

**Contract**

**BETWEEN**

**UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES**

**CENTERS FOR MEDICARE & MEDICAID SERVICES**

**IN PARTNERSHIP WITH**

**The State of Rhode Island**

**Executive Office of Health and Human Services**

**AND**

**Neighborhood Health Plan of Rhode Island**

**EXECUTED:**

**August 1, 2020**

This Contract, made on March 1, 2020 is hereby restated and amended effective August 1, 2020, 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 Rhode Island, acting by and through the Executive Office of Health and Human Services (RI EOHHS), and Neighborhood Health Plan of Rhode Island (Contractor). Contractor's principal place of business is 910 Douglas Pike, Smithfield, RI 02917.

**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 XI, Title XVIII, Title XIX, 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**, RI EOHHS is an agency responsible for operating a program of medical assistance under 42 U.S.C. § 1396 et seq., and the RI 1115(a) Comprehensive Demonstration, designed to pay for medical, behavioral health, and Long Term Services and Supports (LTSS) for Eligible Beneficiaries (Enrollee, or Enrollees);

**WHEREAS**, Contractor is in the business of arranging medical services, and CMS and RI EOHHS desire to purchase such services from Contractor;

**WHEREAS**, Contractor 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**, the goal of the Phase II of the Integrated Care Initiative (ICI) is to improve the health, well-being, and health care of Medicare-Medicaid beneficiaries in Rhode Island and to reduce overall health care costs by redesigning the care delivery system.

**WHEREAS**, through an integrated financing mechanism, Contractor agrees to provide an integrated service delivery model that promotes the use of alternative payment models, eliminates fragmentation in care delivery, improves coordination of services, promotes community-based care over institutional care, and provides access to high quality, cost-effective person-centered services and supports.

**WHEREAS**, the essential elements of the ICI Phase II care delivery model include: a comprehensive continuum of high-quality services that are easily accessible, effectively coordinated, delivered in the least restrictive setting, and funded through a single capitated financing structure in a Medicare-Medicaid managed care organization; the transition to value-based over volume-based purchasing, through specified contracting targets for the Medicare-Medicaid managed care organization; integration of medical, behavioral health, LTSS, and social services; and an interdisciplinary care management model that effectively leverages existing care management and care coordination services available to Enrollees and is integrated with the care and services delivered by Enrollee's providers;

**WHEREAS**, in accordance with **Section 5.7.1** of the Contract, EOHHS and the Contractor 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 and replaces **Subsection 4.1.2.1** as follows:

4.1.2.1. Demonstration Year Dates

Capitation Rate updates will take place as on January 1<sup>st</sup> of each calendar year for the Medicare rate component and on a State Fiscal Year (SFY) basis for the Medicaid rate component, or more frequently, as described in this section; however, savings percentages (see Section 4.2.3) and quality withhold percentages (see Section 4.4.7) will be applied based on final Demonstration Years, as follows:

Demonstration Year	Calendar Dates
1	July 1, 2016 – December 31, 2017
2	January 1, 2018 – December 31, 2018
3	January 1, 2019 – December 31, 2019
4	January 1, 2020 – December 31, 2020
5	January 1, 2021 – December 31, 2021
6	January 1, 2022 – December 31, 2022
7	January 1, 2023 – December 31, 2023

2. This Addendum renames **Exhibit 1 Medicaid Rate Cell Categories** as **Exhibit 1A Medicaid Rate Cell Categories**

3. This Addendum deletes and replaces **Subsection 4.2.3.1** as follows:

4.2.3.1. Aggregate savings percentages will be applied equally, as follows, to the baseline spending amounts for the Medicare Parts A/B Component and the Medicaid Component of the capitated rate, provided that such savings percentages may be adjusted in accordance with Section 4.4.5.7.

- 4.2.3.1.1. Demonstration Year 1: 1%
- 4.2.3.1.2. Demonstration Year 2: 1.25%
- 4.2.3.1.3. Demonstration Year 3: 3%
- 4.2.3.1.4. Demonstration Year 4: 3%
- 4.2.3.1.5. Demonstration Year 5: 3%

4.2.3.1.6. Demonstration Year 6: 3%

4.2.3.1.7. Demonstration Year 7: 3%

4. This addendum deletes and replaces **Subsection 4.2.4.3** as follows:

4.2.4.3 Medicaid: The Medicaid component will employ rating categories described in Exhibit 1A.

5. This Addendum deletes and replaces **Subsections 4.3.2.1 and 4.3.2.2** as follows:

4.3.2.1 The Contractor has a minimum target medical loss ratio (MLR) of eighty-five percent (85%) for Demonstration Years 1 through 4, eighty-six percent (86%) for Demonstration Year 5, eighty-seven percent (87%) for Demonstration Year 6, and eighty-eight (88%) percent for Demonstration Year 7.

