the SFY 2012, SFY 2013, and SFY 2014 Contract Periods

CFC Quarterly Report Periods	ABD Quarterly Report Periods	Data Source: Estimated Encounter Data File Update	Quarterly Report Estimated Issue Date	Contract Period
Qtr 2 thru Qtr 4: 2008, Qtr 1 thru Qtr 4: 2009, 2010 Qtr 1 2011	Qtr 2 thru Qtr 4 2008, Qtr 1 thru Qtr 4 2009, 2010 Qtr 1 2011	July 2011	August 2011	SFY 2012
Qtr 3, Qtr 4: 2008, Qtr 1 thru Qtr 4: 2009, 2010 Qtr 1, Qtr 2: 2011	Qtr 3, Qtr 4: 2008, Qtr 1 thru Qtr 4: 2009, 2010 Qtr 1, Qtr 2: 2011	October 2011	November 2011	
Qtr 4: 2008, Qtr 1 thru Qtr 4: 2009, 2010 Qtr 1 thru Qtr 3: 2011	Qtr 4: 2008, Qtr 1 thru Qtr 4: 2009, 2010 Qtr 1 thru Qtr 3: 2011	January 2012	February 2012	
Qtr 1 thru Qtr 4: 2009, 2010, 2011	Qtr 1 thru Qtr 4: 2009, 2010, 2011	April 2012	May 2012	

Qtr 2 thru Qtr 4: 2009, Qtr 1 thru Qtr 4: 2010, 2011 Qtr 1 2012	Qtr 2 thru Qtr 4 2009, Qtr 1 thru Qtr 4 2010, 2011 Qtr 1 2012	July 2012	August 2012	SFY 2013
Qtr 3, Qtr 4: 2009, Qtr 1 thru Qtr 4: 2010, 2011 Qtr 1, Qtr 2: 2012	Qtr 3, Qtr 4: 2009, Qtr 1 thru Qtr 4: 2010, 2011 Qtr 1, Qtr 2: 2012	October 2012	November 2012	
Qtr 4: 2009, Qtr 1 thru Qtr 4: 2010, 2011 Qtr 1 thru Qtr 3: 2012	Qtr 4: 2009, Qtr 1 thru Qtr 4: 2010, 2011 Qtr 1 thru Qtr 3: 2012	January 2013	February 2013	
Qtr 1 thru Qtr 4: 2010, 2011, 2012	Qtr 1 thru Qtr 4: 2010, 2011, 2012	April 2013	May 2013	

Qtr 2 thru Qtr 4: 2010, Qtr 1 thru Qtr 4: 2011, 2012 Qtr 1 2013	Qtr 2 thru Qtr 4 2010, Qtr 1 thru Qtr 4 2011, 2012 Qtr 1 2013	July 2013	August 2013	SFY 2014
Qtr 3, Qtr 4: 2010, Qtr 1 thru Qtr 4: 2011, 2012 Qtr 1, Qtr 2: 2013	Qtr 3, Qtr 4: 2010, Qtr 1 thru Qtr 4: 2011, 2012 Qtr 1, Qtr 2: 2013	October 2013	November 2013	
Qtr 4: 2010, Qtr 1 thru Qtr 4: 2011, 2012 Qtr 1 thru Qtr 3: 2013	Qtr 4: 2010, Qtr 1 thru Qtr 4: 2011, 2012 Qtr 1 thru Qtr 3: 2013	January 2014	February 2014	
Qtr 1 thru Qtr 4: 2011, 2011, 2013	Qtr 1 thru Qtr 4: 2011, 2012, 2013	April 2014	May 2014	

Qtr1 = January to March; Qtr2 = April to June; Qtr3 = July to September; Qtr 4 = October to December

ABD Statewide Approach

Encounter data volume will be evaluated by MCP, statewide (i.e., one utilization rate per service category for all regions in the state).

Data Quality Standard:

The data quality standards for the encounter data volume measure are listed in Table 2. below. The utilization rate for each service category listed in Table 2. must be equal to or greater than the associated standard established for each service category in Table 2. Interim standards are used to evaluate MCP performance for dates of service from July 1, 2007 through June 30, 2009. The standard for the Ancillary Services service category for dates of service on or after July 1, 2009 has been updated in response to simplification and streamlining of the SFY 2012 methodology for this measure.

Table 2. ABD Statewide Standards – Encounter Data Volume

Category	Measure per 1,000/MM	Interim Standard for Dates of Service from July 1, 2007 through June 30, 2009	Standard for Dates of Service on or after July 1, 2009	Description
Inpatient Hospital	Discharges	2.7	22.0	General/acute care, excluding newborns and mental health and chemical dependency services
Emergency Department	Visits	25.3	135.0	Includes physician and hospital emergency department encounters
Dental		25.5	28.1	Non-institutional and hospital dental visits
Vision		5.3	19.2	Non-institutional and hospital outpatient optometry and ophthalmology visits
Primary and Specialist Care		116.6	452.0	Physician/practitioner and hospital outpatient visits
Ancillary Services		66.8	239.0	Ancillary visits
Behavioral Health	Service	5.2	75.5	Inpatient and outpatient behavioral encounters
Pharmacy*	Prescriptions	246.1	4260.4	Prescribed drugs

*For reports issued on and after August 2010: MCPs will be held accountable for this measure in the pharmacy service category for report periods prior to Q1 2010 and after Q3 2011. Report periods Q1 2010 through Q3 2011 were reporting only for the pharmacy service category.

CFC Statewide Approach

Encounter data volume will be evaluated by MCP, statewide (i.e., one utilization rate per service category for all regions in the state).

Data Quality Standard:

The data quality standards for the encounter data volume measure are listed in Table 3. below. The utilization rate for each service category listed in Table 3. must be equal to or greater than the associated standard established for each service category in Table 3. Interim standards are used to evaluate MCP performance for dates of service from July 1, 2006 through June 30, 2009. The standard for the Ancillary Services service category for dates of service on or after July 1, 2009 has been updated in response to simplification and streamlining of the SFY 2012 methodology for this measure.

Table 3. CFC Statewide Standards – Encounter Data Volume

Category	Measure per 1,000/MM	Interim Standard for Dates of Service from July 1, 2006 through June 30, 2009	Standard for Dates of Service on or after July 1, 2009	Description
Inpatient Hospital	Discharges	2.7	4.6	General/acute care, excluding newborns and mental health and chemical dependency services
Emergency Department	Visits	25.3	61.6	Includes physician and hospital emergency department encounters
Dental		25.5	34.0	Non-institutional and hospital dental visits
Vision		5.3	11.6	Non-institutional and hospital outpatient optometry and ophthalmology visits
Primary and Specialist Care		116.6	267.5	Physician/practitioner and hospital outpatient visits
Ancillary Services		66.8	79.0	Ancillary visits
Behavioral Health		Service	5.2	16.0
Pharmacy*	Prescriptions	246.1	579.9	Prescribed drugs

*For reports issued on and after August 2010: MCPs will be held accountable for this measure in the pharmacy service category for report periods prior to Q1 2010 and after Q3 2011. Report periods Q1 2010 through Q3 2011 were reporting only for the pharmacy service category.

See Appendix N, *Compliance Assessment System*, for the penalties for noncompliance with the standards for this measure.

1.a.ii. Incomplete Rendering Provider Data - (effective SFY 2013)

This measure is calculated per MCP and includes all Ohio Medicaid members receiving services from the MCP (i.e., ABD and CFC membership, if applicable). The *Incomplete Rendering Provider Data* measure is calculated to ensure that MCPs are reporting individual-level rendering provider information to ODJFS so that Ohio Medicaid complies with federal reporting requirements.

Measure: The percentage of rendering providers reported on encounters without individual-level Medicaid and/or Reporting provider numbers as identified in MITS.

Report Period: The report periods for the SFY 2013 and SFY 2014 contract periods are listed in Table 4. below. SFY 2013 results are reporting only and will be used as a baseline to set a data quality standard for SFY 2014. MCPs will be held accountable to the data quality standard for this measure beginning Q2 SFY 2014.

Table 4. Report Periods for the SFY 2013 and SFY 2014 Contract Periods

Quarterly Report Periods	Data Source: Estimated Encounter Data File Update	Quarterly Report Estimated Issue Date	Contract Period
Qtr 1: 2012	July 2012	August 2012	SFY 2013
Qtr 1, Qtr 2: 2012	October 2012	November 2012	
Qtr 1 thru Qtr 3: 2012	January 2013	February 2013	
Qtr 1 thru Qtr 4: 2012	April 2013	May 2013	
Qtr 1 thru Qtr 4: 2012; Qtr 1: 2013	July 2013	August 2013	SFY 2014
Qtr 1 thru Qtr 4: 2012; Qtr 1, Qtr 2: 2013	October 2013	November 2013	
Qtr 1 thru Qtr 4: 2012; Qtr 1 thru Qtr 3: 2013	January 2014	February 2014	
Qtr 1 thru Qtr 4: 2012; Qtr 1 thru Qtr 4: 2013	April 2014	May 2014	

Qtr 1 = January-March; Qtr 2 = April-June; Qtr 3 = July-September; Qtr 4 = October-December

Data Quality Standard: (effective Q2 SFY 2014) – TBD

See Appendix N, *Compliance Assessment System*, for the penalties for noncompliance with the standard for this measure.

1.a.iii. NPI Provider Number Usage Without Medicaid/Reporting Provider Numbers -
(effective SFY 2013)

This measure is calculated per MCP and includes all Ohio Medicaid members receiving services from the MCP (i.e., ABD and CFC membership, if applicable). The *NPI Provider Number Usage Without Medicaid/Reporting Provider Numbers* measure is calculated to ensure that providers reported on encounters can be associated with Medicaid and/or Reporting providers in MITS.

Measure: The percentage of institutional (837 I), professional (837 P), and dental (837 D) EDI transactions with an NPI provider number in the billing provider EDI data field that do not have a Medicaid or Reporting Provider Number in MITS.

Report Period: The report periods for the SFY 2013 and SFY 2014 contract periods are listed in Table 4. above. SFY 2013 results are reporting only and will be used as a baseline to set a data quality standard for SFY 2014. MCPs will be held accountable to the data quality standard for this measure beginning Q2 SFY 2014.

Data Quality Standard: (effective Q2 SFY 2014) – TBD

See Appendix N, *Compliance Assessment System*, for the penalties for noncompliance with the standard for this measure.

1.a.iv. Rejected Encounters

Encounters submitted to ODJFS that are incomplete or inaccurate are rejected and reported back to the MCPs on the Exception Report. If an MCP does not resubmit rejected encounters, ODJFS' encounter data set will be incomplete.

These measures are calculated per MCP and include all Ohio Medicaid members receiving services from the MCP (i.e., ABD and CFC membership, if applicable).

1) Measure 1 - Measure 1 only applies to MCPs that have had Medicaid membership for more than one year. (Note: The NCPDP file type was excluded from this measure from January, 2010 through September, 2011.)

Measure 1: The percentage of encounters submitted to ODJFS that are rejected

Report Period: For the SFY 2012 contract period, performance will be evaluated using the following report periods: **January -March 2012; and April - June 2012.** For the SFY 2013 contract period, performance will be evaluated using the following report periods: July - September 2012; October - December 2012; January - March 2013; and April – June 2013.

MCPs will be held accountable to an interim data quality standard for the following report periods: January – March 2012; April – June 2012; July – September 2012; and October – December 2012. Results from the January – March 2012 and April – June 2012 report periods will be used as a baseline to set a data quality standard for this measure.

MCPs will be held accountable to the data quality standard set for this measure effective with the January – March 2013 report period.

Interim Data Quality Standard for measure 1: The interim data quality standard for measure 1 is 50% for each file type in the ODJFS-specified medium per format.

Data Quality Standard for measure 1: The data quality standard for measure 1 is TBD for each file type in the ODJFS-specified medium per format.

See Appendix N, *Compliance Assessment System*, for the penalties for noncompliance with the standard for this measure.

2) Measure 2 - Measure 2 only applies to MCPs that have had Medicaid membership for one year or less. (Note: The NCPDP file type was excluded from this measure from March, 2010 through September, 2011.)

Measure 2: The percentage of encounters submitted to ODJFS that are rejected

Report Period: The report period for Measure 2 is monthly. Results are calculated and performance is monitored monthly. The first reporting month begins with the third month of enrollment. This measure will not be calculated for SFY 2013 .

Data Quality Standard for measure 2: The data quality standard for measure 2 is a maximum encounter data rejection rate for each file type in the ODJFS-specified medium per format as follows:

Third through sixth month with membership: Not Applicable for SFY 2013

Seventh through twelfth month with membership: Not Applicable for SFY 2013

See Appendix N, *Compliance Assessment System*, for the penalty for noncompliance with the standard for this measure.

1.a.v. Acceptance Rate

This measure is calculated per MCP and includes all Ohio Medicaid members receiving services from the MCP (i.e., ABD and CFC membership, if applicable).

This measure only applies to MCPs that have had Medicaid membership for one year or less. (Note: The NCPDP file type was excluded from this measure from March, 2010 through September, 2011.)

Measure: The rate of encounters that are submitted to ODJFS and accepted (i.e. accepted encounters per 1,000 member months).

Report Period: The report period for this measure is monthly. Results are calculated and performance is monitored monthly. The first reporting month begins with the third month of enrollment. This measure will not be calculated for SFY 2013.

Data Quality Standard: The data quality standard is a monthly minimum accepted rate of encounters for each file type in the ODJFS-specified medium per format as follows:

Third through sixth month with membership: Not Applicable for SFY 2013

Seventh through twelfth month of membership: Not Applicable for SFY 2013

See Appendix N, *Compliance Assessment System*, for the penalty for noncompliance with the standards for this measure.

1.b. Encounter Data Accuracy

As with data completeness, MCPs are responsible for assuring the collection and submission of accurate data to ODJFS. Failure to do so jeopardizes MCPs' performance, credibility and, if not corrected, will be assumed to indicate a failure in actual performance.

1.b.i. Encounter Data Accuracy Studies

Measure 1 (CFC population only): The focus of this accuracy study will be on delivery encounters. Its primary purpose will be to verify that MCPs submit encounter data accurately and to ensure only one payment is made per delivery. The rate of appropriate payments will be determined by comparing a sample of delivery payments to the medical record. The measure will be calculated per MCP for MCPs serving the CFC population (i.e., to include the MCP's entire service area for the CFC membership).

Report Period: In order to provide timely feedback on the accuracy rate of encounters, the report period will be the most recent from when the measure is initiated. This measure is conducted annually.

Medical records retrieval from the provider and submittal to ODJFS or its designee is an integral component of the validation process. ODJFS has optimized the sampling to minimize the number of records required. This methodology requires a high record submittal rate. To aid MCPs in achieving a high submittal rate, ODJFS will give at least an 8 week period to retrieve and submit medical records as a part of the validation process. A record submittal rate will be calculated as a percentage of all records requested for the study.

Data Quality Standard 1 for Measure 1: For results that are finalized during the contract year, the accuracy rate for encounters generating delivery payments is 100%.

Data Quality Standard 2 for Measure 1: A minimum record submittal rate of 85%.

See Appendix N, *Compliance Assessment System*, for the penalty for noncompliance with the standards for this measure.

Measure 2 (CFC and ABD populations combined, if applicable): This accuracy study will compare the accuracy and completeness of payment data stored in MCPs' claims systems during the study period to payment data submitted to and accepted by ODJFS. The measure will be calculated per MCP. Two levels of analysis will be conducted: one to evaluate encounter data completeness for which two rates will be calculated and one to evaluate payment data accuracy. Payment completeness and accuracy rates will be determined by aggregating data across claim types (i.e., professional, pharmacy, and institutional) and stratifying data by file type (i.e., header

and detail). Note, this study will be enhanced to include additional components in SFY 2014. At a minimum, the additional components will include diagnosis codes and provider information (e.g., rendering provider, billing provider).

Encounter Data Completeness (Level 1):

Omission Encounter Rate: The percentage of encounters in an MCP's fully adjudicated claims file not present in the ODJFS encounter data files.

Surplus Encounter Rate: The percentage of encounters in the ODJFS encounter data files not present in an MCP's fully adjudicated claims files.

Payment Data Accuracy (Level 2):

Payment Error Rate: The percentage of matched encounters between the ODJFS encounter data files and an MCP's fully adjudicated claims files where a payment amount discrepancy was identified.

Report Period: In order to provide timely feedback on the omission rate of encounters, the report period will be the most recent from when the study is initiated. This study is conducted biennially.

Data Quality Standard for Measure 2 (Note - This is determined by a biennial study):

For SFY 2014:

For Level 1: An omission encounter rate and a surplus encounter rate of no more than 11% for both claim-level and line-level records.

For Level 2: A payment error rate of no more than 4%.

See Appendix N, *Compliance Assessment System*, for the penalties for noncompliance with the standard for this measure.

1.c. Encounter Data Submission

Information concerning the proper submission of encounter data may be obtained from the *ODJFS Encounter Data Submission Specifications* document. Note, the *ODJFS Encounter Data Submission Specifications* include: encounter data companion guides for institutional, professional, and dental 837 EDI transactions, NCPDP D.0 files, 824 EDI response transactions, and U277 EDI response transactions; *ODJFS Encounter Data Submission Guidelines*; *ODJFS Encounter Data Submission Schedule*; *Encounter Data Letter of Certification*; and *ODJFS Covered Families and Children Delivery Payment Reporting Procedures*. The encounter data companion guides must be used in conjunction with the X12 Implementation Guide for EDI transactions.

