

**Contract**

**Between**

**United States Department of Health and Human Services  
Centers for Medicare & Medicaid Services**

**In Partnership with**

**State of Ohio Department of Medicaid**

**and**

**[PLAN NAME]**

**Effective: January 1, 2021**

This Contract, effective on July 1, 2019, amended by addendum effective February 1, 2020, hereby amended by addendum effective January 1, 2021, is between the Department of Health and Human Services, acting by and through the Centers for Medicare & Medicaid Services (CMS), the State of Ohio, acting by and through the State of Ohio Department of Medicaid (ODM) and [PLAN NAME], the Integrated Care Delivery System (ICDS) Plan. The ICDS Plan's principal place of business is [PLAN ADDRESS].

WHEREAS, CMS is an agency of the United States, Department of Health and Human Services, responsible for the administration of the Medicare, Medicaid, and Ohio Children's Health Insurance Programs under Title XVIII, Title IX, Title XI, and Title XXI of the Social Security Act;

WHEREAS, the Ohio Department of Medicaid (ODM) is an agency responsible for operating a program of medical assistance under 42 U.S.C. § 1396 et seq., and Title 51 of the Ohio Revised Code, designed to pay for medical services for eligible individuals;

WHEREAS, Section 1115A of the Social Security Act provides CMS the authority to test innovative payment and service delivery models to reduce program expenditures under Titles XVIII and XIX of the Social Security Act while preserving or enhancing the quality of care furnished to individuals under such titles, including allowing states to test and evaluate fully integrating care for dual eligible individuals in the State;

WHEREAS, the ICDS Plan is in the business of providing coverage for medical services, and CMS and ODM desire to purchase such services from the ICDS Plan;

WHEREAS, in accordance with Section 5.8 of the Contract, CMS and the Contractor desire to amend the Contract;

WHEREAS, the ICDS Plan agrees to furnish these services in accordance with the terms and conditions of this Contract and in compliance with all federal and Ohio laws and regulations;

WHEREAS, ODM has state regulations responsible for the credentialing and recredentialing of providers;

NOW, THEREFORE, in consideration of the mutual promises set forth in this Contract, the parties agree as follows:

1. This Addendum deletes Subsection 2.2.3.4.1.2.1 and replaces it with the following Subsection 2.2.3.4.1.2.1:

“Development, implementation and medical interpretation of medical policies and procedures including, but not limited to, service authorization, Claims review, discharge planning, and referral management, and medical review.”

2. This Addendum deletes Subsection 2.6.1.6 and replaces it with the following Subsection 2.6.1.6:

“The ICDS Plan must comply with the requirements specified in 42 C.F.R. §§ 422.204, 422.205, 422.504, 438.214, that pertains to written policies and procedures related to selection and retention of Providers and nondiscrimination against particular providers that serve high-risk populations or specialize in conditions that require costly treatment.”

3. This Addendum adds a new Subsection 2.6.1.6.1:

“The ICDS Plan should direct providers to ODM for credentialing per OAC 5160-1-42.”

4. This Addendum deletes Subsection 2.7.7.1.6 and replaces it with the following Subsection 2.7.7.1.6:

“The ICDS Plan should direct providers to ODM for recredentialing.”

5. This Addendum deletes Subsection 2.7.10.1 and replaces it with the following Subsection 2.7.10.1:

“The ICDS Plan must adhere to managed care standards at 42 C.F.R. § 438.214 and 42 C.F.R. §§ 422.204 and 422.205, and must be accredited by NCQA.”

6. This Addendum adds a new Subsection 4.2.7:

#### “4.2.7 Risk Corridors

- 4.2.7.1. Risk Corridors will be established for Demonstration Year 7.
- 4.2.7.2. The Demonstration will use a tiered ICDS Plan-level symmetric risk corridor to include Medicare Parts A/B and Medicaid experience specific to the MyCare Opt-In program.
- 4.2.7.3. The risk-sharing arrangement described in this section may result in payment by ODM and CMS to the ICDS Plan or by the ICDS Plan to ODM and CMS. All payments to be made by ODM and CMS to the ICDS Plan or by the ICDS Plan to ODM and CMS will be calculated and jointly determined by ODM and CMS.
- 4.2.7.4. The risk corridors will be reconciled after application of any risk adjustment methodologies (e.g. CMS-HCC and Member Enrollment Mix Adjustment) and as if the ICDS Plan had received the full quality withhold payment.
- 4.2.7.5. Process for Collecting Information: CMS and ODM will review ICDS Plan financial reports (submitted as required in Section 2.13.2.1) to determine incurred costs. CMS and ODM reserve the right to audit the ICDS-Plan reported revenue, medical expenses, and administrative expenses, and to request additional data to complete the risk corridor calculations.