4.3.2.2 If the MLR calculated as set forth below is less than the minimum target MLR, the Contractor shall refund to RI EOHHS and CMS an amount equal to the difference between the calculated MLR and the minimum target MLR (expressed as a percentage) multiplied by the coverage year revenue, as described below. RI EOHHS and CMS shall calculate an aggregate MLR for Enrollees under this Contract, and shall provide to the Contractor the amount to be refunded, if any, to RI EOHHS and CMS respectively. Any refunded amounts will be distributed back to the Medicaid and Medicare programs, with the amount to each payor based on the proportion between the Medicare and Medicaid Components. At the option of CMS and RI EOHHS, separately, any amount to be refunded may be recovered either by requiring the Contractor to make a payment or by an offset to future Capitation Payment. The MLR calculation shall be determined as set forth below; however, RI EOHHS and CMS may adopt NAIC reporting standards and protocols after giving written notice to the Contractor.

4.3.2.2.1 For Demonstration Years 2 through 4, if the Contractor has an MLR below eighty-five percent (85%) of the joint Medicare and Medicaid payment to the Contractor, the Contractor must remit the amount by which the eighty-five (85%) threshold exceeds the Contractor's actual MLR multiplied by the total Capitation Payment revenue of the contract.

4.3.2.2.2. For Demonstration Years 5 through 7, in addition to remitting the amount by which the eighty-five percent (85%) threshold exceeds the Contractor's MLR multiplied by the total Capitation Payment revenue, the Contractor will also remit according to the following schedule:

4.3.2.2.3. In Demonstration Year 5, if the Contractor's MLR is below eighty-six percent (86%), the Contractor will remit fifty percent (50%) of the difference between its MLR and eighty-six percent (86%) multiplied by the total Capitation Payment revenue (if the Contractor's MLR is above 85%) or 0.5% multiplied by the total Capitation Payment revenue (if the Contractor's MLR is at or below 85%);

4.3.2.2.4. In Demonstration Year 6, if the Contractor's MLR is below eighty-seven percent (87%), the Contractor will remit fifty percent (50%) of the difference between its MLR and eighty-seven percent (87%) multiplied by the total Capitation Payment revenue (if the Contractor's MLR is above 85%) or 1.0% multiplied by the total Capitation Payment revenue (if the Contractor's MLR is at or below 85%);

4.3.2.2.5. In Demonstration Year 7, if the Contractor's MLR is below eight-eight percent (88%), the Contractor will remit fifty percent (50%) of the difference between its MLR and eighty-eight percent (88%) multiplied by the total Capitation Payment revenue (if the Contractor's MLR is above 85%) or 1.5% multiplied by the total Capitation Payment revenue (if the Contractor's MLR is at or below 85%).

4.3.2.2.6. Exhibit 1B below identifies the remittance percentages by year for a sample MLR of eighty-seven percent (87%).

**Exhibit 1B MLR Remittance Percentages Years 5-7, Sample MLR of 87%**

Year	Actual Contractor MLR	Remittance Percentage*
Demonstration Year 5	87%	0%
Demonstration Year 6	87%	0%
Demonstration Year 7	87%	0.5%

\*Total remittance equal to remittance percentage multiplied by total Capitation Payment Revenue"

6. This Addendum deletes and replaces **Subsection 4.4.7.6** as follows:

#### 4.4.7.6. Quality Withhold Percentages

4.4.7.6.1 Aggregate quality withhold percentages will be applied equally, as follows, to the baseline spending amounts for the Medicare Parts A/B Component and the Medicaid Component of the capitated rate:

4.4.7.6.1.1. Demonstration Year 1: 1.0%

4.4.7.6.1.2. Demonstration Year 2: 2.0%

4.4.7.6.1.3. Demonstration Year 3: 3.0%

4.4.7.6.1.4. Demonstration Year 4: 3.0%

4.4.7.6.1.5. Demonstration Year 5: 4.0%

4.4.7.6.1.6. Demonstration Year 6: 4.0%

4.4.7.6.1.5. Demonstration Year 7: 4.0%

7. This Addendum deletes and replaces **Subsection 4.4.7.8** as follows:

#### 4.4.7.8. Withhold Measures in Demonstration Years 2-7

4.4.7.8.1. Exhibit 3 below identifies the withhold measures for Demonstration Year 2, Demonstration Year 3, and Demonstration Year 4. Together, these will be utilized as the basis the withhold amounts defined in Section 4.4.7.6.1.2, Section 4.4.7.6.1.3, and Section 4.4.7.6.1.4. Additional details, including technical specifications, withhold methodology and required benchmarks are provided in separate guidance.