1.c.i. Encounter Data Submission Procedure

The MCP must submit encounter data files to ODJFS per the specified schedule and within the allotted amount established in the *ODJFS Encounter Data Submission Specifications*.

The MCP must submit a letter of certification, using the form required by ODJFS, with each encounter data file in the ODJFS-specified medium per format.

The letter of certification must be signed by the MCP's Chief Executive Officer (CEO), Chief Financial Officer (CFO), or an individual who has delegated authority to sign for, and who reports directly to, the MCP's CEO or CFO (see *ODJFS Encounter Data Submission Specifications*).

See Appendix N, *Compliance Assessment System*, for the penalties for noncompliance with these data submission requirements.

1.c.ii. Timeliness of Encounter Data Submission

ODJFS recommends submitting MCP-paid encounters no later than thirty-five days after the end of the month in which they were paid. ODJFS currently monitors minimum encounter data claims volume (Section 1.a.i.) and rejected encounters (Section 1.a.iv.) and the standards for these measures are based on encounters being submitted within this time frame.

Effective July 2013, ODJFS will evaluate the timeliness of MCP encounter data submissions.

Measure: TBD

Report Periods: TBD

Data Quality Standard(s): TBD

The penalty for noncompliance with the standard(s) for this measure will be listed in Appendix N, *Compliance Assessment System*.

2. MCP SELF-REPORTED, AUDITED HEDIS DATA

2.a. Annual Submission of HEDIS IDSS Data

MCPs are required to collect, report, and submit to ODJFS self-reported, audited HEDIS data (see *ODJFS Methodology for MCP Self-Reported, Audited HEDIS Results*) for the full set of HEDIS measures reported by the MCP to NCQA for Ohio Medicaid members. This must include all HEDIS measures listed in Appendix M. The self-reported, audited HEDIS data are due to ODJFS no later than five business days after the NCQA due date.

See Appendix N, *Compliance Assessment System*, for the penalties for noncompliance with this data submission requirement.

2.b. Annual Submission of Final HEDIS Audit Report (FAR)

MCPs are required to submit to ODJFS their FAR that contains the audited results for the full set of HEDIS measures reported by the MCP to NCQA for Ohio Medicaid members. This must include all HEDIS measures listed in Appendix M. The FAR is due to ODJFS no later than five business days after the NCQA due date (see *ODJFS Methodology for MCP Self-Reported, Audited HEDIS Results*).

See Appendix N, *Compliance Assessment System*, for the penalties for noncompliance with this data submission requirement.

Note: ODJFS will review each MCP's FAR in order to determine if any data collection or reporting issues were identified. In addition, ODJFS will evaluate any issues that resulted in the assignment of an audit result of "Not Report" (i.e., NR) for any measure. ODJFS reserves the right to pursue corrective action based on this review (see Appendix N, Section J.).

2.c. Data Certification Requirements for HEDIS IDSS Data and HEDIS Audit Report

In accordance with 42 CFR 438.600, each MCP must submit a signed data certification letter to ODJFS attesting to the accuracy and completeness of its audited HEDIS IDSS data submitted to ODJFS. Each MCP must also submit to ODJFS a signed data certification letter attesting to the accuracy and completeness of its final HEDIS audit report (FAR) submitted to ODJFS.

Each data certification letter is due to ODJFS on the same day the respective HEDIS IDSS data/FAR is to be submitted. For complete instructions on submitting the data certification letters, see *ODJFS Methodology for MCP Self-Reported, Audited HEDIS Results*.

See Appendix N, *Compliance Assessment System*, for the penalties for noncompliance with these data submission requirements.

3. CARE MANAGEMENT DATA

ODJFS designed a Care Management System (CAMS) in order to monitor MCP compliance with program requirements specified in Appendix K.2.h.iii.j. Each MCP's care management data submission will be assessed for completeness and accuracy. The MCP is responsible for submitting a care management file every month. Failure to do so jeopardizes the MCP's ability to demonstrate compliance with care management requirements. The MCP must also submit a letter of certification, using the form required by ODJFS, with each CAMS data submission file. The specifications for submitting the care management file and instructions for submitting the data certification letter are provided in *ODJFS' Care Management File and Submission Specifications*.

Timely Submission of Care Management Files

Data Quality Submission Requirement: The MCP must submit Care Management files on a monthly basis according to the specifications established in *ODJFS' Care Management File and Submission Specifications*.

See Appendix N, *Compliance Assessment System*, for the penalty for noncompliance with this requirement.

4. APPEALS AND GRIEVANCES DATA

Pursuant to OAC rule 5101:3-26-08.4, MCPs are required to submit appeal and grievance activity to ODJFS as directed. ODJFS requires appeal and grievance activity to be submitted at least monthly in an electronic data file format pursuant to the *Appeal File and Submission Specifications* and *Grievance File and Submission Specifications*.

The appeal data file and the grievance data file must include all appeal and grievance activity, respectively, for the previous month, and must be submitted by the ODJFS-specified due date. These data files must be submitted in the ODJFS-specified format and with the ODJFS-specified filename in order to be successfully processed.

MCPs who fail to submit their monthly electronic data files to the ODJFS by the specified due date or who fail to resubmit, by no later than the end of that month, a file which meets the data quality requirements will be subject to penalty as stipulated under the Compliance Assessment System (Appendix N).

5. UTILIZATION MANAGEMENT DATA

Pursuant to OAC rule 5101:3-26-03.1, MCPs are required to submit information on prior authorization requests as directed by ODJFS. Effective January 2011, ODJFS requires information on prior authorization requests to be submitted at least bi-weekly in electronic data file formats pursuant to the *Utilization Management Tracking Database: Prior Authorization File and Submission Specifications* document.

6. CAHPS DATA

6.a. Annual CAHPS Survey Administration and Data Submission

Each MCP is required to contract with an NCQA Certified HEDIS Survey Vendor to administer an annual CAHPS survey to the MCP's Ohio Medicaid members, per the survey administration requirements outlined in the *ODJFS CAHPS Survey Administration and Data Submission Specifications*. The survey data must be submitted to NCQA, NCBD, and ODJFS' designee per the data submission requirements and by the due dates established in the *ODJFS CAHPS Survey Administration and Data Submission Specifications*.

See Appendix N, *Compliance Assessment System*, for the penalties for noncompliance with this requirement.

6.b. CAHPS Data Certification Requirements

Each MCP is required to annually submit to ODJFS one CAHPS data certification letter that attests to the MCP's adherence to ODJFS' requirements for the CAHPS survey administration and data submissions to NCQA and ODJFS' designee. Each MCP is also required to annually submit to ODJFS one CAHPS data certification letter that attests to the MCP's adherence to ODJFS' requirements for the CAHPS data submission to NCBD. The MCP's CAHPS data certification letters must be submitted per the instructions and by the due dates provided in the *ODJFS CAHPS Survey Administration and Data Submission Specifications*.

See Appendix N, *Compliance Assessment System*, for the penalties for noncompliance with these data submission requirements.

APPENDIX M

QUALITY MEASURES AND STANDARDS

This appendix establishes performance measures and Minimum Performance Standards for managed care plans (MCPs) in key program areas, under the Agreement. The intent is to maintain accountability for contract requirements. Performance measures and standards are subject to change based on the revision or update of applicable national measures, standards, methods, benchmarks, or other factors as deemed relevant. Performance will be evaluated in the categories of Quality of Care, Access, and Consumer Satisfaction. Each performance measure has one or more Minimum Performance Standards. Selected measures in this appendix will be used to determine incentives as specified in Appendix O, *Pay for Performance (P4P)*.

All performance measures, as specified in this appendix, are calculated per MCP. The performance measures in this appendix that are calculated for SFY 2012 are calculated separately for each population an MCP serves (i.e., Aged, Blind, or Disabled (ABD), Covered Families and Children (CFC)). The performance measures in this appendix that are calculated for SFY 2013 include all Ohio Medicaid members receiving services from the MCP (i.e., ABD and CFC membership, if applicable). An MCP's performance is evaluated utilizing statewide results that include all members who meet the criteria specified per the given methodology for each measure.

The Ohio Department of Job and Family Services (ODJFS) reserves the right to revise report periods (and corresponding compliance periods), as needed, due to unforeseen circumstances. Unless otherwise noted, the most recent report or study finalized prior to the end of the contract period will be used in determining the MCP's performance level for that contract period.

ODJFS uses an MCP's self-reported, audited *Healthcare Effectiveness Data and Information Set* (HEDIS) data to assess plan performance on specific measures used for performance evaluation, as set forth in this appendix, and used to determine performance incentives, as set forth in Appendix O, *Pay-for-Performance*.

Effective SFY 2012, in the event an MCP's performance cannot be evaluated for a performance measure and report period established in this appendix, ODJFS in its sole discretion will deem the MCP to have met or to have not met the standard(s) for that particular measure and report period depending on the circumstances involved (e.g., if a HEDIS measure was assigned an audit result of "Not Report" on the MCP's Final Audit Report and the "Not Report" designation was determined to be the result of a material bias caused by the MCP, ODJFS would deem the MCP to have not met the standard(s) for that measure and report period.)

Effective SFY 2013, ODJFS has revised the Quality Measures and Standards and related methodology used to evaluate MCP performance. The SFY 2013 and SFY 2014 measures and standards are presented in Section 4. of this appendix.

The performance standards established in this appendix are subject to change based on the revision or update of applicable national methods. Effective SFY 2013 (report period CY 2012), ODJFS will implement the use of a uniform methodology, as needed, for the retrospective adjustment of any Minimum Performance Standard listed in Section 4. of this appendix, except for the CAHPS measure standards. This methodology will be implemented at ODJFS' sole discretion when all three of the following criteria are met.

- *The methodology for the standard's associated measure is revised.* Note, for HEDIS measures, ODJFS will not adjust performance measure standards retrospectively due to procedural changes such as revisions to medical record hybrid review timelines.
- *For the year the methodology is revised, the performance results for all Ohio Medicaid MCPs all increase or all decrease when compared to the standard setting year (e.g., for the SFY 2013 provider agreement, the standard setting year is HEDIS 2011).* Note, this excludes MCPs without results for both years.
- *For the year the methodology is revised, the performance results for three or more Ohio Medicaid MCPs each change by at least three percentage points (e.g., increase from 56.0% to 59.0%) when compared to the standard setting year.*

For a comprehensive description of the standard adjustment methodology, see *ODJFS Methodology for the Retrospective Adjustment of Quality and P4P Measure Standards*.

1. QUALITY OF CARE

1.a. Members with Special Health Care Needs (MSHCN)

In order to ensure state compliance with the provisions of 42 CFR 438.208, the Bureau of Managed Care (BMC) established care management basic program requirements as set forth in Appendix K of the Agreement. **Effective SFY 2013, the evaluation of MCP performance for care management is described in Appendix K.** The SFY 2012 care management performance measure and report period described below are included in the SFY 2012 P4P Incentive System, as established in Appendix O, *Pay-for-Performance (P4P)*. For detailed methodologies for this measure, see *ODJFS Methods for Members with Special Healthcare Needs Performance Measures for the ABD Program*, and *ODJFS Methods for Members with Special Healthcare Needs Performance Measures for the CFC Program*.

1.a.i. ABD / CFC Care Management of High Risk Members (*Beginning SFY 2013, the assessment of MCP performance for care management is described in Appendix K*)

ABD / CFC Measure: The percent of high risk members who have had at least three consecutive months of enrollment in one MCP that are care managed.

ABD / CFC Report Period: For the SFY 2012 contract period, July – September 2011 report period.

ABD / CFC Regional-Based Statewide Approach: Performance is evaluated using a regional-based statewide approach for all active regions in which the MCP has membership.

ABD / CFC Regional-Based Statewide Target: For SFY 2012, the target is a care management rate of 80% for the ABD population and 70% for the CFC population.

ABD / CFC Minimum Performance Standard: For SFY 2012, the standard is a level of improvement that is at least a 5.0% decrease in the difference between the target and the previous report period's results.

The penalties for noncompliance with the standards for this measure are listed in Appendix N, *Compliance Assessment System*.

This measure is included in the SFY 2012 P4P Incentive System, as established in Appendix O, *Pay-for-Performance (P4P)*.

1.b. Clinical Performance Measures

MCP performance for SFY 2012 will be assessed based on the analysis of ODJFS calculated performance measurement data or self-reported, audited HEDIS data for each measure, as described below. The assessment of MCP performance for SFY 2013 is described in Section 4. of this appendix. A Minimum Performance Standard is established for each measure. The identification of performance standards is not intended to limit the assessment of other indicators for performance improvement activities. Performance on multiple measures will be assessed and reported to the MCPs and others, including Medicaid consumers.

ODJFS Calculated Clinical Performance Measures

(Note: ODJFS calculated performance measurement data will be used to evaluate three ABD clinical performance measures in SFY 2012, as specified in Section 1. b.ii. below.)

The ODJFS calculated clinical performance measures described below closely follow the National Committee for Quality Assurance's (NCQA's) HEDIS measures. Minor adjustments to HEDIS measures are required to account for the differences between the commercial population and Medicaid population, such as shorter and interrupted enrollment periods. NCQA may annually change its method for calculating a measure. These changes can make it difficult to evaluate whether improvement occurred from a prior year. For this reason, ODJFS will use the same methods to calculate the baseline results and the results for the period in which the MCP is being held accountable. For example, the same methods are used to calculate calendar year 2008 results (the baseline period) and calendar year 2009 results. The methods will be updated and a new baseline will be created during 2009 for calendar year 2010 results. These results will then serve as the baseline to evaluate whether improvement occurred from calendar year 2009 to calendar year 2010. Clinical performance measure results will be calculated after a sufficient amount of time has passed after the end of the report period in order to allow for claims runoff.

MCP Self-Reported, Audited HEDIS Data

(Note: For SFY 2012, ODJFS will use an MCP's self-reported, audited HEDIS data to evaluate all of the CFC clinical performance measures and all but three of the ABD clinical performance measures, as specified in Section 1. b.ii. below.)

Effective SFY 2011, each MCP was required to annually submit self-reported, audited HEDIS data using NCQA's Interactive Data Submission System (IDSS) per *ODJFS Methodology for MCP Self-Reported, Audited HEDIS Results*. Effective SFY 2012, ODJFS will use an MCP's self-reported, audited HEDIS data to assess plan performance on the HEDIS clinical performance measures.

The self-reported, audited HEDIS data submitted in SFY 2011 (CY 2010 data) was used as a baseline to set a standard for SFY 2012 (CY 2011 data).

1.b.i. Approach

ABD / CFC Regional-Based Statewide Approach: For SFY 2012, MCPs are evaluated using a regional-based statewide result, including all regions in which an MCP has membership.

ABD / CFC Report Period: For the SFY 2012 contract period, performance will be evaluated using the January – December 2011 report period.

For a comprehensive description of the ODJFS calculated clinical performance measures below, see *ODJFS Methods for Clinical Performance Measures for the ABD Program*, and *ODJFS Methods for Clinical Performance Measures for the CFC Program*. For a comprehensive

description of the MCP self-reported, audited HEDIS measures below, see *ODJFS Methodology for MCP Self-Reported, Audited HEDIS Results*. Performance measures and standards are subject to change, based on the revision or update of NCQA methods or other national measures, standards, methods or benchmarks.

1.b.ii. Measures, Targets, and Standards

ABD Program

For SFY 2012, MCPs serving the ABD population are held accountable for their performance on the measures listed in Table 1 below.

For SFY 2012, MCPs will be evaluated using the targets and Minimum Performance Standards listed in Table 1 below. For HEDIS measures, MCP self-reported, audited HEDIS data submitted in SFY 2011 (CY 2010 data) was used as a baseline to set targets and Minimum Performance Standards for SFY 2012 (CY 2011 data).

The penalties for noncompliance with the Minimum Performance Standards for these measures are listed in Appendix N, *Compliance Assessment System*.

