

This Contract, effective September 24, 2014, re-executed on November 1, 2016, January 1, 2018 and January 1, 2022; amended by addendum effective January 1, 2019 and September 1, 2020 is hereby amended by addendum effective January 1, 2022, is between the United States Department of Health and Human Services, acting by and through the Centers for Medicare & Medicaid Services (CMS), the State of Michigan, acting by and through The Michigan Department of Health and Human Services (MDHHS), and the Michigan Department of Technology, Management and Budget, and _____ the Integrated Care Organization (ICO.) The ICO 's principal place of business is _____.

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

WHEREAS, Section 1115A of the Social Security Act provides CMS the authority to test innovative payment and service delivery models to reduce program expenditures 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, MDHHS is an agency responsible for operating a program of medical assistance under 42 U.S.C. § 1396 et seq., and the Social Welfare Act, MCL 400.1 et seq., designed to pay for medical, behavioral health, and Long Term Supports and Services (LTSS) for eligible beneficiaries (Enrollee, or Enrollees);

WHEREAS, the ICO is in the business of providing medical services, and CMS and MDHHS desire to purchase such services from the ICO;

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

WHEREAS, in accordance with **Section 5.8** of the Contract, MDHHS and the ICO desire to amend the Contract

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

1. This Addendum deletes **Subsection 2.4.1.11** and replaces it with the following **Subsection 2.4.1.11**:

Nursing Facility Payment Rules – For traditional Medicaid nursing home days of care, the ICO may negotiate with Nursing Facilities to pay rates that vary from the Medicaid FFS rate as established by the MDHHS. For individuals residing in a Nursing Facility where there is not an agreed upon rate at the time of their effective enrollment date, the ICO is required to pay, at a minimum, the Medicaid FFS rate and level of service through the continuity of care period or until a negotiated rate is agreed upon. The Quality Assurance Supplement (QAS) will be paid through a directed payment as approved by CMS through the Section 438.6(c) preprint process. The ICO shall reimburse Nursing Facility providers the Medicaid co-insurance rate for days 21 through 100 of a skilled care or rehabilitation day in accordance with published Medicaid policy. Nursing Facility reimbursement is further discussed in Section 4.

2. This Addendum deletes **Exhibit 2** and replaces it with the following **Exhibit 2**:

Exhibit 2 ICO Transition Requirements for all Other Enrollees

Transition Requirements	ICO Transition Requirements for All Other Enrollees
Physician/Other Practitioners	Maintain current provider at the time of Enrollment for ninety (90) calendar days. (ICO must honor existing plans of care and prior authorizations (PAs) until the authorization ends or one hundred eighty (180) calendar days from Enrollment, whichever is sooner)
DME	Must honor PAs when item has not been delivered and must review ongoing PAs for medical necessity
Scheduled Surgeries	Must honor specified provider and PAs for surgeries scheduled within one hundred eighty (180) calendar days of Enrollment
Chemotherapy/ Radiation	Treatment initiated prior to Enrollment must be authorized through the course of treatment with the specified provider
Organ, Bone Marrow, Hematopoietic Stem Cell Transplant	Must honor specified provider, PAs and plans of care
Dialysis Treatment	Maintain current level of service and same provider at the time of Enrollment for one hundred eighty (180) calendar days
Vision and Dental	Must honor PAs when an item has not been delivered
Home Health	Maintain current level of service and same provider at the time of Enrollment for ninety (90) calendar days

Transition Requirements	ICO Transition Requirements for All Other Enrollees
Medicaid Nursing Facility Services	Maintain current provider and level of service as well as rate of pay for enrollees residing in a nursing facility at the time of enrollment for up to ninety (90) calendar days. For the duration of the Demonstration, the Enrollee may remain at the facility through contract with the ICO via single case agreements, on an out-of-network basis, or until the Enrollee chooses to relocate.
Waiver Services	MI Choice HCBS waiver enrollees: Maintain current providers and level of services at the time of Enrollment for ninety (90) calendar days unless changed during the Person-Centered Planning Process for services provided by the MI Health Link HCBS waiver. Not applicable to other Enrollees
State Plan Personal Care	Maintain current provider and level of services at the time of Enrollment for ninety (90) calendar days. The IICSP must be reviewed and updated and providers secured within ninety (90) calendar days of Enrollment. Not applicable for MI Choice HCBS waiver Enrollees