- 4.2.7.6. Risk Corridor Share: The Medicare and Medicaid contributions to risk corridor payments or recoupments will be in proportion to their contributions to the capitated rates, excluding Medicare Part D.
- 4.2.7.7. Service Expenditures: Allowable expenses include all Medicare A/B and Medicaid claim payments for services incurred in the Demonstration Year. Expenses will include provider incentive payments and accruals for items such as incurred but not paid amounts. Consistent with the ICDS Plan cost report process, service expenses will be offset by third party liability collections, fraud recoveries, reinsurance recoveries, and other exclusions as defined in the ICDS Plan cost report process.
- 4.2.7.8. Non-Service Expenditures: Non-service expenditures include the ICDS Plan's actual amount incurred for administrative and Care Management costs. Such expenses will be included in the risk corridor calculations except that the following expenses incurred by the ICDS Plan will be excluded for the purposes of gain/loss calculations:
  - 4.2.7.8.1. Non-claims costs, as defined by 42 C.F.R. § 422.2401, will be limited to the lesser of: 1) 13% of the Total Capitation Rate Revenue, excluding Part D revenue; or 2) 125% of the median non-claims costs PMPM reported by all ICDS Plans for their MyCare Opt-In experience. Such cap will exclude expenditures related to health care quality improvement.
- 4.2.7.9. MLR reporting and calculations, as per Section 4.2.6, will be completed subsequent to the risk corridor calculations described in this section. Any risk corridor payments or recoupments will be reflected in the denominator of the MLR calculations.
- 4.2.7.10. Risk Corridor Tiers: CMS and ODM will use the bands as described below and in Figure 4.1 to address potential ICDS Plan gains/losses in Demonstration Year 7. ICDS Plan gains/losses will be calculated consistently with the underwriting gain (UWG) definition as defined in the ICDS Plan cost report process, and subject to the limits of the calculation components outlined in this contract.
  - 4.2.7.10.1. Losses greater than 2%: ODM and CMS would share in 100% of the risk, as described in Section 4.2.7.6.
  - 4.2.7.10.2. Between 0 and 2% loss: The ICDS Plan would bear 50% of the risk/reward; ODM and CMS would share in the other 50%, as described in Section 4.2.7.6.
  - 4.2.7.10.3. Gains between 0 and 4%: The ICDS Plan would bear 100% of the reward.
  - 4.2.7.10.4. Gains between 4% and 6%: The ICDS Plan would bear 50% of the reward; ODM and CMS would share in the other 50%, as described in Section 4.2.7.6.

- 4.2.7.10.5. Greater than 6% gain: ODM and CMS would share in 100% of the reward, as described in Section 4.2.7.6.

**Figure 4.1 – Demonstration Year 7 Risk Corridor Tiers**

Percentage of Gain/Loss <sup>1</sup>	ICDS Plan Share	CMS/ODM Share <sup>2</sup>
Loss > 2%	0%	100%
Loss ≤2% and <0%	50%	50%
Gain >0% and ≤4%	100%	0%
Gain >4% and ≤6%	50%	50%
Gain >6%	0%	100%

1. Loss and gain reflected on an incremental basis, rounded to the nearest one tenth of a percent. For example, gains >6% still results in risk sharing reconciliation for the gains between 4.1% and 6.0%.
2. CMS and ODM share determined by Medicare A/B and Medicaid contributions to capitated rate revenue, excluding Medicare Part D.”

7. This Addendum deletes Appendix C, Section E and replaces it with the following Section E:

“The ICDS Plan shall ensure that all contracts or arrangements with First Tier, Downstream, and Related Entities that are for credentialing of medical providers contains the following language:

1. The credentials of medical professionals affiliated with the party or parties will be either reviewed by the ICDS Plan; or
2. The ICDS Plan will need to ensure that all providers are credentialed by ODM.”

8. This Addendum amends Appendix I. Additional Medicare Waivers by adding a new waiver:

“In addition to the waivers granted for the MyCare Ohio demonstration in the MOU, CMS hereby waives:

- Section 1852(j) of Title XVIII of the Act, as implemented in 42 C.F.R. § 422.504(i)(4)(iv) only insofar as such provisions are inconsistent with allowing ICDS Plans to complete provider credentialing through ODM as the full credentialing for participation as a MyCare Ohio network provider without further audit of the ODM provider credentialing required by ICDS Plans. ICDS Plans remain required to adhere to the requirements of 42 C.F.R. § 422.504(i)(4)(iv) for any MyCare Ohio providers not enrolled with ODM. Neither this waiver, nor being credentialed via ODM, waives or changes the requirement that MyCare Ohio providers not enrolled with ODM be enrolled in Medicare.”

**Signatures**

In Witness Whereof, CMS, ODM, and the ICDS Plan have caused this Agreement to be executed by their respective authorized officers:

\_\_\_\_\_  
[ICDS Plan Signatory Name]  
[ICDS Plan Signatory Title]  
[ICDS Plan]

\_\_\_\_\_  
Date

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In Witness Whereof, CMS, ODM, and the ICDS Plan have caused this Agreement to be executed by their respective authorized officers:

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Lindsay P. Barnette  
Director  
Models, Demonstrations & Analysis Group  
Medicare-Medicaid Coordination Office  
Centers for Medicare & Medicaid Services  
United States Department of Health and Human Services

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Date



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In Witness Whereof, CMS, ODM, and the ICDS Plan have caused this Agreement to be executed by their respective authorized officers:

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Kathryn Coleman  
Director  
Medicare Drug & Health Plan Contract Administration Group  
Centers for Medicare & Medicaid Services  
United States Department of Health and Human Services

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Date

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In Witness Whereof, CMS, ODM, and the ICDS Plan have caused this Agreement to be executed by their respective authorized officers:

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Maureen M. Corcoran  
Director  
Ohio Department of Medicaid

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Date

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