Table 1. Clinical Performance Measures for the ABD Program

<i>Measure</i>	<i>Description</i>	<i>SFY 2012 Target</i>	<i>SFY 2012 Minimum Perf. Standard</i>	<i>MCP Self-Reported Audited HEDIS Measure Effective SFY 2012</i>
Inpatient Hospital Discharge Rate*	The number of acute inpatient hospital discharges in the reporting year (where the principal diagnosis was Congestive Health Failure [CHF], Coronary Artery Disease [CAD], Hypertension, Diabetes, Chronic Obstructive Pulmonary Disease [COPD], Asthma, Mental Health [SMD], or Substance Abuse [AOD]), per thousand member months, for members who had the same diagnosis in the	10.8 discharges per 1,000 member months	The level of improvement must result in at least a 10% decrease in the difference between the target and the previous report period's results.	No

	year prior to the reporting year. For AOD, members need to have had, in the year prior to the reporting year, a diagnosis of AOD and one of the following: one AOD-related acute inpatient admission or two AOD related emergency department visits.			
Emergency Department (ED) Utilization Rate	The number of emergency department visits in the reporting year (where the primary diagnosis was CHF, CAD, Hypertension, Diabetes, COPD, Asthma, Mental Health [SMD], or Substance Abuse [AOD]), per thousand member months, for members who had the same diagnosis in the year prior to the reporting year. For AOD, members need to have had, in the year prior to the reporting year, a diagnosis of AOD and one of the following: one AOD-related acute inpatient admission or two AOD related emergency department visits.	14.7 visits per 1,000 member months	The level of improvement must result in at least a 10% decrease in the difference between the target and the previous report period's results.	No
Inpatient Hospital Readmission Rate	The number of CHF, CAD, Mental Health [SMD], or Substance Abuse [AOD] related inpatient hospital readmissions in the reporting year for members who had the same diagnosis in the year prior to the reporting year. A	5.9%	The level of improvement must result in at least a 10% decrease in the difference between the target and the previous report period's results.	No

	readmission is defined as an admission that occurs within 30 days of a prior admission for the same diagnosis. For AOD, members need to have had, in the year prior to the reporting year, a diagnosis of AOD and one of the following: one AOD-related acute inpatient admission or two AOD related emergency department visits.			
Coronary Artery Disease (CAD) – Persistence of Beta Blocker Treatment after Heart Attack*	The percentage of members 35 years of age and older as of December 31 st of the reporting year who were hospitalized and discharged alive from July 1 of the year prior to the reporting year to June 30 of the measurement year with a diagnosis of AMI and who received persistent beta-blocker treatment for six months after discharge.	88.9% (NCQA Medicaid HEDIS 2010, 90 th Percentile)	The level of improvement must result in at least a 10% decrease in the difference between the target and the previous report period's self reported audited HEDIS results.	Yes
CAD – Cholesterol Management for Patients with Cardiovascular Conditions/LDL-C Screening Performed*	The percentage of members who had a diagnosis of CAD in the year prior to the reporting year, who were enrolled for at least 11 months in the reporting year, and who received a lipid profile during the reporting year.	88.8% (NCQA Medicaid HEDIS 2010, 90 th Percentile)	The level of improvement must result in at least a 10% decrease in the difference between the target and the previous report period's self reported audited HEDIS results.	Yes

Diabetes – Eye Exam*	The percentage of diabetic members who were enrolled for at least 11 months during the reporting year, and who received one or more retinal or dilated eye exams from an ophthalmologist or optometrist during the reporting year.	70.1% (NCQA Medicaid HEDIS 2010, 90 th Percentile)	The level of improvement must result in at least a 10% decrease in the difference between the target and the previous report period's self reported audited HEDIS results.	Yes
Asthma – Use of Appropriate Medications for People with Asthma*	The percentage of members with persistent asthma who received prescribed medications acceptable as primary therapy for long-term control of asthma.	67.7% (NCQA Medicaid HEDIS 2010, ODJFS adjusted rate)	The level of improvement must result in at least a 10% decrease in the difference between the target and the previous report period's adjusted self reported audited HEDIS results.	Yes
Follow-up After Hospitalization for Mental Illness*	The percentage of discharges for members enrolled from the date of discharge through 30 days after discharge, who were hospitalized for treatment of selected mental health disorders and who had a follow-up visit (i.e., were seen on an outpatient basis or were in intermediate treatment with a mental health provider) within: 1) 30 Days of discharge, and 2) 7 Days of discharge.*	1)83.6% 2)64.3% (NCQA Medicaid HEDIS 2010, 90 th Percentile)	The level of improvement must result in at least a 10% decrease in the difference between the target and the previous report period's self reported audited HEDIS results.	Yes

*This measure is included in the SFY 2012 ABD P4P Incentive System, as established in Appendix O, *Pay-for-Performance (P4P)*.

CFC Program

For SFY 2012, MCPs serving the CFC population are held accountable for their performance on the measures listed in Table 2. below.

For SFY 2012, MCPs serving the CFC population will be evaluated using the regional-based statewide targets and Minimum Performance Standards listed in Table 2. below. MCP self-

reported, audited HEDIS data submitted in SFY 2011 (CY 2010 data) was used as a baseline to set targets and Minimum Performance Standards for SFY 2012 (CY 2011 data). Note, all of the measures in Table 2. below are HEDIS performance measures effective SFY 2012.

The penalties for noncompliance with the Regional-Based Statewide Minimum Performance Standards for these measures are listed in Appendix N, *Compliance Assessment System*.

Table 2. Clinical Performance Measures for the CFC Program

<i>Measure</i>	<i>Description</i>	<i>SFY 2012 Regional- Based Statewide Target</i>	<i>SFY 2012 Regional-Based Statewide Minimum Perf. Std.</i>
Perinatal Care- Frequency of Ongoing Prenatal Care*	The percentage of enrolled women with a live birth during the year who received the expected number of prenatal visits. The number of observed versus expected visits will be adjusted for length of enrollment.	82.2% (NCQA Medicaid HEDIS 2010, 90 th Percentile)	The level of improvement must result in at least a 10% decrease in the difference between the target and the previous report period's self reported audited HEDIS results.
Perinatal Care - Timeliness of Prenatal Care*	The percentage of enrolled women with a live birth during the year who had a prenatal visit within 42 days of enrollment or by the end of the first trimester for those women who enrolled in the MCP during the early stages of pregnancy.	92.7% (NCQA Medicaid HEDIS 2010, 90 th Percentile)	The level of improvement must result in at least a 10% decrease in the difference between the target and the previous report period's self reported audited HEDIS results.
Perinatal Care - Postpartum Care*	The percentage of women who delivered a live birth who had a postpartum visit on or between 21 days and 56 days after delivery.	74.4% (NCQA Medicaid HEDIS 2010, 90 th Percentile)	The level of improvement must result in at least a 10% decrease in the difference between the target and the previous report period's self reported audited HEDIS results.
Well-Child Visits (two measures)*	The percentage of children who received the expected number of well-child visits adjusted by age and enrollment. The expected number of visits are as follows: 1) Children who turn 15	1)76.3% 2)82.5% (NCQA Medicaid HEDIS 2010, 90 th Percentile)	The level of improvement must result in at least a 10% decrease in the difference between the target and the previous report period's self reported audited HEDIS results.

	months old: six or more well-child visits; 2) Children who were 3, 4, 5, or 6, years old: one or more well-child visits;		
Adolescent Well-Care Visits*	The percentage of children 12 through 21 years of age who received one or more well-care visits.	63.2% (NCQA Medicaid HEDIS 2010, 90 th Percentile)	The level of improvement must result in at least a 10% decrease in the difference between the target and the previous report period's self reported audited HEDIS results.
Use of Appropriate Medications for People with Asthma *	The percentage of members with persistent asthma who were enrolled for at least 11 months with the plan during the year and who received prescribed medications acceptable as primary therapy for long-term control of asthma.	90.9% (NCQA Medicaid HEDIS 2010, ODJFS adjusted rate)	The level of improvement must result in at least a 10% decrease in the difference between the target and the previous report period's adjusted self reported audited HEDIS results.
Annual Dental Visits*	The percentage of enrolled members age 4 through 21 (for SFY2010) age 2 through 21 (for SFY 2011 and 2012) who were enrolled for at least 11 months with the plan during the year and who had at least one dental visit during the year.	64.1% (NCQA Medicaid HEDIS 2010, 90 th Percentile)	The level of improvement must result in at least a 10% decrease in the difference between the target and the previous report period's self reported audited HEDIS results.
Lead Screening in Children*	The percentage of children who have turned two years of age during the reporting year who have received one lead test on or before their second birthday.	88.4% (NCQA Medicaid HEDIS 2010, 90 th Percentile)	The level of improvement must result in at least a 10% decrease in the difference between the target and the previous report period's self reported audited HEDIS results.

*This measure is included in the SFY 2012 CFC P4P Incentive System, as established in Appendix O, *Pay-for-Performance (P4P)*.

2. ACCESS

Performance in the Access category will be determined by the following measures: Children's Access to Primary Care (CFC population only), and Members'/Adults' Access to Preventive/Ambulatory Health Services. For a comprehensive description of the access performance measures below, see *ODJFS Methods for Access Performance Measures for the ABD Program*, and *ODJFS Methods for Access Performance Measures for the CFC Program*.

2.a. CFC Children's Access to Primary Care

(Note: Effective SFY 2012, an MCP's self-reported, audited HEDIS data will be used to evaluate plan performance on this measure. For this measure, the assessment of MCP performance for SFY 2013 is described in Section 4. of this appendix.)

Effective SFY 2011, each MCP was required to annually submit self-reported, audited HEDIS data to ODJFS per ODJFS Methodology for MCP Self-Reported, Audited HEDIS Results. The self-reported, audited HEDIS data submitted in SFY 2011 (CY 2010 data) was used as a baseline to set a standard for SFY 2012 (CY 2011 data) for this measure.

This measure indicates whether children age 12 months to 19 years are accessing PCPs for sick or well-child visits.

CFC Measure: The percentage of members age 12 months to 19 years who had a visit with an MCP PCP-type provider.

CFC Report Period: For the SFY 2012 contract period, performance will be evaluated using the January - December 2011 report period.

CFC Regional-Based Statewide Approach: MCPs will be evaluated statewide, using results for all active regions in which the MCP has membership.

CFC Regional-Based Statewide Minimum Performance Standard:
CY 2011 report period – 83%

The penalties for noncompliance with the standards for this measure are listed in Appendix N, *Compliance Assessment System*.

This measure is included in the SFY 2012 CFC P4P Incentive System, as established in Appendix O, *Pay-for-Performance (P4P)*.

2.b. ABD Members'/CFC Adults' Access to Preventive/Ambulatory Health Services

(Note: Effective SFY 2012, an MCP's self-reported, audited HEDIS data will be used to evaluate plan performance on this measure. For this measure, the assessment of MCP performance for SFY 2013 is described in Section 4. of this appendix.)

Effective SFY 2011, each MCP was required to annually submit self-reported, audited HEDIS data to ODJFS per ODJFS Methodology for MCP Self-Reported, Audited HEDIS Results. The self-reported, audited HEDIS data submitted in SFY 2011 (CY 2010 data) was used as a baseline to set a standard for SFY 2012 (CY 2011 data) for this measure.

This measure indicates whether ABD members and CFC adult members are accessing health services.

ABD / CFC Measure: For the ABD program, this measure is the percentage of members who had an ambulatory or preventive care visit. For the CFC program, this measure is the percentage of members age 20 and older who had an ambulatory or preventive care visit.

ABD / CFC Report Period: For the SFY 2012 contract period, performance will be evaluated using the January - December 2011 report period.

ABD / CFC Regional-Based Statewide Approach: MCPs will be evaluated statewide using results for all regions in which the MCP has membership.

ABD / CFC Regional-Based Statewide Minimum Performance Standard:

CY 2011 report period –

For the CFC Program, 75% of adults must receive a visit.

For the ABD Program, 78% of members must receive a visit.

The penalties for noncompliance with the standards for this measure are listed in Appendix N, *Compliance Assessment System*.

This measure is included in the SFY 2012 P4P Incentive System, as established in Appendix O, *Pay-for-Performance (P4P)*.

3. CONSUMER SATISFACTION

(Note: The assessment of MCP performance in this category for SFY 2013 is described in Section 4. of this appendix)

In accordance with federal requirements and in the interest of assessing enrollee satisfaction with MCP performance, ODJFS conducts an annual independent consumer satisfaction survey. Results are used to assist in identifying and correcting MCP performance overall and in the areas of access to care, quality of care, and member services. The results of this measure are reported annually. For a comprehensive description of the consumer satisfaction performance measure, see *ODJFS Methods for the Consumer Satisfaction Performance Measure for the CFC Program* and *ODJFS Methods for the Consumer Satisfaction Performance Measure for the ABD Program*.

ABD / CFC Measure:

This measure is the overall average rating of the respondents to the consumer satisfaction survey who were asked to rate how often they were satisfied with their MCPs' customer service.

ABD / CFC Report Period: For the SFY 2012 contract period, performance will be evaluated using the results from the CY 2012 consumer satisfaction survey.

ABD / CFC Regional-Based Statewide Approach: MCPs will be evaluated annually using a statewide result, including all regions in which an MCP has membership.

ABD / CFC Regional-Based Statewide Minimum Performance Standard:

CY 2012 report period –

For the ABD Program: an overall average score of no less than 2.0.

For the CFC Program: an overall average score of no less than 2.0.

The penalties for noncompliance with the standards for this measure are listed in Appendix N, *Compliance Assessment System*.

This measure is included in the SFY 2012 P4P Incentive System, as established in Appendix O, *Pay-for-Performance (P4P)*.

4. QUALITY MEASURES AND STANDARDS (*effective SFY 2013*)

ODJFS has established Quality Measures and Standards to evaluate MCP performance in key program areas. The selected measures align with specific priorities, goals, and focus areas of the ODJFS Quality Strategy. Each measure has one or more Minimum Performance Standards. Certain measures are used in the Pay-for-Performance (P4P) Incentive System (see Appendix O). For these measures, performance exceeding the Minimum Performance Standard may result in the receipt of financial incentives for participating MCPs. For the remaining measures, failure to meet a Minimum Performance Standard will result in the assessment of a noncompliance penalty. All of the measures utilized for performance evaluation are derived from national measurement sets (e.g., HEDIS, AHRQ), widely used for evaluation of Medicaid and/or managed care industry data.

MCPs are evaluated on each measure using statewide results that include all regions in which the MCP has membership. Results for each measure are calculated per MCP and include all Ohio Medicaid members receiving services from the MCP. A comprehensive description of the methodology used to calculate the results for each measure is available online via the *Medicaid Managed Care Program* page of the ODJFS website.

4.a. – Measures, Standards, and Report Periods

The measures and accompanying Minimum Performance Standards and report periods for the SFY 2013 and SFY 2014 contract periods are listed in Table 3. below. The measurement set used to evaluate each measure is also provided. Measures used in the Pay for Performance (P4P) Incentive System are denoted with an asterisk.

Table 3. SFY 2013 and SFY 2014 Performance Measures, Standards, and Report Periods

Quality Strategy Priority: Improve Care Coordination <i>Goal: Create a delivery system that is less fragmented, where communication is clear, and patients and clinicians have access to information in order to optimize care</i>						
Quality Strategy Focus Area	Measure	Measurement Set	SFY 2013 Minimum Perf. Std.	SFY 2013 Report Period	SFY 2014 Minimum Perf. Std.	SFY 2014 Report Period
Access: Children's Access	Children and Adolescents' Access to Primary Care Practitioners - 12-24 Months, 25 Months - 6 Years, 7-11 Years, and 12-19 Years	NCQA/HEDIS	12-24 Mos. ≥ 90.6%	CY 2012	12-24 Mos. ≥ 95.1%	CY 2013
			25 Mos.-6 Yrs. ≥ 81.0%		25 Mos.-6 Yrs. ≥ 86.8%	
			7-11 Yrs. ≥ 85.0%		7-11 Yrs. ≥ 87.9%	
			12-19 Yrs. ≥ 80.6%		12-19 Yrs. ≥ 86.5%	
Access: Adults' Access	Adults' Access to Preventive/Ambulatory Health Services – Total	NCQA/HEDIS	≥ 68.4%	CY 2012	≥ 80.4%	CY 2013
Quality Strategy Priority: Promote Evidence Based Prevention and Treatment Practices <i>Goal: Prevent and reduce exacerbations of chronic conditions</i>						
Quality Strategy Focus Area	Measure	Measurement Set	SFY 2013 Minimum Perf. Std.	SFY 2013 Report Period	SFY 2014 Minimum Perf. Std.	SFY 2014 Report Period
Clinical Quality: Behavioral Health	Follow-Up After Hospitalization for Mental Illness - 7-Day Follow-Up*	NCQA/HEDIS	≥ 18.2%	CY 2012	≥ 33.1%	CY 2013
Clinical Quality: Behavioral Health	Follow-Up Care for Children Prescribed ADHD Medication – Initiation Phase	NCQA/HEDIS	≥ 24.8%	CY 2012	≥ 31.8%	CY 2013

Clinical Quality: Behavioral Health	Initiation and Engagement of Alcohol and Other Drug Dependence Treatment – Engagement of AOD Treatment, Total	NCQA/ HEDIS	≥ 2.3%	CY 2012	≥ 5.7%	CY 2013
Clinical Quality: Behavioral Health	Adolescent Well-Care Visits	NCQA/ HEDIS	≥ 34.4%	CY 2012	≥ 39.6%	CY 2013
Clinical Quality: High Risk Pregnancy/ Premature Births	Percent of Live Births Weighing Less Than 2,500 Grams	CHIPRA	≤ 9.5%	CY 2012	≤ 9.5%	CY 2013
Clinical Quality: High Risk Pregnancy/ Premature Births	Prenatal and Postpartum Care - Timeliness of Prenatal Care*	NCQA/ HEDIS	≥ 70.6%	CY 2012	≥ 80.3%	CY 2013
Clinical Quality: High Risk Pregnancy/ Premature Births	Prenatal and Postpartum Care - Postpartum Care	NCQA/ HEDIS	Not Applicable	Not Applicable	≥ 59.6%	CY 2013
Clinical Quality: High Risk Pregnancy/ Premature Births	Frequency of Ongoing Prenatal Care – ≥ 81 Percent of Expected Visits	NCQA/ HEDIS	≥ 31.5%	CY 2012	≥ 50.8%	CY 2013
Clinical Quality: Asthma	Annual Number of Asthma Patients with ≥ 1 Asthma-Related Emergency Room Visit	CHIPRA	≤ 14.1%	CY 2012	≤ 14.1%	CY 2013