3. This Addendum adds a new **Section 2.4.1.13:**

COVID-19 Rate Provisions

2.4.1.13.1. As further specified by MDHHS, the ICO shall increase its contracted rates relative to the wage being received by, or the starting wage offered to, a qualifying direct care worker on March 31, 2020. If the ICO’s First Tier, Downstream, and Related Entity was not in business in March 2020, the direct care worker must be paid at least minimum wage plus the premium pay amount. The rate increase will be paid through a directed payment as approved by CMS through the Section 438.6(c) preprint process. A direct care worker may choose to not receive the wage increase. This choice must be indicated in writing or electronically. The ICO shall track annually and report to MDHHS the hourly wages paid to each direct care worker hired directly by the ICO. The ICO shall require their applicable First Tier, Downstream, and Related Entities to track and report annually the total amount and percentage of Medicaid reimbursements they receive that are used to pay direct care worker wages, and the hourly wages paid for each direct care worker they employ. The ICO shall report this information from their First Tier, Downstream, and Related Entities to MDHHS annually. This increase applies to the following services covered under the traditional Medicaid benefit as follows:

2.4.1.13.1.1. For Expanded Community Living Supports (related HCPCS codes H2015, H2016) providers a \$2.35 per hour increase in Direct Care Worker wages and \$0.29 per hour for agencies effective for dates of service January 1, 2022 through December 31, 2022.

2.4.1.13.1.2. For Personal Care (related HCPCS code T1019) providers a \$2.35 per hour increase in Direct Care Worker wages and \$0.29 per hour for

agencies effective for dates of service January 1, 2022 through December 31, 2022.

2.4.1.13.1.3. For Respite (related HCPCS codes S5150, S5151) providers a \$2.35 per hour increase in Direct Care Worker wages and \$0.29 per hour for agencies effective for dates of service January 1, 2022 through December 31, 2022.

2.4.1.13.1.4. For Adult Day Program (related HCPCS codes S5100, S5101, S5102) providers, a \$2.35 per hour increase in Direct Care Worker wages and \$0.29 per hour for agencies effective for dates of service January 1, 2022 through December 31, 2022.

2.4.1.13.1.5 For ECLS and Respite providers of services in licensed Adult Foster Care and Home for the Aged settings (related HCPCS codes H2015, H2016, S5150, S5151), a \$2.35 per hour increase in Direct Care Worker wages only when the licensed setting does not receive the personal care supplement from the contractor or the state.

4. This Addendum deletes **Section 2.17.1.5.1** and replaces it with the following **Section 2.17.1.5.1**:

The ICO's submission of Encounter Data must meet timeliness and completeness requirements as specified by MDHHS.

In Witness Whereof, CMS, the State of Michigan, and the ICO have caused this Agreement to be executed by their respective authorized officers:

TYPE NAME AND TITLE HERE

<Entity>

Date

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In Witness Whereof, CMS, the State of Michigan, and the ICO have caused this Agreement to be executed by their respective authorized officers:

Brandon Samuel, State Assistant Administrator

Date

Michigan Department of Technology, Management and
Budget

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In Witness Whereof, CMS, the State of Michigan, and the ICO have caused this Agreement to be executed by their respective authorized officers:

Farah Hanley

Date

Chief Deputy for Health

Michigan Department of Health & Human Services

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In Witness Whereof, CMS, the State of Michigan, and the ICO have caused this Agreement to be executed by their respective authorized officers:

LINDSAY P. BARNETTE

Date

Director

Models, Demonstrations, and Analysis Group

Centers for Medicare & Medicaid Services

United States Department of Health and Human Services

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In Witness Whereof, CMS, the State of Michigan, and the ICO have caused this Agreement to be executed by their respective authorized officers:

Kathryn Coleman

Date

Director

Medicare Drug & Health Plan Contract Administration Group

Centers for Medicare & Medicaid Services

United States Department of Health and Human Services