4.4.7.8.2. Payment will be based on performance on the quality withhold measures listed in Exhibit 3 below. The Contractor must report these measures according to the prevailing technical specifications for the applicable measurement year.

4.4.7.8.3. If the Contractor is unable to report at least three (3) of the quality withhold measures listed in Exhibit 3 for a given year due to low Enrollment or inability to meet other reporting criteria, alternative measures will be used in the quality withhold analysis. Additional information about this policy is available in separate technical guidance.

### Exhibit 3 Quality Withhold Measures for Demonstration Years 2-7

Measure	Source	CMS Core Withhold Measure	State Withhold Measure
Customer Service (DY 2 only)	AHRQ/CAHPS	X	
Getting Appointments and Care Quickly (DY 2 only)	AHRQ/CAHPS	X	
Annual Flu Vaccine	CAHPS	X	
Controlling Blood Pressure	NCQA/HEDIS	X	
Encounter Data	CMS-defined Process Measure	X	
Follow-up After Hospitalization for Mental Illness	NCQA/HEDIS	X	
Part D Medication Adherence for Diabetes Medications	PQA/PDE data	X	
Plan All-Cause Hospital Readmissions	NCQA/HEDIS	X	
Reducing the Risk of Falling	NCQA/HEDIS/HOS	X	
Care for Older Adults – Medication Review	NCQA/HEDIS		X
Care for Older Adults – Functional Status Assessment	NCQA/HEDIS		X
Care for Older Adults – Pain Assessment	NCQA/HEDIS		X
Care for Older Adults – Advance Care Planning	NCQA/HEDIS		X
LTC Nursing Facility Diversion	State-defined Measure/AARP LTSS Scorecard		X
SNF Discharges to the Community	State-defined Measure/AHCA		X
SNF Hospital Admissions	State-defined Measure/AHCA		X
Rhode to Home Eligibility (DY 2 Only)	State-defined Measure		X



Measure	Source	CMS Core Withhold Measure	State Withhold Measure
Initiation and Engagement of Alcohol and Other Drug Abuse or Dependence Treatment	NCQA/HEDIS		X
Long-Stay, High-Risk Nursing Facility Residents with Pressure Ulcers	State-defined Measure/MDS Data		X
Long-Stay Nursing Facility Residents who Received Antipsychotic Medications	State-defined Measure/MDS Data		X

8. This Addendum deletes and replaces **Subsection 5.9.1** as follows:

#### 5.9.1 Contract Effective Date

- 5.9.1.1 This Contract shall be in effect through December 31, 2021, and, so long as the Contractor has not provided CMS with a notice of intention not to renew, and CMS/RI EOHHS have not provided the Contractor with a notice of intention not to renew, pursuant to 42 C.F.R. § 422.506, shall be renewed in one year terms, through December 31, 2023.
- 5.9.1.2. This Contract shall be in effect starting on the date on which all Parties have signed the Contract and shall be effective, unless otherwise terminated, through December 31, 2023. The Contract shall be renewed in one-year terms through December 31, 2023, so long as the Contractor has not provided CMS and RI EOHHS with a notice of intention not to renew, pursuant to 42 C.F.R. 422.506 or Section 5.5, above.

9. This Addendum deletes and replaces **Appendix L** as follows:

#### Appendix L. Additional Medicare Waivers

In addition to the waivers granted for the Rhode Island Integrated Care Initiative Demonstration in the MOU, CMS hereby waives:

L1. Section 1860-D1 of the Social Security Act, as implemented in 42 C.F.R. § 423.38(c)((4)(i), and extend Sections 1851(a), (c), (e), and (g) of the Social Security Act, as implemented in 42 C.F.R. Part 422, Subpart B only insofar as such provisions are inconsistent with allowing dually Eligible Beneficiaries to change enrollment on a monthly basis.

L2. Section 1851(d) of the Social Security Act and the implementing regulations at 42 C.F.R. § 422, Subpart C, only insofar as such provisions are inconsistent with the network adequacy processes provided under the Demonstration.

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

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Peter Marino

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(Date)

Chief Executive Officer

Neighborhood Health Plan of Rhode Island

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

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Shantrina Roberts

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(Date)

Deputy Director, Division of Managed Care Operations  
Centers for Medicare & Medicaid Services  
United States Department of Health and Human Services

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

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Kathryn A. Coleman

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(Date)

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

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Benjamin L. Shaffer

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Date

Deputy Secretary and Acting Medicaid Director

Rhode Island Executive Office of Health and Human Services

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