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Quality Measures and Standards
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Clinical Quality: Asthma	Use of Appropriate Medications for People With Asthma – Total*	NCQA/ HEDIS	≥ 84.6%	CY 2012	≥ 84.4%	CY 2013
Clinical Quality: Upper Respiratory Infections	Appropriate Treatment for Children With Upper Respiratory Infection*	NCQA/ HEDIS	≥ 77.7%	CY 2012	≥ 83.4%	CY 2013
Clinical Quality: Upper Respiratory Infections	Well Child Visits in the First 15 Months of Life – Six or More Well-Child Visits	NCQA/ HEDIS	≥ 40.9%	CY 2012	≥ 52.2%	CY 2013
Clinical Quality: Upper Respiratory Infections	Well Child Visits in the Third, Fourth, Fifth and Sixth Years of Life	NCQA/ HEDIS	≥ 59.9%	CY 2012	≥ 66.1%	CY 2013
Clinical Quality: Diabetes	Comprehensive Diabetes Care – HbA1c Control (<8.0%)	NCQA/ HEDIS	≥ 29.9%	CY 2012	≥ 39.9%	CY 2013
Clinical Quality: Diabetes	Comprehensive Diabetes Care - Blood Pressure Control (<140/90 mm Hg)	NCQA/ HEDIS	≥ 43.8%	CY 2012	≥ 54.3%	CY 2013
Clinical Quality: Diabetes	Comprehensive Diabetes Care - LDL-C Screening*	NCQA/ HEDIS	≥ 62.6%	CY 2012	≥ 70.4%	CY 2013
Clinical Quality: Diabetes	Comprehensive Diabetes Care - Eye Exam (Retinal) Performed	NCQA/ HEDIS	≥ 32.1%	CY 2012	≥ 43.8%	CY 2013

Clinical Quality: Cardio-vascular Disease	Controlling High Blood Pressure*	NCQA/ HEDIS	≥ 41.9%	CY 2012	≥ 47.9%	CY 2013
Clinical Quality: Cardio-vascular Disease	Cholesterol Management for Patients With Cardiovascular Conditions - LDL-C Screening	NCQA/ HEDIS	≥ 72.1%	CY 2012	≥ 78.3%	CY 2013
Clinical Quality: Cardio-vascular Disease	Cholesterol Management for Patients With Cardiovascular Conditions - LDL-C Control (<100 mg/dL)	NCQA/ HEDIS	≥ 22.9%	CY 2012	≥ 35.1%	CY 2013
Clinical Quality: Cardio-vascular Disease	Persistence of Beta-Blocker Treatment after a Heart Attack	NCQA/ HEDIS	≥ 59.2%	CY 2012	≥ 70.3%	CY 2013
<p>Quality Strategy Priority: Support Person and Family Centered Care <i>Goal: Integrate patient/family feedback on preferences, desired outcomes, and experiences into all care settings and delivery</i></p>						

Quality Strategy Focus Area	Measure	Measurement Set	SFY 2013 Minimum Perf. Std.	SFY 2013 Report Period	SFY 2014 Minimum Perf. Std.	SFY 2014 Report Period
Consumer Satisfaction Survey	Adult Rating of Health Plan (CAHPS Health Plan Survey)	NCQA/HEDIS	≥ 2.22	July-December 2012 (Survey conducted in CY 2013)	≥ 2.31	July-December 2013 (Survey conducted in CY 2014)
Consumer Satisfaction Survey	General Child Rating of Health Plan (CAHPS Health Plan Survey)	NCQA/HEDIS	≥ 2.45	July-December 2012 (Survey conducted in CY 2013)	≥ 2.51	July-December 2013 (Survey conducted in CY 2014)

*This measure and accompanying Minimum Performance Standard are used in the SFY 2013 and SFY 2014 Pay for Performance (P4P) Incentive System outlined in Section 3. of Appendix O. No penalty will be assessed for noncompliance with the Minimum Performance Standard established for this measure.

APPENDIX N

COMPLIANCE ASSESSMENT SYSTEM

I. General Provisions of the Compliance Assessment System

A. The CAS does not prevent ODJFS' ability to require CAPs and program improvements, or to impose any of the sanctions specified in OAC rule 5101:3-26-10, including the proposed termination, amendment, or nonrenewal of the MCP's Provider Agreement.

B. As stipulated in OAC rule 5101:3-26-10(F), regardless of whether ODJFS imposes a sanction, MCPs are required to initiate corrective action for any MCP program violations or deficiencies as soon as they are identified by the MCP or ODJFS. In the event the MCP identifies a violation which could impair a member's ability to obtain correct information regarding services; impair member rights; affects the ability of the MCP to deliver covered services; or affects the member's ability to access covered services, the MCP is required to report to ODJFS when they become aware.

C. If ODJFS determines that an MCP has violated any of the requirements of sections 1903(m) or 1932 of the Social Security Act which are not specifically identified within the CAS, ODJFS may, pursuant to the provisions of OAC rule 5101:3-26-10(A), notify the MCP's members that they may disenroll from the MCP without cause and/or suspend any further new member enrollments.

D. Program violations that technically reflect noncompliance from the previous compliance term will be subject to remedial action under CAS at the time that ODJFS first becomes aware of this noncompliance.

E. In cases where an MCP contracted healthcare provider is found to have violated a program requirement (e.g., failing to provide adequate contract termination notice, marketing to potential members, inappropriate member billing, etc.), ODJFS will not assess points if: (1) the MCP can document that they provided sufficient notification/ education to providers of applicable program requirements and prohibited activities; and (2) the MCP takes immediate and appropriate action to correct the problem and to ensure that it does not happen again to the satisfaction of ODJFS. Repeated incidents will be reviewed to determine if the MCP has a systemic problem in this area, and if so, sanctions/remedial actions may be assessed, as determined by ODJFS.

F. All notices of noncompliance will be issued in writing to the identified MCP contact.

G. ODJFS retains the right to use its sole discretion to determine and apply the most appropriate penalty based on the severity of the offense, pattern of repeated noncompliance, and number of consumers affected.

II. Types of Sanctions/Remedial Actions

ODJFS may impose sanctions/remedial actions, including, but not limited to, the items listed below.

A. Corrective Action Plans (CAPs)

A CAP is a structured activity/process or quality improvement initiative implemented by the MCP to improve identified operational and clinical quality deficiencies.

MCPs may be required to develop CAPs for any instance of noncompliance, and CAPs are not limited to actions taken in this Appendix. All CAPs requiring ongoing activity on the part of an MCP to ensure their compliance with a program requirement remain in effect for twenty-four months. All CAPs requiring implementation of quality improvement initiatives will remain in effect for twelve months from the date of implementation.

In situations where ODJFS has already determined the specific action which must be implemented by the MCP or if the MCP has failed to submit a CAP, ODJFS may require the MCP to comply with an ODJFS-developed or “directed” CAP.

In situations where a penalty is assessed for a violation in which an MCP has previously been assessed a CAP (or any penalty or any other related written correspondence), the MCP may be assessed escalating penalties.

Sections B. – C. are intentionally omitted.

D. Points

Points will accumulate over a rolling 12-month schedule. Each month, points that are more than 12-months old will expire.

No points will be assigned for any violation where an MCP is able to document that the precipitating circumstances were completely beyond their control and could not have been foreseen (e.g., a construction crew severs a phone line, a lightning strike disables a computer system, etc.).

D.1. 5 Points

Failures to meet program requirements, including but not limited to, actions which could impair the member’s ability to obtain correct **information** regarding services or which could impair a consumer’s or member’s rights, as determined by ODJFS, will result in the assessment of 5 points. Examples include, but are not limited to, the following:

- Violations which result in a member’s MCP selection or termination based on inaccurate provider panel information from the MCP.
- Failure to provide member materials to new members in a timely manner.
- Failure to comply with appeal, grievance, or state hearing requirements, including the failure to notify a member of their right to a state hearing when the MCP proposes to

- deny, reduce, suspend or terminate a Medicaid-covered service.
- Failure to staff 24-hour call-in system with appropriate trained medical personnel.
- Failure to meet the monthly call-center requirements for either the member services or the 24-hour call-in system lines.
- Provision of false, inaccurate or materially misleading information to health care providers, the MCP's members, or any eligible individuals.
- Use of unapproved marketing or member materials.
- Failure to appropriately notify ODJFS or members of provider panel terminations.
- Failure to update website provider directories as required.
- Failure to comply with a CAP.

D.2. 10 Points

Failures to meet program requirements, including but not limited to, actions which could affect the ability of the MCP to deliver or the **consumer to access** covered services, as determined by ODJFS. Examples include, but are not limited to, the following:

- Discrimination among members on the basis of their health status or need for health care services (this includes any practice that would reasonably be expected to encourage termination or discourage selection by individuals whose medical condition indicates probable need for substantial future medical services).
- Failure to assist a member in accessing needed services in a timely manner after request from the member.
- Failure to provide medically-necessary Medicaid covered services to members.
- Failure to process prior authorization requests within the prescribed time frames.
- Repeated failure to comply with a CAP.
- Imposes on members premiums or charges that are in excess of the premiums or charges permitted under the Medicaid program.
- Misrepresents or falsifies information that it furnishes to CMS or to ODJFS.
- Misrepresents or falsifies information that it furnishes to a member, potential member, or health care provider.
- Failure to comply with the requirements for physician incentive plans, as set forth (for Medicare) in 42 CFR 422.208 and 422.210.

E. Fines

Refundable or nonrefundable fines may be assessed as a penalty separate to or in combination with other sanctions/remedial actions.

E.1. Unless otherwise stated, all fines are nonrefundable.

E.2. Refundable and nonrefundable monetary sanctions/assurances must be remitted to ODJFS within thirty (30) days, or as directed by ODJFS in writing, of receipt of the invoice by the MCP. In addition, per ORC Section 131.02, payments not received within forty-five (45) days will be certified to the Attorney General's (AG's) office. MCP payments certified to the AG's office will be assessed the appropriate collection fee by the AG's office.

E.3. Monetary sanctions/assurances imposed by ODJFS will be based on the most recent premium payments in the month of the cited deficiency.

E.4. Any monies collected through the imposition of a refundable fine will be returned to the MCP (minus any applicable collection fees owed to the AG's Office if the MCP has been delinquent in submitting payment) after they have demonstrated full compliance, as determined by ODJFS, with the particular program requirement.

E.5. MCPs are required to submit a written request for refund to ODJFS at the time they believe is appropriate before a refund of monies will be considered.

F. Combined Remedies

Notwithstanding any other action ODJFS may take under this Appendix, ODJFS may impose a combined remedy which will address multiple areas of noncompliance if ODJFS determines, in its sole discretion, that (1) one systemic problem is responsible for multiple areas of noncompliance and/or (2) that there are a number of repeated instances of noncompliance with the same program requirement. The total fines assessed in any one month will not exceed 15% of one month's payment from ODJFS to the MCP.

G. Progressive Remedies

Progressive remedies will be based on the number of points accumulated at the time of the most recent incident. The designated fine amount will be assessed when the number of accumulated points falls within the ranges specified below:

0 -15 Points	CAP
16-25 Points	CAP + \$5,000 fine
26-50 Points	CAP + \$10,000 fine
51-70 Points	CAP + \$20,000 fine
71-100 Points	CAP + \$30,000 fine
100+ Points	Proposed Contract Termination

H. New Enrollment Freezes

Notwithstanding any other penalty or point assessment that ODJFS may impose on the MCP under this Appendix, ODJFS may prohibit an MCP from receiving new enrollment through consumer initiated selection or the assignment process if: (1) the MCP has accumulated a total of 51 or more points during a rolling 12-month period; or (2) the MCP fails to fully implement a CAP within the designated time frame; or (3) circumstances exist which potentially jeopardize the MCP's members' access to care; or (4) the MCP is found to have a pattern of repeated or ongoing noncompliance. Examples of circumstances that ODJFS may consider as jeopardizing member access to care include:

- the MCP has been found by ODJFS to be noncompliant with the prompt payment or the non-contracting provider payment requirements;
- the MCP has been found by ODJFS to be noncompliant with the provider panel requirements specified in Appendix H of the Agreement;
- the MCP's refusal to comply with a program requirement after ODJFS has directed the MCP to comply with the specific program requirement; or
- the MCP has received notice of proposed or implemented adverse action by the ODI.

Payments provided for under the Agreement will be denied for new enrollees, when and for so long as, payments for those enrollees are denied by CMS in accordance with the requirements in 42 CFR 438.730.

I. Reduction of Assignments

ODJFS has sole discretion over how member auto-assignments are made. ODJFS may reduce the number of assignments an MCP receives to assure program stability within a region or if ODJFS determines that the MCP lacks sufficient capacity to meet the needs of the increased enrollment volume. Examples of circumstances which ODJFS may determine demonstrate a lack of sufficient capacity include, but are not limited to an MCP's failure to: maintain an adequate provider network; repeatedly provide new member materials by the member's effective date; meet the minimum call center requirements; meet the minimum performance standards for members with special health care needs; and/or provide complete and accurate appeal/grievance, and Care Management System (CAMS) data files.

J. Specific Pre-Determined Penalties

J.1. Adequate network-minimum provider panel requirements

Compliance with provider panel requirements will be assessed quarterly. Any deficiencies in the MCP's provider network as specified in Appendix H of the Agreement or by ODJFS, will result in the assessment of a \$1,000 nonrefundable fine for each category (practitioners, PCP capacity, hospitals), for each county, and for each population (e.g., ABD, CFC). For example if the MCP did not meet the following minimum panel requirements, the MCP would be assessed (1) a \$3,000 nonrefundable fine for the failure to meet CFC panel requirements; and, (2) a \$1,000 nonrefundable fine for the failure to meet ABD panel requirements).

- practitioner requirements in Franklin county for the CFC population
- practitioner requirements in Franklin county for the ABD population
- hospital requirements in Franklin county for the CFC population
- PCP capacity requirements in Fairfield county for the CFC population

In addition to the pre-determined penalties, ODJFS may assess additional penalties pursuant to this Appendix (e.g. CAPs, points, fines) if member specific access issues are identified resulting from provider panel noncompliance.

J.2 is intentionally omitted.

J.3. Late Submissions

All required submissions/data and documentation requests must be received by their specified deadline and must represent the MCP in an honest and forthright manner. Failure to provide ODJFS with a required submission or any data/documentation requested by ODJFS will result in the assessment of a nonrefundable fine of \$100 per day, unless the MCP requests and is granted an extension by ODJFS. Assessments for late submissions will be done monthly. Examples of such program violations include, but are not limited to:

- Late required submissions
 - Annual delegation assessments
 - Call center report
 - State hearing notifications
- Late required data submissions
 - Appeals and grievances, care management, and encounter data
- Late required information requests
 - Automatic call distribution reports
 - Information/resolution regarding consumer or provider complaint
 - Just cause or other coordination care request from ODJFS
 - Failure to provide ODJFS with a required submission after ODJFS has notified the MCP that the prescribed deadline for that submission has passed

If an MCP determines that they will be unable to meet a program deadline or data/documentation submission deadline, the MCP must submit a written request to its Contract Administrator for an extension of the deadline, as soon as possible, but no later than 3 PM EST on the date of the deadline in question. Extension requests should only be submitted in situations where unforeseeable circumstances have occurred which make it impossible for the MCP to meet an ODJFS-stipulated deadline and all such requests will be evaluated upon this standard. Only written approval as may be granted by ODJFS of a deadline extension will preclude the assessment of compliance action for untimely submissions.

J.4. Noncompliance with Claims Adjudication Requirements

If ODJFS finds that an MCP is unable to (1) electronically accept and adjudicate claims to final status and/or (2) notify providers of the status of their submitted claims, as stipulated in Appendix C of the Agreement, ODJFS will assess the MCP with a monetary sanction of \$20,000 per day for the period of noncompliance.

If ODJFS has identified specific instances where an MCP has failed to take the necessary steps to comply with the requirements specified in Appendix C of the Agreement for (1) failing to notify non-contracting providers of procedures for claims submissions when requested and/or (2) failing to notify contracting and non-contracting providers of the status of their submitted claims, the MCP will be assessed 5 points per incident of noncompliance.

J.5. Noncompliance with Financial Performance Measures and/or the Submission of Financial Statements

Failure to meet any standard for 2.a., 2.b., 2.c., or 2.d of Appendix J will result in ODJFS requiring the MCP to complete a CAP and specifying the date by which compliance must be demonstrated. Failure to meet the standard or otherwise comply with the CAP by the specified date will result in a new enrollment freeze unless ODJFS determines that the deficiency does not potentially jeopardize access to or quality of care or affect the MCP's ability to meet administrative requirements (e.g., prompt pay requirements). Justifiable reasons for noncompliance may include one-time events (e.g., MCP investment in information system products).

If Financial Statements are not submitted to the Ohio Department of Insurance (ODI) by the due date, the MCP continues to be obligated to submit the report to ODJFS by ODI's originally specified due date unless the MCP requests and is granted an extension by ODJFS.

Failure to submit complete quarterly and annual Financial Statements on a timely basis will be deemed a failure to meet the standards and will be subject to the noncompliance penalties listed above for indicators 2.a., 2.b., 2.c., and 2.d including the imposition of a new enrollment freeze. The new enrollment freeze will take effect at the first of the month following the month in which the determination was made that the MCP was non-compliant for failing to submit financial reports timely.

J.6. Noncompliance with Reinsurance Requirements

If it is determined that an MCP failed to have reinsurance coverage as specified in Appendix J, that an MCP's deductible exceeds \$100,000.00 without approval from ODJFS, or that the MCP's reinsurance for non-transplant services covers less than 80% of inpatient costs in excess of the deductible incurred by one member for one year without approval from ODJFS, then the MCP will be required to pay a monetary penalty to ODJFS. The amount of the penalty will be the difference between the estimated amount, as determined by ODJFS, of what the MCP would have paid in premiums for the reinsurance policy if it had been in compliance and what the MCP did actually pay while it was out of compliance plus 5%. For example, if the MCP paid \$3,000,000.00 in premiums during the period of non-compliance and would have paid \$5,000,000.00 if the requirements had been met, then the penalty would be \$2,100,000.00.

If it is determined that an MCP's reinsurance for transplant services covers less than 50% of inpatient costs incurred by one member for one year, the MCP will be required to develop a CAP.

J.7. Noncompliance with Prompt Payment

Noncompliance with the prompt pay requirements as specified in Appendix J of the Agreement will result in progressive penalties. The first violation during a rolling 12-month period will result in the submission of quarterly prompt pay and monthly status reports to ODJFS until the next quarterly report is due. The second violation during a rolling 12-month period will result in the submission of monthly status reports and a refundable fine equal to 5% of the MCP's monthly premium payment or \$300,000, whichever is less. The refundable fine will be applied in lieu of a nonrefundable fine and the money will be refunded by ODJFS only after the MCP complies with the required standards for two (2) consecutive quarters. Subsequent violations will result in an enrollment freeze.

If an MCP is found to have not been in compliance with the prompt pay requirements for any time period for which a report and signed attestation have been submitted representing the MCP as being in compliance, the MCP will be subject to an enrollment freeze of not less than three (3) months duration.

J.8. Noncompliance with Clinical Laboratory Improvement Amendments (CLIA)

Noncompliance with CLIA requirements as specified by ODJFS will result in the assessment of a nonrefundable \$1,000 fine for each violation.

J.9. Noncompliance with Abortion and Sterilization Hysterectomy Requirements

Noncompliance with abortion and sterilization requirements as specified by ODJFS will result in the assessment of a nonrefundable \$2,000 fine for each documented violation. Additionally, MCPs must take all appropriate action to correct each ODJFS-documented violation.

J.10. Refusal to Comply with Program Requirements

If ODJFS has instructed an MCP that they must comply with a specific program requirement and the MCP refuses, such refusal constitutes documentation that the MCP is no longer operating in the best interests of the MCP's members or the state of Ohio and ODJFS will move to terminate or non-renew the MCP's provider agreement.

J.11. Data Quality Submission Requirements and Measures (as specified in Appendix L)

The MCP must submit to ODJFS, by the specified deadline and according to ODJFS' specifications, all required data files and requested documentation needed to calculate each measure listed under J.11.b. and J.11.c. below. If an MCP fails to comply with this requirement for any measure listed under J.11.b. and J.11.c. below, the MCP will be considered noncompliant with the standard(s) for that measure.

ODJFS reserves the right to withhold an assessment of noncompliance under this section due to unforeseeable circumstances.

The monetary penalty for each measure listed under J.11.b. and J.11.c. below shall not exceed \$300,000 during each evaluation period.

J.11.a. Data Quality Submission Requirements

J.11.a.i. Annual Submission of MCP Self-Reported, Audited HEDIS Data

Performance is monitored annually. Effective SFY 2012, if an MCP fails to submit its self-reported, audited HEDIS data to ODJFS as specified in Appendix L, the MCP will be considered non-compliant with the standards for all of the self-reported, audited HEDIS performance measures in Appendix M for the corresponding contract period. In addition, the MCP will be disqualified from participation in the P4P incentive system in Appendix O for the corresponding contract period.

J.11.a.ii. Annual Submission of Final HEDIS Audit Report (FAR)

Performance is monitored annually. Effective SFY 2012, if an MCP fails to submit its FAR to ODJFS as specified in Appendix L, the MCP will be considered non-compliant with the standards for all of the self-reported, audited HEDIS performance measures in Appendix M for the corresponding contract period. In addition, the MCP will be disqualified from participation in the P4P incentive system in Appendix O for the corresponding contract period.

Note, ODJFS will review each MCP's FAR in order to determine if any data collection or reporting issues were identified. In addition, ODJFS will evaluate any issues that resulted in the assignment of an audit result of "Not Report" (i.e., NR) for any measure. MCPs may be required to submit to ODJFS requested documentation to account for an NR audit designation. Based on its review of an MCP's FAR and any NR audit designations assigned, ODJFS reserves the right to pursue corrective action (such as requiring the MCP to implement a corrective action plan to resolve data collection and/or reporting issues).

J.11.a.iii. Data Certification Requirements for HEDIS IDSS Data and HEDIS Audit Report

Performance is monitored annually. If an MCP fails to submit a required data certification letter to ODJFS within the required time frame, ODJFS will impose a nonrefundable fine of \$100 per day, unless the MCP requests and is granted an extension by ODJFS.

J.11.a.iv. Annual CAHPS Survey Administration and Data Submission

Performance is monitored annually. Effective SFY 2013, if an MCP fails to administer a CAHPS survey and submit the survey data to NCQA, NCBD, and ODJFS' designee, as specified in Appendix L, ODJFS will impose a non-refundable \$300,000 monetary sanction. In addition, the MCP will be considered non-compliant with the standards for the CAHPS performance measure in Appendix M for the corresponding contract period, per section J.12.b. of this Appendix.

J.11.a.v. CAHPS Data Certification Requirements

Performance is monitored annually. If an MCP fails to submit a required CAHPS data certification letter to ODJFS within the required time frame, ODJFS will impose a nonrefundable fine of \$100 per day, unless the MCP requests and is granted an extension by ODJFS.

J.11.b. Data Quality Measures Assessed Separately By Population

For the following measures, performance is monitored and reported separately for each population (i.e., ABD, CFC) the MCP serves, as specified in Appendix L. Penalties for non-compliance are assessed separately for each population the MCP serves.

J.11.b.i. Encounter Data Volume

Performance is monitored once every quarter for the entire report period for each population the MCP serves. Penalties will be assessed by population. If the standard is not met for every service category in all quarters of the report period, the MCP will be determined to be noncompliant for the report period.

ODJFS will issue a Sanction Advisory for all instances of noncompliance with this measure that are NOT consecutive. ODJFS will issue a series of progressive penalties for consecutive instances of noncompliance. The first time an MCP is determined to be noncompliant with the standard for this measure, ODJFS will issue a Sanction Advisory. If an MCP is determined to be noncompliant with the standard in a second, consecutive quarter, ODJFS will impose a monetary sanction of two percent of the current month's premium payment per applicable population served pursuant to Appendix B. (Monetary sanctions will not be levied in subsequent, consecutive quarters that an MCP is determined to be noncompliant.) If an MCP is determined to be noncompliant with the standard in a third, consecutive quarter, ODJFS will impose a new member enrollment freeze. Once the MCP is determined to be compliant with the standard and the violations/ deficiencies are resolved to the satisfaction of ODJFS, any applicable penalties will be lifted (e.g., enrollment freeze), and any applicable monetary sanctions will be returned.

J.11.b.ii. Encounter Data Accuracy Study

Delivery Payment Measure – Compliance with this measure is only assessed for MCPs serving the CFC population. The MCP must participate in a detailed review of delivery payments made for deliveries during the report period. The accuracy rate for encounters generating delivery payments is 100%; therefore, any duplicate delivery payments or delivery payments that are not validated must be returned to ODJFS. For all encounter data accuracy studies that are completed during this contract period, if an MCP does not meet the minimum record submittal rate of 85%, ODJFS will impose a non-refundable \$10,000 monetary sanction. However, no monetary sanctions will be imposed if the MCP is in its first contract year of Medicaid program participation.

J.11.c. Data Quality Measures Assessed Across All Populations An MCP Serves

For the following measures, performance monitoring and reporting includes all populations (i.e., ABD, CFC) the MCP serves, as specified in Appendix L. Penalties for noncompliance are assessed at the MCP level per measure and apply to all populations an MCP serves.

J.11.c.i. Rejected Encounters

Performance is monitored once every quarter for Measure 1 and once every month for Measure 2. Compliance determination with the standard applies only to the report period under consideration and does not include performance in previous report periods. Files in the ODJFS-

specified medium per format that are totally rejected will not be considered in the determination of noncompliance.

Effective through the October – December 2012 report period for SFY 2013, ODJFS will issue a Sanction Advisory for all instances of noncompliance with this measure that are NOT consecutive. ODJFS will issue progressive penalties for consecutive instances of noncompliance. The first time an MCP is determined to be noncompliant with the standard for this measure, ODJFS will issue a Sanction Advisory. If an MCP is determined to be noncompliant with the standard in a second, consecutive report period, ODJFS will impose a monetary sanction of one percent of the current month's premium payment. The monetary sanction will be applied for each file type in the ODJFS-specified medium per format that is determined to be out of compliance. Once the MCP is determined to be compliant with the standard and the violations/deficiencies are resolved to the satisfaction of ODJFS, any applicable monetary sanctions will be returned. Special consideration will be made for MCPs with less than 1,000 members.

Effective with the January – March 2013 report period for SFY 2013, ODJFS will issue a Sanction Advisory for all instances of noncompliance with this measure that are NOT consecutive. ODJFS will issue a series of progressive penalties for consecutive instances of noncompliance. The first time an MCP is determined to be noncompliant with the standard for this measure, ODJFS will issue a Sanction Advisory. If an MCP is determined to be noncompliant with the standard in a second, consecutive report period, ODJFS will impose a monetary sanction of two percent of the current month's premium payment. The monetary sanction will be applied for each file type in the ODJFS-specified medium per format that is determined to be out of compliance. If an MCP is determined to be noncompliant with the standard in a third, consecutive report period, ODJFS will impose a new member enrollment freeze. Once the MCP is determined to be compliant with the standard and the violations/deficiencies are resolved to the satisfaction of ODJFS, any applicable penalties will be lifted (e.g., enrollment freeze) and any applicable monetary sanctions will be returned. Special consideration will be made for MCPs with less than 1,000 members.

J.11.c.ii. Acceptance Rate

Performance is monitored once every month. Compliance determination with the standard applies only to the month under consideration and does not include performance in previous months.

Effective SFY 2013, ODJFS will issue a Sanction Advisory for all instances of noncompliance with this measure that are NOT consecutive. ODJFS will issue a series of progressive penalties for consecutive instances of noncompliance. The first time an MCP is determined to be noncompliant with the standard for this measure, ODJFS will issue a Sanction Advisory. If an MCP is determined to be noncompliant with the standard in a second, consecutive report period, ODJFS will impose a monetary sanction of two percent of the current month's premium payment. The monetary sanction will be applied for each file type in the ODJFS-specified medium per format that is determined to be out of compliance. If an MCP is determined to be noncompliant with the standard in a third, consecutive report period, ODJFS will impose a new

member enrollment freeze. Once the MCP is determined to be compliant with the standard and the violations/ deficiencies are resolved to the satisfaction of ODJFS, any applicable penalties will be lifted (e.g., enrollment freeze) and any applicable monetary sanctions will be returned. Special consideration will be made for MCPs with less than 1,000 members.

J.11.c.iii. Encounter Data Accuracy Study

Payment Accuracy Measure - Beginning SFY 2010, the first time an MCP is determined to be noncompliant with the standard for either level 1 or level 2 for this measure, the MCP must implement a CAP which identifies interventions and a timeline for resolving data quality issues related to payments. Additional reports to ODJFS addressing targeted areas of deficiencies and progress implementing data quality improvement activities may be required. Upon all subsequent measurements of performance, if an MCP is again determined to be noncompliant with the standard for either level 1 or level 2 for this measure, ODJFS will impose a monetary sanction of one percent of the current month's premium payment. Once the MCP is determined to be compliant with the standard for level 1 and level 2 for this measure and the violations/deficiencies are resolved to the satisfaction of ODJFS, any applicable monetary sanctions will be returned.

J.11.c.iv. Incomplete Rendering Provider Data

Performance is monitored once every quarter for all report periods. If the standard is not met in all quarters of the report period, the MCP will be determined to be noncompliant for the report period.

Effective SFY 2014, ODJFS will issue a Sanction Advisory for all instances of noncompliance with this measure that are NOT consecutive. ODJFS will issue a series of progressive penalties for consecutive instances of noncompliance. The first time an MCP is determined to be noncompliant with the standard for this measure, ODJFS will issue a Sanction Advisory. If an MCP is determined to be noncompliant with the standard in a second, consecutive quarter, ODJFS will impose a monetary sanction of two percent of the current month's premium payment. (Monetary sanctions will not be levied in subsequent, consecutive quarters that an MCP is determined to be noncompliant.) If an MCP is determined to be noncompliant with the standard in a third, consecutive quarter, ODJFS will impose a new member enrollment freeze. Once the MCP is determined to be compliant with the standard and the violations/deficiencies are resolved to the satisfaction of ODJFS, any applicable penalties will be lifted (i.e., enrollment freeze), and any applicable monetary sanctions will be returned.

J.11.c.v. NPI Provider Number Usage without Medicaid/Reporting Provider Numbers

Performance is monitored once every quarter for all report periods. If the standard is not met in all quarters of the report period, the MCP will be determined to be noncompliant for the report period.

Effective SFY 2014, ODJFS will issue a Sanction Advisory for all instances of noncompliance with this measure that are NOT consecutive. ODJFS will issue a series of progressive penalties for consecutive instances of noncompliance. The first time an MCP is determined to be

noncompliant with the standard for this measure, ODJFS will issue a Sanction Advisory. If an MCP is determined to be noncompliant with the standard in a second, consecutive quarter, ODJFS will impose a monetary sanction of two percent of the current month's premium payment. (Monetary sanctions will not be levied in subsequent, consecutive quarters that an MCP is determined to be noncompliant.) If an MCP is determined to be noncompliant with the standard in a third, consecutive quarter, ODJFS will impose a new member enrollment freeze. Once the MCP is determined to be compliant with the standard and the violations/deficiencies are resolved to the satisfaction of ODJFS, any applicable penalties will be lifted (i.e., enrollment freeze), and any applicable monetary sanctions will be returned.

J.12. Performance Evaluation Measures (as specified in Appendix M)

The MCP must submit to ODJFS, by the specified deadline and according to ODJFS' specifications, all required data files and requested documentation needed to calculate each measure listed under J.12.a. and J.12.b. below. If an MCP fails to comply with this requirement for any measure listed under J.12.a. and J.12.b. below, the MCP will be considered noncompliant with the standard(s) for that measure.

ODJFS reserves the right to withhold an assessment of noncompliance under this Section due to unforeseeable circumstances.

J.12.a. Noncompliance Penalties for SFY 2012 Performance Evaluation Measures

The monetary penalty for each measure listed under J.12.a. below shall not exceed \$300,000 during each evaluation period.

J.12.a.i. ABD / CFC Care Management of High Risk Members *(These measures are effective through the July-September, 2011 report period for SFY 2012)* For these two measures, performance is monitored and reported for each population (i.e., ABD, CFC) the MCP serves. Penalties will be assessed by population. Effective through the July-September, 2011 report period for SFY 2012, ODJFS will issue a Sanction Advisory for all instances of noncompliance with this measure that are NOT consecutive. ODJFS will issue a series of progressive penalties for consecutive instances of noncompliance. Beginning SFY 2010, the first time an MCP is determined to be noncompliant with the standard for this measure, ODJFS will issue a Sanction Advisory. If an MCP is determined to be noncompliant with the standard in a second, consecutive report period, ODJFS will impose a monetary sanction of two percent of the current month's premium payment per applicable population. (Monetary sanctions will not be levied in subsequent, consecutive report periods that an MCP is determined to be noncompliant.) If an MCP is determined to be noncompliant with the standard in a third, consecutive report period, ODJFS will impose a reduction of assignments. If an MCP is determined to be noncompliant with the standard in a fourth, consecutive report period, ODJFS will impose a new member enrollment freeze. Once the MCP is determined to be compliant with the standard and the violations/deficiencies are resolved to the satisfaction of ODJFS, any applicable penalties will be lifted (e.g., CAP, enrollment freeze, reduction of assignments), and any applicable monetary sanctions will be returned.

J.12. a. ii. Clinical Performance Measures *(These measures are effective through SFY 2012)*

J.12.a. ii.a. ABD Clinical Performance Measures

All MCPs are held accountable to regional-based statewide targets and minimum performance standards for both one and two year measures.

For measures one through three in Table 1 below, if the MCP fails to meet the standard for the measure, the MCP will be required to take the following action:

- 1) If the MCP's results are greater than the percentage stated in Table 1 below, the MCP will be required to complete a CAP to address the area of noncompliance.
- 2) If the MCP's results are less than or equal to the percentage stated in Table 1 below, the MCP will be required to submit a CAP that outlines the steps the MCP will take to improve the results.

For measures four through nine in Table 1 below, if the MCP fails to meet the standard for the measure, the MCP will be required to take the following action:

- 1) If the MCP's results are less than the percentage stated in Table 1 below, the MCP will be required to complete a CAP to address the area of noncompliance.
- 2) If the MCP's results are greater than or equal to the percentage stated in Table 1 below, the MCP will be required to submit a CAP that outlines the steps the MCP will take to improve the results.

Table 1. Results that Determine Penalties for ABD Clinical Performance Measures

Measure		SFY 2012 Results that Determine Penalty
1. Inpatient Hospital Discharge Rate		20 discharges/1,000 MM
2. Emergency Department Utilization Rate		21 visits/1,000 MM
3. Inpatient Hospital Readmission Rate		19%
4. Coronary Artery Disease – Persistence of Beta Blocker Treatment after Heart Attack		71% (NCQA Medicaid HEDIS 2010, 25 th Percentile)
5. Coronary Artery Disease – Cholesterol Management for Patients with Cardiovascular Conditions/LDL-C Screening Performed		78% (NCQA Medicaid HEDIS 2010, 25 th Percentile)
6. Diabetes – Eye Exam		41% (NCQA Medicaid HEDIS 2010, 25 th Percentile)
		64% (NCQA Medicaid

7. Asthma – Use of Appropriate Medications		HEDIS 2010, ODJFS adjusted rate)
8. Follow Up after Hospitalization for Mental Illness (within 30 days)		63% (NCQA Medicaid HEDIS 2010, 50 th Percentile)
9. Follow Up after Hospitalization for Mental Illness (within 7 days)		44% (NCQA Medicaid HEDIS 2010, 50 th Percentile)

J.12. a. ii.b. CFC Clinical Performance Measures

All MCPs are held accountable to regional-based statewide targets and minimum performance standards for both one and two year measures.

For each measure listed in Table 2 below, if the MCP fails to meet the standard for the measure, the MCP will be required to take the following action:

- 1) Complete a CAP to address the area of noncompliance if the MCP's results are below the percentage stated in Table 2 below; or
- 2) Submit a CAP that outlines the steps the MCP will take to improve the results, if the MCP's results are equal to or greater than the percentage stated in Table 2 below.

Table 2. Results that Determine Penalties for CFC Clinical Performance Measures

Measure		SFY 2012 Regional-Based Results that Determine Penalty
Perinatal Care – Frequency of Ongoing Prenatal Care		52% (NCQA Medicaid HEDIS 2010, 25 th Percentile)
Perinatal Care – Timeliness of Prenatal Care		80% (NCQA Medicaid HEDIS 2010, 25 th Percentile)
Perinatal Care – Postpartum Care		59% (NCQA Medicaid HEDIS 2010, 25 th Percentile)
Preventive Care – 15 Month Old Age Group		52% (NCQA Medicaid HEDIS 2010, 25 th Percentile)
Preventive Care – 3 – 6 Year Old Age Group		66% (NCQA Medicaid HEDIS 2010, 25 th Percentile)

Adolescent Well-Care Visits		38% (NCQA Medicaid HEDIS 2009, 25 th Percentile)
Use of Appropriate Medications for People with Asthma		85% (NCQA Medicaid HEDIS 2010, ODJFS adjusted rate)
Annual Dental Visits		38% (NCQA Medicaid HEDIS 2010, 25 th Percentile)
Lead Screening in Children		58% (NCQA Medicaid HEDIS 2010, 25 th Percentile)

J.12.a.iii. CFC Children’s Access to Primary Care (*This measure is effective through SFY 2012*)
 If an MCP is noncompliant with the minimum performance standard, the MCP must develop and implement a corrective action plan.

J.12.a.iv. ABD Members' / CFC Adults' Access to Preventive/Ambulatory Health Services (*These measures are effective through SFY 2012*) For these two measures, performance is monitored and reported for each population (i.e., ABD, CFC) the MCP serves. Penalties will be assessed by population. If an MCP is noncompliant with the minimum performance standard, then the MCP must develop and implement a corrective action plan.

J.12.a.v. ABD / CFC Consumer Satisfaction (*These measures are effective through SFY 2012*)
 For these two measures, performance is monitored and reported for each population (i.e., ABD, CFC) the MCP serves. Penalties will be assessed by population. If an MCP is determined noncompliant with the minimum performance standard, then the MCP must develop a corrective action plan and provider agreement renewals may be affected.

J.12.b. Noncompliance Penalties for Performance Evaluation Measures effective SFY 2013
 Section J.12.b. sets forth noncompliance penalties for the access, clinical performance, and consumer satisfaction performance evaluation measures established in Section 4. of Appendix M (*Quality Measures and Standards*), for which noncompliance penalties are applicable (i.e., those measures that are not used in the Pay-For-Performance Incentive System).

For each measure in Section 4. of Appendix M, one or more rates are calculated. Each rate has an associated Minimum Performance Standard. When an MCP fails to meet a Minimum Performance Standard listed in Section 4. of Appendix M, for a measure for which noncompliance penalties are applicable, the MCP will be assessed a penalty for noncompliance with the standard. ODJFS has established uniform noncompliance penalties for these standards.

A series of progressive penalties will be issued for consecutive instances of noncompliance with the standard established for a given rate. For example, four rates, corresponding to the HEDIS age breakouts, are calculated for the *Children and Adolescents' Access to Primary Care Practitioners* measure. An MCP failing to meet the standard established for the '12-24 Months' rate in three consecutive report periods would be subject to progressive penalties. However, an MCP failing to meet the standard established for the '7-11 Years' rate in one report period and the '12-19 Years' rate in the next would not be subject to progressive penalties, as these only apply to the standard established for the same rate.

Effective SFY 2013, **for the standard established for each rate** listed in Section 4. of Appendix M, for measures for which noncompliance penalties are applicable, an MCP will be assessed penalties for instances of noncompliance as follows:

- **1st instance, or subsequent but nonconsecutive instance, of noncompliance** – ODJFS will impose a monetary sanction in the amount of one quarter of one percent of the current month's premium payment. Once the MCP is determined to be in compliance with the standard and the violations/deficiencies are resolved to the satisfaction of ODJFS, the monetary sanction will be returned.
- **2nd consecutive instance of noncompliance** – ODJFS will impose a monetary sanction in the amount of one quarter of one percent of the current month's premium payment. This is non-refundable.
- **3rd consecutive instance of noncompliance** – ODJFS will impose a monetary sanction in the amount of one half of one percent of the current month's premium payment. This is non-refundable.

Additionally, effective SFY 2013, if ODJFS determines that an MCP is noncompliant with greater than 50% of the performance evaluation standards listed in Section 4. of Appendix M, for which noncompliance penalties are applicable, for two consecutive contract years, ODJFS will have the option to terminate the MCP's Provider Agreement.

J.13. Performance Improvement Project (PIP) Standards

Performance is monitored separately for each PIP that is in process by an MCP on an annual basis. Failure to meet the minimum performance standard for a PIP will result in the following non compliance action(s.)

PIP Submission		Minimum Performance Standard Score of Evaluation Elements Met)	Noncompliance Action
Design PIP	1 st Submission	90%	a. Mandatory technical assistance session with the EQRO and ODJFS. b. Submit a revised PIP to ODJFS for the EQRO to validate.
	2 nd Submission	90%	a. Mandatory technical assistance session with EQRO and ODJFS. b. Submit a corrective action plan for any element assigned a <i>Not Met</i> or <i>Partially Met</i> finding.
Year 1 Submission		90%	a. Mandatory technical assistance session with the EQRO and ODJFS. b. Submit a corrective action plan for any element assigned a <i>Not Met</i> or <i>Partially Met</i> finding.
Year 2 Submission		90%	a. Mandatory technical assistance session with the EQRO and ODJFS. b. Submit a corrective action plan for any element assigned a <i>Not Met</i> or <i>Partially Met</i> finding.
Year 3 Submission		90%	Mandatory technical assistance session with the EQRO and ODJFS.

If the managed care plan fails to meet the performance standard for two or more consecutive PIP annual submissions for the same PIP topic, ODJFS may extend the PIP for one additional year. Should ODJFS exercise this option, the managed care plan must submit a corrective action plan. If the managed care plan fails to meet the performance standard for multiple PIPs for two or consecutive PIP annual submissions, ODJFS reserves the right to assess additional non compliance actions.

J.14. Administrative Compliance Assessment (as specified in Appendix K.4.a.).

Compliance with administrative standards is performed by the external quality review organization and as specified by ODJFS. For each documented instance of noncompliance with an administrative standard, the MCP will be required to submit a corrective action plan to remedy the identified deficiency.

J.15. Care Management Program Evaluation Measures (as specified in Appendix K.2.h.ii.b.6.)

Effective July 1, 2013, for the standard established for each measure listed in Appendix K.2.h.ii.b.6., an MCP will be assessed penalties for instances of non compliance as follows:

- **1st instance, or subsequent but nonconsecutive instance, of noncompliance** – ODJFS will impose a monetary sanction in the amount of one quarter of one percent of the current month's premium payment. Once the MCP is determined to be in compliance with the standard and the violations/deficiencies are resolved to the satisfaction of ODJFS, the monetary sanction will be returned.
- **2nd consecutive instance of noncompliance** – ODJFS will impose a monetary sanction in the amount of one quarter of one percent of the current month's premium payment. This is non-refundable.
- **3rd consecutive instance of noncompliance** – ODJFS will impose a monetary sanction in the amount of one half of one percent of the current month's premium payment. This is non-refundable.
- **4th consecutive instance of noncompliance** – ODJFS will have the option to terminate the MCP's Provider Agreement.

J.16. High Risk Care Management Staffing Ratio (as specified in Appendix K.2.h.ii.b.4.)

For each instance of non-compliance with the minimum performance standard, ODJFS will impose a reduction of assignments. ODJFS will then monitor plan adherence with the staffing ratio on a monthly basis until the plan is determined to be compliant with the minimum performance standard. Once the MCP is compliant with the standard, ODJFS will lift the imposed penalty.

J.17. Maintenance of National Committee for Quality Assurance Health Plan Accreditation

For the standard established in Appendix C, an MCP will be assessed the following penalties for non-compliance as follows:

If the MCP receives a Provisional accreditation status, the MCP will be required to complete a resurvey within 12 months of the accreditation decision. If the resurvey results in a Provisional

or Denied status, ODJFS will consider this a material breach of the provider agreement and will terminate the provider agreement with the managed care plan.

If the MCP receives a Denied accreditation status, then ODJFS considers this a material breach of the provider agreement and will terminate the provider agreement with the managed care plan.

III. Request for Reconsiderations

MCPs may request a reconsideration of remedial action taken under the CAS for penalties that include points, fines, reductions in assignments and/or enrollment freezes. Requests for reconsideration must be submitted on the ODJFS required form as follows:

A. MCPs notified of ODJFS' imposition of remedial action taken under the CAS will have ten (10) working days from the date of receipt of the notification to request reconsideration, although ODJFS will impose enrollment freezes based on an access to care concern concurrent with initiating notification to the MCP. Any information that the MCP would like reviewed as part of the reconsideration request must be submitted at the time of submission of the reconsideration request, unless ODJFS extends the time frame in writing.

B. All requests for reconsideration must be submitted by either email to the designated Contract Administrator (CA) or overnight mail to the Bureau of Managed Care (BMC), and received by ODJFS by the tenth business day after receipt of the notification of the imposition of the remedial action by ODJFS.

C. The MCP will be responsible for verifying timely receipt of all reconsideration requests. All requests for reconsideration must explain in detail why the specified remedial action should not be imposed. The MCP's justification for reconsideration will be limited to a review of the written material submitted by the MCP.

D. Final decisions or requests for additional information will be made by ODJFS within ten (10) business days of receipt of the request for reconsideration.

E. If additional information is requested by ODJFS, a final reconsideration decision will be made within three (3) business days of the due date for the submission. Should ODJFS require additional time in rendering the final reconsideration decision, the MCP will be notified of such in writing.

F. If a reconsideration request is decided, in whole or in part, in favor of the MCP, both the penalty and the points associated with the incident, will be rescinded or reduced, in the sole discretion of ODJFS. The MCP may still be required to submit a CAP if ODJFS, in its sole discretion, believes that a CAP is still warranted under the circumstances.

APPENDIX O

PAY-FOR-PERFORMANCE (P4P)

Sections 1. and 2. of this appendix establish a Pay-for-Performance (P4P) Incentive System for MCPs to improve performance in specific areas important to Medicaid MCP members. P4P rewards under the Incentive System include the at-risk amount included with the monthly premium payments (see Appendix F), available bonus payments, and possible additional monetary rewards up to \$250,000 per population (i.e., ABD, CFC).

To qualify for consideration of P4P under the Incentive System, MCPs must meet Minimum Performance Standards established in Appendix M, *Quality Measures and Standards* on selected measures, and achieve P4P standards established for selected clinical performance measures, as set forth herein. For qualifying MCPs, higher performance standards for three measures must be reached to be awarded P4P. An excellent and superior standard is set for each of the three measures. For each excellent standard met, qualifying MCPs will be awarded one-third of the sum of the at-risk amount plus the bonus amount. If an MCP meets all three excellent and superior standards, they may be awarded the additional monetary reward.

Effective SFY 2012, ODJFS will evaluate certain measures in the ABD and CFC P4P Incentive Systems using MCP self-reported, audited HEDIS data.

Effective SFY 2013, ODJFS has revised the P4P Incentive System methodology (e.g., included populations, measures and standards, distribution criteria, funding mechanism). The SFY 2013 P4P methodology is outlined in Section 3. of this appendix. Significant revisions effective SFY 2013 include the following:

- ODJFS will issue one annual P4P Incentive System determination that will include all Ohio Medicaid members receiving services from the MCP. SFY 2012 will be the last year that separate ABD and CFC P4P Incentive System determinations will be issued per MCP, as applicable. SFY 2013 will be the first year that one P4P Incentive System determination, including all members the MCP serves, will be issued per plan.
- ODJFS will revise the number of measures and the specific measures and standards used in the P4P Incentive System determination, as well as the criteria used to distribute the P4P incentive monies. SFY 2012 will be the last P4P Incentive System determination issued using the current methodology described in Sections 1. and 2. of this appendix. SFY 2013 will be the first P4P Incentive System determination issued using the new methodology described in Section 3. of this appendix.
- ODJFS will place an amount equal to 1% of the MCP's total premium payment in the managed care program performance payment fund to be made available to the MCPs as a bonus payment above and beyond the contracted actuarially sound capitation rates. ODJFS will no longer apply an at-risk amount of 1% to the MCP premium payment for use in the P4P Incentive System. To coincide with the issuance of the managed care capitation rates, this change will become effective January 1, 2012. Therefore, the SFY 2012 P4P Incentive System determination will include six months of at-risk dollars (i.e., July 1, 2011 through December 31, 2011) and six months of available bonus payments

(i.e., January 1, 2012 through June 30, 2012), per Sections 1. a.iii. and 2. a.iii. of this appendix. The SFY 2013 P4P Incentive System determination will include available bonus payments only, per Section 3. of this appendix.

1. ABD P4P INCENTIVE SYSTEM

All MCPs serving the ABD population will be included in the statewide ABD P4P Incentive System. The at-risk and/or bonus amounts included in the statewide ABD P4P Incentive System are calculated separately for each ABD region that an MCP serves.

1. a. SFY 2012 ABD P4P

1. a.i. Qualifying Performance Levels

To qualify for consideration of the SFY 2012 P4P, an MCP's performance level must meet the Minimum Performance Standards set in Appendix M, *Quality Measures and Standards*, for the measures listed below. A detailed description of the methodologies for each measure can be found on the *Medicaid Managed Care Program* page of the ODJFS website.

Measures for which the Minimum Performance Standard for SFY 2012 established in Appendix M, *Quality Measures and Standards*, must be met to qualify for consideration of incentives are as follows:

1. ABD Members' Access to Preventive/Ambulatory Health Services (Appendix M, Section 2.b.)

Report Period: CY 2011

2. ABD Overall Satisfaction with MCP Customer Service (Appendix M, Section 3.)

Report Period: The most recent consumer satisfaction survey completed prior to the end of SFY 2012.

For each ABD clinical performance measure listed below, the MCP must meet the P4P standard to be considered for SFY 2012 P4P. The MCP meets the P4P standard if one of two criteria is met. The P4P standard is a performance level of either:

- 1) The Minimum Performance Standard established in Appendix M, *Quality Measures and Standards*, for four of the six ABD clinical performance measures listed in Table 2 below; or
- 2) The Medicaid Minimum Performance Level for four of the six ABD clinical performance measures listed in Table 2 below. The Medicaid Minimum Performance Levels are subject to change based on the revision or update of applicable national standards, methods or benchmarks.

Table 2. Medicaid Minimum Performance Levels

ABD Clinical Performance Measure	Medicaid Minimum Performance Level
1. Inpatient Hospital Discharge Rate	20 discharges/ 1,000 MM
2. CAD: Persistence of Beta-Blocker Treatment after Heart Attack (AMI -related admission)	71% (NCQA Medicaid HEDIS 2010, 25 th Percentile)
3. CAD: Cholesterol Management for Patients with Cardiovascular Conditions/ LDL-C screening performed	78% (NCQA Medicaid HEDIS 2010, 25 th Percentile)
4. Diabetes: Comprehensive Diabetes Care (CDC)/Eye exam	41% (NCQA Medicaid HEDIS 2010, 25 th Percentile)
5. Asthma: Use of Appropriate Medications for People with Asthma	64% (NCQA Medicaid HEDIS 2010, ODJFS adjusted rate)
6. Mental Health: Follow-up After Hospitalization for Mental Illness within 7 Days of Discharge	44% (NCQA Medicaid HEDIS 2010, 50 th Percentile)

1. a.ii. Excellent and Superior Performance Levels

For qualifying MCPs as determined by Section 1.a.i. herein, performance will be evaluated on the measures listed below to determine the status of the at-risk and bonus amounts and any additional P4P that may be awarded. Excellent and superior standards are set for the three measures described below. The standards are subject to change based on the revision or update of applicable national standards, methods or benchmarks.

A brief description of these measures is provided in Appendix M, *Quality Measures and Standards*. A detailed description of the methodologies for each measure can be found on the *Medicaid Managed Care Program* page of the ODJFS website.

1. ABD Care Management of High Risk Members (Appendix M, Section 1.a. i.)

Report Period: July – September 2011

Excellent Standard: 48.7%

Superior Standard: 62.0%

2. Follow Up After Hospitalization for Mental Illness within 7 Days of Discharge (Appendix M, Section 1.b.ii.)

Report Period: CY 2011

Excellent Standard: 51%

Superior Standard: 59%

3. ABD Members' Access to Preventive/Ambulatory Health Services (Appendix M, Section 2.b.)

Report Period: CY 2011

Excellent Standard: 82%

Superior Standard: 88%

1. a.iii. Determining SFY 2012 P4P

MCPs that do not meet the Minimum Performance Standards described in Section 1. a.i. herein will not be considered for P4P. If an MCP does not qualify for consideration of P4P, one hundred percent of the MCP's at-risk amount used in the SFY 2012 P4P determination must be returned to ODJFS and one hundred percent of the bonus amount used in the SFY 2012 P4P determination will be retained by ODJFS. MCPs meeting the Minimum Performance Standards described in Section 1.a.i. herein will be considered for P4P including retention of the at-risk amount, receipt of the bonus amount, and any additional P4P. For each excellent standard established in Section 1.a.ii. herein that an MCP meets, the MCP is entitled to one-third of the sum of the at-risk amount plus the bonus amount used in the SFY 2012 P4P determination. For MCPs meeting all of the excellent and superior standards established in Section 1.a.ii. herein, additional P4P may be awarded. For MCPs receiving additional P4P, the amount in the P4P fund will be divided equally, up to the maximum additional amount, among all MCPs' ABD and/or CFC populations receiving additional P4P. The maximum additional amount to be awarded per plan, per population, per contract year is \$250,000. An MCP may receive up to \$500,000 should both of the MCP's ABD and CFC populations achieve the superior performance levels.

2. CFC P4P INCENTIVE SYSTEM

All MCPs will be included in the statewide CFC P4P Incentive System. The at-risk and/or bonus amounts included in the statewide CFC P4P Incentive System are calculated separately for each CFC region an MCP serves.

2. a. SFY 2012 CFC P4P

2. a.i. Qualifying Performance Levels

To qualify for consideration of the SFY 2012 P4P, an MCP's performance level must meet the Minimum Performance Standards set in Appendix M, *Quality Measures and Standards*, for the measures listed below. A detailed description of the methodologies for each measure can be found on the *Medicaid Managed Care Program* page of the ODJFS website.

Measures for which the Minimum Performance Standard for SFY 2012 established in Appendix M, *Quality Measures and Standards*, must be met to qualify for consideration of P4P are as follows:

1. CFC Children's Access to Primary Care (Appendix M, Section 2.a.)

Report Period: CY 2011

2. CFC Adults' Access to Preventive/Ambulatory Health Services (Appendix M, Section 2.b.)

Report Period: CY 2011

3. CFC Overall Satisfaction with MCP Customer Service (Appendix M, Section 3.)

Report Period: The most recent consumer satisfaction survey completed prior to the end of SFY 2012.

For each CFC clinical performance measure listed below, the MCP must meet the P4P standard to be considered for SFY 2012 P4P. The MCP meets the P4P standard if one of two criteria is met. The P4P standard is a performance level of either:

- 1) The Minimum Performance Standard established in Appendix M, *Quality Measures and Standards*, for seven of the nine CFC clinical performance measures listed in Table 4 below; or
- 2) The Medicaid Minimum Performance Level for seven of the nine CFC clinical performance measures listed in Table 4 below. The Medicaid Minimum Performance Levels are subject to change based on the revision or update of applicable national standards, methods or benchmarks.

Table 4. Medicaid Minimum Performance Levels

CFC Clinical Performance Measure	Medicaid Minimum Performance Level
1. Perinatal Care - Frequency of Ongoing Prenatal Care	52% (NCQA Medicaid HEDIS 2010, 25 th Percentile)
2. Perinatal Care – Timeliness of Prenatal Care	80% (NCQA Medicaid HEDIS 2010, 25 th Percentile)
3. Perinatal Care - Postpartum Care	59% (NCQA Medicaid HEDIS 2010, 25 th Percentile)
4. Well-Child Visits – Children who turn 15 months old	52% (NCQA Medicaid HEDIS 2010, 25 th Percentile)
5. Well-Child Visits - 3, 4, 5, or 6, years old	66% (NCQA Medicaid HEDIS 2010, 25 th Percentile)
6. Adolescent Well-Care Visits	38% (NCQA Medicaid HEDIS 2009, 25 th Percentile)
7. Use of Appropriate Medications for People with Asthma	85% (NCQA Medicaid HEDIS 2010, ODJFS adjusted rate)
8. Annual Dental Visits	38% (NCQA Medicaid HEDIS 2010, 25 th Percentile)
9. Lead Screening in Children	58% (NCQA Medicaid HEDIS 2010, 25 th Percentile)

2. a.ii. Excellent and Superior Performance Levels

For qualifying MCPs, as determined by section 2. a.i. of this appendix, performance will be evaluated on the measures listed below to determine the status of the at-risk and bonus amounts. The standards are subject to change based on the revision or update of applicable national standards, methods or benchmarks.

A brief description of these measures is provided in Appendix M, *Quality Measures and Standards*. A detailed description of the methodologies for each measure can be found on the *Medicaid Managed Care Program* page of the ODJFS website.

1. CFC Care Management of High Risk Members (Appendix M, Section 1.a. i.)

Report Period: July – September 2011

Excellent Standard: 37.6%

Superior Standard: 42.3%

2. Adolescent Well-Care Visits (Appendix M, Section 1.b.ii.)

Report Period: CY 2011

Excellent Standard: 39%

Superior Standard: 47%

3. CFC Adults' Access to Preventive/Ambulatory Health Services (Appendix M, Section 2.b.)

Report Period: CY 2011

Excellent Standard: 82%

Superior Standard: 88%

2. a.iii. Determining SFY 2012 P4P

MCPs that do not meet the Minimum Performance Standards described in Section 2. a.i. herein will not be considered for P4P. If an MCP does not qualify for consideration of P4P, one hundred percent of the MCP's at-risk amount used in the SFY 2012 P4P determination must be returned to ODJFS and one hundred percent of the bonus amount used in the SFY 2012 P4P determination will be retained by ODJFS. MCPs meeting the Minimum Performance Standards described in Section 2. a.i. herein will be considered for P4P including retention of the at-risk amount, receipt of the bonus amount, and any additional P4P. For each excellent standard established in Section 2. a.ii. herein that an MCP meets, the MCP is entitled to one-third of the sum of the at-risk amount plus the bonus amount used in the SFY 2012 P4P determination. For MCPs meeting all of the excellent and superior standards established in Section 2. a.ii. herein, additional P4P may be awarded. For MCPs receiving additional P4P, the amount in the P4P fund will be divided equally, up to the maximum additional amount, among all MCPs' ABD and/or CFC populations receiving additional P4P. The maximum additional amount to be awarded per plan, per population, per contract year is \$250,000. An MCP may receive up to \$500,000 should both of the MCP's ABD and CFC populations achieve the superior performance levels.

3. P4P INCENTIVE SYSTEM *(Effective SFY 2013)*

ODJFS has established a Pay for Performance (P4P) Incentive System to provide financial rewards to MCPs that achieve specific levels of performance in program priority areas. The P4P Incentive System is aligned with the goals and areas of clinical focus identified in the ODJFS

Quality Strategy. Performance bonus payments made under the P4P Incentive System are funded through the state’s managed care program performance payment fund.

All MCPs are included in the statewide P4P Incentive System. The P4P Incentive System determination is made annually and includes all Ohio Medicaid members receiving services from the MCP.

3.a. SFY 2013 P4P

For SFY 2013, ODJFS will calculate a ‘bonus amount’ for each participating MCP that is equal to 1% of the MCP’s total premium payments for services delivered on or after July 1, 2012 through June 30, 2013. Each participating MCP may be awarded a performance bonus payment of up to 110% of the MCP’s bonus amount.

Performance will be assessed on the six measures listed in Table 5. below to determine the amount of each MCP’s performance bonus payment. The measures are equally weighted (i.e., each measure is worth one sixth of the MCP’s total bonus amount). For each measure, the MCP will be awarded from 0% up to 110% of one sixth of the bonus amount. Eleven P4P performance levels, with corresponding performance standards, are established for each measure, above the Minimum Performance Standard set for the measure in Appendix M, *Quality Measures and Standards*. An MCP’s performance result, in comparison to these levels and the Minimum Performance Standard, will determine the percentage to be awarded per measure.

Table 5. SFY 2013 P4P Measures and Performance Bonus Payment Standards

Quality Strategy Priority: Effective and Efficient Healthcare Administration							
Goal: Sustain a Quality Focused Organization							
Quality Strategy Focus Area – Pay for Performance (P4P)							
SFY 2013 P4P Measures and Performance Bonus Payment Standards							
Standards that Determine % of Bonus Amount Awarded, by Measure							
P4P Perf. Level	Percent of Bonus Amount Awarded	Follow Up After Hospitalization for Mental Illness (7 Days)	Timeliness of Prenatal Care	Controlling High Blood Pressure (Patients with Hypertension)	Appropriate Use of Asthma Meds	Appropriate Treatment for Children with Upper Respiratory Infections	Diabetes: Lipid Profile (LDL-C Screening)
11	110%	64.3%	92.7%	67.2%	92.8%	94.9%	84.0%
10	100%	59.1%	90.0%	63.3%	90.8%	90.6%	80.1%
9	90%	55.0%	88.1%	61.2%	90.2%	89.3%	78.4%
8	80%	50.9%	86.1%	59.0%	89.6%	88.0%	76.6%
7	70%	46.8%	84.2%	56.9%	88.9%	86.7%	74.9%
6	60%	42.7%	82.2%	54.7%	88.3%	85.4%	73.1%
5	50%	38.7%	80.3%	52.6%	87.7%	84.2%	71.4%
4	40%	34.6%	78.4%	50.5%	87.1%	82.9%	69.6%

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3	30%	30.5%	76.4%	48.3%	86.5%	81.6%	67.6%
2	20%	26.4%	74.5%	46.2%	85.8%	80.3%	66.1%
1	10%	22.3%	72.5%	44.0%	85.2%	79.0%	64.4%
MPS	0%	18.2%	70.6%	41.9%	84.6%	77.7%	62.6%

MPS = Minimum Performance Standard

Notes:

The report period for all six SFY 2013 measures is CY 2012.

An MCP total performance bonus payment in excess of 100% of the MCP's bonus amount is subject to the availability of funds. If funds are insufficient, the amount in the managed care program performance payment fund will be divided among all qualifying MCPs (i.e., those MCPs entitled to performance bonus payments above level ten) according to each qualifying MCP's P4P result.

3.b. SFY 2014 P4P

For SFY 2014, ODJFS will calculate a 'bonus amount' for each participating MCP that is equal to 1% of the MCP's total premium payments for services delivered on or after July 1, 2013 through June 30, 2014. Each participating MCP may be awarded a performance bonus payment of up to 100% of the MCP's bonus amount.

Performance will be assessed on six measures to determine the amount of each MCP's performance bonus payment. The measures are equally weighted (i.e., each measure is worth one sixth of the MCP's total bonus amount). For each measure, the MCP will be awarded from 0% up to 100% of one sixth of the bonus amount. Ten P4P performance levels, with corresponding performance standards, are established for each measure, above the Minimum Performance Standard set for the measure in Appendix M, *Quality Measures and Standards*. An MCP's performance result, in comparison to these levels, will determine the percentage to be awarded per measure. MCPs failing to meet the standard for level one will be awarded 0% for the measure. The P4P measures and corresponding standards for the ten performance levels are provided in Table 6. below. Each measure's Minimum Performance Standard, as set forth in Appendix M, is provided for comparative purposes only.

Table 6. SFY 2014 P4P Measures and Performance Bonus Payment Standards

Quality Strategy Priority: Effective and Efficient Healthcare Administration							
Goal: Sustain a Quality Focused Organization							
Quality Strategy Focus Area – Pay for Performance (P4P)							
SFY 2014 P4P Measures and Performance Bonus Payment Standards							
Standards that Determine % of Bonus Amount Awarded, by Measure							
P4P Perf. Level	Percent of Bonus Amount Awarded	Follow Up After Hospitalization for Mental Illness (7 Days)	Timeliness of Prenatal Care	Controlling High Blood Pressure (Patients with Hypertension)	Appropriate Use of Asthma Meds	Appropriate Treatment for Children with Upper Respiratory Infections	Diabetes: Lipid Profile (LDL-C Screening)
10	100%	68.3%	93.2%	67.6%	90.3%	94.8%	84.2%
9	90%	64.8%	91.9%	65.6%	89.7%	93.7%	82.8%
8	80%	61.3%	90.6%	63.7%	89.1%	97.5%	81.4%
7	70%	57.7%	89.3%	61.7%	88.5%	91.4%	80.1%
6	60%	54.2%	88.0%	59.7%	87.9%	90.2%	78.7%
5	50%	50.7%	86.8%	57.8%	87.3%	89.1%	77.3%
4	40%	47.2%	85.5%	55.8%	86.7%	88.0%	75.9%
3	30%	43.2%	84.2%	53.8%	86.1%	86.8%	74.5%
2	20%	40.1%	82.9%	51.8%	85.5%	85.7%	73.2%
1	10%	36.6%	81.6%	49.9%	85.0%	84.5%	71.8%
	0%	≤ 36.5%	≤ 81.5%	≤ 49.8%	≤ 84.9%	≤ 84.4%	≤ 71.7%
MPS		33.1%	80.3%	47.9%	84.4%	83.4%	70.4%

MPS = Minimum Performance Standard (*established in Appendix M, and provided above for reference*)

Note: The report period for all six SFY 2014 measures is CY 2013.

4. NOTES

4.a. Initiation of the At-Risk Amount (*Applicable to the SFY 2012 ABD and CFC P4P determinations only*)

4.a.i. ABD P4P Program

The status of the at-risk amounts will not be determined for an MCP's first two contract years, because compliance with many of the standards in the ABD program cannot be determined during this time period. In addition, MCPs in their first two contract years in the ABD program are not eligible for any additional P4P amount awarded for superior performance.

Starting with the twenty-fifth month with Ohio Medicaid ABD Managed Care Program membership, an MCP's at-risk amounts will be included in the P4P systems. The determination of the status of these at-risk amounts will be made after at least two full calendar years of ABD membership, as many of the performance standards used in the ABD P4P systems require two full calendar years of ABD membership to determine an MCP's performance level.

4.a.ii. CFC P4P Program

The status of the at-risk amounts will not be determined for an MCP's first two contract years, because compliance with many of the standards in the CFC program cannot be determined during this time period. In addition, MCPs in their first two contract years in the CFC program are not eligible for any additional P4P amount awarded for superior performance.

Starting with the twenty-fifth month with Ohio Medicaid CFC Managed Care Program membership, an MCP's at-risk amounts will be included in the P4P systems. The determination of the status of these at-risk amounts will be made after at least three full calendar years of CFC membership, as many of the performance standards used in the CFC P4P systems require three full calendar years of CFC membership to determine an MCP's performance level. Because of this requirement, more than twelve months of at-risk dollars may be included in an MCP's first CFC at-risk status determinations depending on when an MCP starts with the CFC program relative to the calendar year.

4.b. Determination of At-Risk and/or Bonus Amounts and Additional P4P Payments

Given that unforeseen circumstances (e.g., revision or update of measure(s), applicable national standards, methods or benchmarks, or issues related to program implementation) may impact the determination of the status of an MCP's at-risk amounts and any additional P4P payments, ODJFS reserves the right to calculate an MCP's at-risk amounts (the status of which is determined in accordance with this appendix) using a lesser percentage than that established in Appendix F and to award any additional P4P in a lesser amount than that established in this appendix. Furthermore, in the event an MCP's performance cannot be evaluated on a particular P4P measure, ODJFS will award or require the return of 100% of the MCP's at-risk amount and/or award or retain 100% of the bonus amount allocated to that particular measure. This determination will be based on the circumstances involved (e.g., for SFY 2013, if the measure was assigned an audit result of "Not Report" on the MCP's Final Audit Report and the "Not Report" designation was determined to be the result of a material bias caused by the MCP, ODJFS will retain 100% of the bonus amount allocated to that measure).

For MCPs that have participated in the Ohio Medicaid Managed Care Program long enough to calculate performance levels for all of the performance measures included in the P4P Incentive System, determination of the status of an MCP's at-risk and/or bonus amounts may occur within six months of the end of the contract period. Where applicable, determination of any additional P4P payments will be made at the same time the status of an MCP's at-risk and/or bonus amounts is determined. Given that unforeseen circumstances may impact the determination of the status of an MCP's at-risk and/or bonus amounts and any additional P4P payments, ODJFS

reserves the right to revise the time frame in which the P4P Incentive System determination will be made (i.e., the determination may be made more than six months after the end of the contract period).

4.c. Contract Termination, Nonrenewals, or Denials

Upon termination, nonrenewal or denial of an MCP contract, the at-risk amounts paid to the MCP under the current provider agreement will be returned to ODJFS, and the bonus amount in the managed care program performance payment fund will be retained by ODJFS, in accordance with Appendix P, *Terminations/Non-renewals/Amendments*, of the provider agreement.

Additionally, in accordance with Article XI of the provider agreement, the return of the at-risk amounts paid to the MCP and ODJFS' retention of the bonus amount under the current provider agreement, will be a condition necessary for ODJFS' approval of a provider agreement assignment.

4.d. Measures, Report Periods, and Data Sources

The report period used in determining the MCP's performance levels varies for each measure depending on the frequency of the report and the data source. ODJFS reserves the right to revise P4P measures and report periods, as needed, due to unforeseen circumstances. Unless otherwise noted, the most recent report or study finalized prior to the end of the contract period will be used in determining the MCP's overall performance level for that contract period.

4.e. Performance Standards

The performance standards established in this appendix are subject to change based on the revision or update of applicable national methods. Effective SFY 2013 (report period CY 2012), ODJFS will implement the use of a uniform methodology, as needed, for the retrospective adjustment of any P4P Performance Bonus Payment Standard listed in Section 3. of this appendix. This methodology will be implemented at ODJFS' sole discretion when all three of the following criteria are met.

- *The methodology for the standard's associated measure is revised.* Note, for HEDIS measures, ODJFS will not adjust performance measure standards retrospectively due to procedural changes such as revisions to medical record hybrid review timelines.
- *For the year the methodology is revised, the performance results for all Ohio Medicaid MCPs all increase or all decrease when compared to the standard setting year (e.g., for the SFY 2013 provider agreement, the standard setting year is HEDIS 2011).* Note, this excludes MCPs without results for both years.
- *For the year the methodology is revised, the performance results for three or more Ohio Medicaid MCPs each change by at least three percentage points (e.g., increase from 56.0% to 59.0%) when compared to the standard setting year.*

For a comprehensive description of the standard adjustment methodology, see *ODJFS Methodology for the Retrospective Adjustment of Quality and P4P Measure Standards*.

APPENDIX P

MCP TERMINATIONS/NONRENEWALS

Upon termination either by the MCP or ODJFS nonrenewal of an MCP's provider agreement, all previously collected refundable monetary sanctions will be retained by ODJFS.

1. MCP-INITIATED TERMINATIONS/NONRENEWALS

If an MCP provides notice of the termination/nonrenewal of their provider agreement to ODJFS, pursuant to Article VIII of the agreement, the MCP will be required to comply with the following:

a. Fulfill Existing Duties and Obligations

MCP agrees to fulfill all duties and obligations as required under Chapter 5101:3-26 of the Administrative Code and any provider agreements related to the provision of services for the Medicaid population during periods of time when MCP was under contract with ODJFS. Such duties and obligations include, but are not limited to, the submission by the MCP of any previously reported appeals and grievances data which were unresolved for the Medicaid population after the termination/nonrenewal date, resolution of provider and consumer complaints for the Medicaid population served by the MCP for the MCP provider agreement time periods, and provision of data to support audits related to the Medicaid population served by the MCP for the MCP's provider agreement time periods.

b. Refundable Monetary Assurance

The MCP will be required to submit a refundable monetary assurance. This monetary assurance will be held by ODJFS until such time that the MCP has submitted all outstanding monies owed, data files, and reports, including, but not limited to, grievance, appeal, encounter and cost report data related to time periods through the final date of service under the MCP's provider agreement. The monetary assurance must be in an amount of either \$50,000 or 5 % of the capitation amount paid by ODJFS in the month the termination/nonrenewal notice is issued, whichever is greater.

The MCP must remit the monetary assurance in the specified amounts via separate electronic fund transfers (EFT) payable to *Treasurer of State, State of Ohio (ODJFS)*. The MCP must contact their Contract Administrator to verify the correct amounts required for the monetary assurance and obtain an invoice number prior to submitting the monetary assurance. Information from the invoices must be included with each EFT to ensure monies are deposited in the appropriate ODJFS Fund account. In addition, the MCP must send copies of the EFT bank confirmations and copies of the invoices to their Contract Administrator.

If the monetary assurance is not received as specified above, ODJFS will withhold the MCP's next month's capitation payment until such time that ODJFS receives documentation that the monetary assurance is received by the Treasurer of State. If within one year of the date of issuance of the invoice, an MCP does not submit all outstanding monies owed and required submissions, including, but not limited to, grievance, appeal, encounter and cost report data related to time periods through the final date of service under the MCP's provider agreement, the monetary assurance will not be refunded to the MCP.

c. At-Risk or Bonus Amount

The bonus amount in the managed care program performance payment fund will be retained by ODJFS. The MCP must also return to ODJFS the at-risk amount paid to the MCP under the current provider agreement. The amount to be returned will be based on actual MCP membership for preceding months and estimated MCP membership through the end date of the contract. Any over payment will be determined by comparing actual to estimated MCP membership and will be returned to the MCP following the end date of the provider agreement.

The MCP must remit the at-risk amount in the specified amounts via separate electronic fund transfers (EFT) payable to *Treasurer of State, State of Ohio (ODJFS)*. The MCP must contact their Contract Administrator to verify the correct amounts required for the at-risk amount and obtain an invoice number prior to submitting the at-risk amount. Information from the invoices must be included with each EFT to ensure monies are deposited in the appropriate ODJFS Fund account. In addition, the MCP must send copies of the EFT bank confirmations and copies of the invoices to their Contract Administrator.

If the at-risk amount is not received as specified above, ODJFS will withhold the MCP's next month's capitation payment until such time that ODJFS receives documentation that the at-risk amount is received by the Treasurer of State. Withholding a capitation payment by ODJFS does not waive the obligation of the MCP to return the at-risk amount.

d. Final Accounting of Amounts Outstanding

MCP must submit to ODJFS a final accounting list of any outstanding monies owed by ODJFS no later than six (6) months after the termination/nonrenewal date. Failure by the MCP to submit a list of outstanding items will be deemed a forfeiture of any additional compensation due to MCP. ODJFS payment will be limited to only those amounts properly owed by ODJFS.

e. Monetary Sanctions

All previously collected refundable monetary sanctions shall be retained by ODJFS.

f. Data Files

In order to assist members with continuity of care, the MCP must create data files to be shared with each newly enrolling MCP. The data files will be provided in a consistent format specified by ODJFS and may include information on the following: case management, prior authorizations, inpatient facility stays, PCP assignments, and pregnant members. The timeline for providing these files will be at the discretion of ODJFS. The terminating MCP will be responsible for ensuring the accuracy and data quality of the files.

g. Notification

- i. Provider Notification - The MCP must notify contracted providers at least 55 days prior to the effective date of termination. The provider notification must be approved by ODJFS prior to distribution.
- ii. Member Notification – Unless otherwise notified by ODJFS, the MCP must notify their members regarding their provider agreement termination at least 45 days in advance of the effective date of termination. The member notification must be approved by ODJFS prior to distribution.
- iii. Prior Authorization Re-Direction Notification - The MCP must create two notices to assist members and providers with prior authorization requests received and/or approved during the last month of membership. The first notice is for prior authorization requests for services to be provided after the effective date of termination; this notice will direct members and providers to contact the enrolling MCP. The second notice is for prior authorization requests for services to be provided before and after the effective date of termination. The MCP must utilize ODJFS model language to create the notices and receive approval by ODJFS prior to distribution. The notices will be mailed to the provider and copied to the member for all requests received during the last month of MCP membership.

2. ODJFS-INITIATED TERMINATIONS FOR CAUSE UNDER OAC 5101:3-26-10

- a. If ODJFS initiates the proposed termination, nonrenewal or amendment of an MCP's provider agreement pursuant to OAC rule 5101:3-26-10 and the MCP appeals that proposed action, the MCP's provider agreement will be extended through the issuance of an adjudication order in the MCP's appeal under the ORC Chapter 119, if applicable.

During this time, the MCP will continue to accrue points and be assessed penalties for each subsequent compliance assessment occurrence/violation under Appendix N of the

provider agreement. If the MCP exceeds 69 points, each subsequent point accrual will result in a \$15,000 nonrefundable fine.

Pursuant to OAC rule 5101:3-26-10(H), if ODJFS has proposed the termination, nonrenewal, denial or amendment of a provider agreement, ODJFS may notify the MCP's members of this proposed action and inform the members of their right to immediately terminate their membership with that MCP without cause. If ODJFS has proposed the termination, nonrenewal, denial or amendment of a provider agreement and access to medically-necessary covered services is jeopardized, ODJFS may propose to terminate the membership of all of the MCP's members. The appeal process for reconsideration of the proposed termination of members is as follows:

- All notifications of such a proposed MCP membership termination will be made by ODJFS via certified or overnight mail to the identified MCP Contact.
- MCPs notified by ODJFS of such a proposed MCP membership termination will have three working days from the date of receipt to request reconsideration.
- All reconsideration requests must be submitted by either facsimile transmission or overnight mail to the Deputy Director, Office of Ohio Health Plans, and received by 3PM Eastern Time on the third working day following receipt of the ODJFS notification of termination. The address and fax number to be used in making these requests will be specified in the ODJFS notification of termination document.
- The MCP will be responsible for verifying timely receipt of all reconsideration requests. All requests must explain in detail why the proposed MCP membership termination is not justified. The MCP's justification for reconsideration will be limited to a review of the written material submitted by the MCP.
- A final decision or request for additional information will be made by the Deputy Director within three working days of receipt of the request for reconsideration. Should the Deputy Director require additional time in rendering the final reconsideration decision, the MCP will be notified of such in writing.
- The proposed MCP membership termination will not occur while an appeal is under review and pending the Deputy Director's decision. If the Deputy Director denies the appeal, the MCP membership termination will proceed at the first possible effective date. The date may be retroactive if the ODJFS determines that it would be in the best interest of the members.

b. Fulfill Existing Duties and Obligations

MCP agrees to fulfill all duties and obligations as required under Chapter 5101:3-26 of the Administrative Code and any provider agreements related to the provision of services for the Medicaid population during periods of time when MCP was under contract with

ODJFS. Such duties and obligations include, but are not limited to, the submission by the MCP of any previously reported appeals and grievances data which were unresolved for the Medicaid population after the termination/nonrenewal date, resolution of provider and consumer complaints for the Medicaid population served by the MCP for the MCP provider agreement time periods, and provision of data to support audits related to the Medicaid population served by the MCP for the MCP's provider agreement time periods.

c. Refundable Monetary Assurance

The MCP will be required to submit a refundable monetary assurance. This monetary assurance will be held by ODJFS until such time that the MCP has submitted all outstanding monies owed, data files, and reports, including, but not limited to, grievance, appeal, encounter and cost report data related to time periods through the final date of service under the MCP's provider agreement. The monetary assurance must be in an amount of either \$50,000 or 5 % of the capitation amount paid by ODJFS in the month the termination/nonrenewal notice is issued, whichever is greater.

The MCP must remit the monetary assurance in the specified amounts via separate electronic fund transfers (EFT) payable to *Treasurer of State, State of Ohio (ODJFS)*. The MCP must contact their Contract Administrator to verify the correct amounts required for the monetary assurance and obtain an invoice number prior to submitting the monetary assurance. Information from the invoices must be included with each EFT to ensure monies are deposited in the appropriate ODJFS Fund account. In addition, the MCP must send copies of the EFT bank confirmations and copies of the invoices to their Contract Administrator.

If the monetary assurance is not received as specified above, ODJFS will withhold the MCP's next month's capitation payment until such time that ODJFS receives documentation that the monetary assurance is received by the Treasurer of State. If within one year of the date of issuance of the invoice, an MCP does not submit all outstanding monies owed and required submissions, including, but not limited to, grievance, appeal, encounter and cost report data related to time periods through the final date of service under the MCP's provider agreement, the monetary assurance will not be refunded to the MCP.

d. At-Risk or Bonus Amount

The bonus amount in the managed care program performance payment fund will be retained by ODJFS. The MCP must return to ODJFS the at-risk amount paid to the MCP under the current provider agreement. The amount to be returned will be based on actual MCP membership for preceding months and estimated MCP membership through the end date of the contract. Any over payment will be determined by comparing actual to estimated MCP membership and will be returned to the MCP following the end date of the provider agreement.

The MCP must remit the at-risk amount in the specified amounts via separate electronic fund transfers (EFT) payable to *Treasurer of State, State of Ohio (ODJFS)*. The MCP must contact their Contract Administrator to verify the correct amounts required for the at-risk amount and obtain an invoice number prior to submitting the at-risk amount. Information from the invoices must be included with each EFT to ensure monies are deposited in the appropriate ODJFS Fund account. In addition, the MCP must send copies of the EFT bank confirmations and copies of the invoices to their Contract Administrator.

If the at-risk amount is not received as specified above, ODJFS will withhold the MCP's next month's capitation payment until such time that ODJFS receives documentation that the at-risk amount is received by the Treasurer of State. Withholding a capitation payment by ODJFS does not waive the obligation of the MCP to return the at-risk amount.

e. Monetary Sanctions

All previously collected refundable monetary sanctions shall be retained by ODJFS.

f. Final Accounting of Amounts Outstanding

MCP must submit to ODJFS a final accounting list of any outstanding monies owed by ODJFS no later than six (6) months after the termination/nonrenewal date. Failure by the MCP to submit a list of outstanding items will be deemed a forfeiture of any additional compensation due to MCP. ODJFS payment will be limited to only those amounts properly owed by ODJFS.

g. Data Files

In order to assist members with continuity of care, the MCP must create data files to be shared with each newly enrolling MCP. The data files will be provided in a consistent format specified by ODJFS and may include information on the following: case management, prior authorizations, inpatient facility stays, PCP assignments, and pregnant members. The timeline for providing these files will be at the discretion of ODJFS. The terminating MCP will be responsible for ensuring the accuracy and data quality of the files.

h. Notification

- i. Provider Notification - The MCP must notify contracted providers at least 55 days prior to the effective date of termination. The provider notification must be approved by ODJFS prior to distribution.
- ii. Prior Authorization Re-Direction Notification - The MCP must create two notices to assist members and providers with prior authorization requests

received and/or approved during the last month of membership. The first notice is for prior authorization requests for services to be provided after the effective date of termination; this notice will direct members and providers to contact the enrolling MCP. The second notice is for prior authorization requests for services to be provided before and after the effective date of termination. The MCP must utilize ODJFS model language to create the notices and receive approval by ODJFS prior to distribution. The notices will be mailed to the provider and copied to the member for all requests received during the last month of MCP membership.

3. TERMINATION DUE TO NON-SELECTION THROUGH ODJFS PROCUREMENT PROCESSES

Should the provider agreement end or not be extended in the event MCP is not awarded a provider agreement as a result of an ODJFS procurement and plan selection process pursuant to OAC rule 5101:3-26-04, MCP will be required to comply with the following:

a. Fulfill Existing Duties and Obligations

MCP agrees to fulfill all duties and obligations as required under Chapter 5101:3-26 of the Administrative Code and any provider agreements related to the provision of services for the Medicaid population during periods of time when MCP was under contract with ODJFS. Such duties and obligations include, but are not limited to, the submission by the MCP of any previously reported appeals and grievances data which were unresolved for the Medicaid population after the termination/nonrenewal date, resolution of provider and consumer complaints for the Medicaid population served by the MCP for the MCP provider agreement time periods, and provision of data to support audits related to the Medicaid population served by the MCP for the MCP's provider agreement time periods.

b. Refundable Monetary Assurance

The MCP will be required to submit a refundable monetary assurance. This monetary assurance will be held by ODJFS until such time that the MCP has submitted all outstanding monies owed, data files, and reports, including, but not limited to, grievance, appeal, encounter and cost report data related to time periods through the final date of service under the MCP's provider agreement. The monetary assurance must be in an amount of either \$50,000 or 5 % of the capitation amount paid by ODJFS in the month the termination/nonrenewal notice is issued, whichever is greater.

The MCP must remit the monetary assurance in the specified amounts via separate electronic fund transfers (EFT) payable to *Treasurer of State, State of Ohio (ODJFS)*. The MCP must contact their Contract Administrator to verify the correct amounts required for the monetary assurance and obtain an invoice number prior to submitting the monetary assurance. Information from the invoices must be included with each EFT to ensure monies are deposited in the appropriate ODJFS Fund account. In addition, the

MCP must send copies of the EFT bank confirmations and copies of the invoices to their Contract Administrator.

If the monetary assurance is not received as specified above, ODJFS will withhold the MCP's next month's capitation payment until such time that ODJFS receives documentation that the monetary assurance is received by the Treasurer of State. If within one year of the date of issuance of the invoice, an MCP does not submit all outstanding monies owed and required submissions, including, but not limited to, grievance, appeal, encounter and cost report data related to time periods through the final date of service under the MCP's provider agreement, the monetary assurance will not be refunded to the MCP.

a. At-Risk or Bonus Amount

Any return of at-risk amounts, or awards of bonus amounts from the managed care program performance payment fund will be in accordance with the pay-for-performance system set forth in Appendix O for the current provider agreement year.

c. Monetary Sanctions

All previously collected refundable monetary sanctions shall be returned to the MCP.

d. Final Accounting of Amounts Outstanding

MCP must submit to ODJFS a final accounting list of any outstanding monies owed by ODJFS no later than six (6) months after the termination/nonrenewal date. Failure by the MCP to submit a list of outstanding items will be deemed a forfeiture of any additional compensation due to MCP. ODJFS payment will be limited to only those amounts properly owed by ODJFS.

e. Data Files

In order to assist members with continuity of care, the MCP must create data files to be shared with each newly enrolling MCP. The data files will be provided in a consistent format specified by ODJFS and may include information on the following: case management, prior authorizations, inpatient facility stays, PCP assignments, and pregnant members. The timeline for providing these files will be at the discretion of ODJFS. The terminating MCP will be responsible for ensuring the accuracy and data quality of the files.

f. Notification

- a. Provider Notification - The MCP must notify contracted providers at least 55 days prior to the effective date of termination. The provider notification must be approved by ODJFS prior to distribution.

- b. **Prior Authorization Re-Direction Notification** - The MCP must create two notices to assist members and providers with prior authorization requests received and/or approved during the last month of membership. The first notice is for prior authorization requests for services to be provided after the effective date of termination; this notice will direct members and providers to contact the enrolling MCP. The second notice is for prior authorization requests for services to be provided before and after the effective date of termination. The MCP must utilize ODJFS model language to create the notices and receive approval by ODJFS prior to distribution. The notices will be mailed to the provider and copied to the member for all requests received during the last month of MCP membership.