

**CONTRACT WITH A HEALTH CARE PREPAYMENT PLAN PURSUANT TO  
SECTION 1833(A)(1)(A) OF THE SOCIAL SECURITY ACT**

CONTRACT (<<CONTRACT\_ID>>)

Between

The Secretary of the Department of Health and Human Services, who has delegated authority to the Administrator of the Centers for Medicare and Medicaid Services, hereinafter referred to as CMS

and

<<CONTRACT\_NAME>>

(hereinafter referred to as the Health Care Prepayment Plan or HCPP)

CMS and the HCPP, an organization which provides medical and other health services (or arranges for their availability) on a prepayment basis, agree to the following as called for under 42 CFR §417.801, and for the purposes of §1833(a)(1)(A) of the Social Security Act (hereinafter referred to as “the Act”):

## **Article I**

### **Term of Contract**

The term of this contract shall be from the date of signature by CMS' authorized representative through December 31, 2021. The contract will be automatically renewed for successive one year periods unless the HCPP or CMS gives written notice of intention not to renew the contract at least 90 days before the end of the current period. (Additional requirements concerning nonrenewal of contracts, binding on both CMS and the HCPP, may be found in Article V below and at 42 CFR §417.801.) If the HCPP had a contract with CMS for Contract Year 2020 under the contract ID number designated above, this document is considered a renewal of the existing contract. While the terms of this document supersede the terms of the 2020 contract, the parties' execution of this contract does not extinguish or interrupt any pending obligations or actions that may have arisen under the 2020 or prior year contracts.

HCPPs offering Part D (HCPP-PD) benefits also must execute a Contract Addendum Pursuant to §§1860D-1 through 1860D-43 of the Social Security Act for the Operation of a Voluntary Medicare Prescription Drug Plan (hereafter the "Part D Addendum"). For HCPPs offering HCPP-PD plans, the Part D Addendum governs the rights and obligations of the parties relating to the provision of Part D benefits, in accordance with its terms and is incorporated herein by reference.

## **Article II**

### **Payment**

Pursuant to §1833(a)(1)(A) of the Act, and 42 CFR §417.800(c), the HCPP elects to be paid on a reasonable cost basis for furnishing medical and other health services to the HCPP's enrollees who are entitled to benefits under Part B of the Medicare Program. The HCPP will be paid for these services based upon their reasonable cost reduced by an amount equal to the actuarial value of the deductible and coinsurance that would otherwise be applicable to those services if the Medicare enrollees who received the services had not been enrolled in the HCPP.

No payment will be made to the HCPP for covered Part A and Part B services furnished by an institutional provider of services as defined in §1861(u) of the Act.

## **Article III**

### **Provision of Services**

Pursuant to 42 CFR §417.800(a)(1), the HCPP confirms that it is responsible for the organization, financing and delivery of Part B services to a defined population. The HCPP agrees to:

A. Furnish physicians' services through its employees or under a formal arrangement with a

medical group, IPA, or individual physicians; and

- B. Furnish covered Part B services to its Medicare enrollees through institutions, entities, and persons that have qualified under the applicable requirements of Title XVIII of the Act.

#### **Article IV General Conditions**

- A. The HCPP agrees to comply with the requirements for participation and payment on a reasonable cost basis as specified in regulations at 42 CFR §417.800, et seq., and program instructions.
- B. The HCPP agrees not to charge the Medicare enrollee or a beneficiary who is not enrolled in the HCPP for items or services for which the enrollee is entitled to have payment made under the Medicare HCPP provisions, except for any deductible or coinsurance amounts for which the individual is liable and the cost of services for which Medicare is the secondary payor as described in §1862(b) of the Act.
- C. The HCPP agrees to promptly refund any money incorrectly collected as charges, premiums, or in any other way from Medicare enrollees as required by 42 CFR §§417.801(b)(3) and 417.456.
- D. The HCPP agrees not to impose and limitations on the acceptance or enrollment of Medicare beneficiaries for care and treatment that it does not impose on all other individuals.
- E. The HCPP agrees to consider any additional requirements that CMS finds necessary or desirable for efficient and effective program administration.
- F. The HCPP agrees to comply with the provisions of relevant regulations and program instructions, and statutory provisions pertaining to the Medicare program. This contract is deemed to incorporate any changes that are required by statute to be implemented during the term of this contract and any regulations or policies implementing or interpreting such statutory or regulatory provisions.
- G. The HCPP agrees to submit the following cost reports on a timely basis and in accordance with program instructions:
  - 1. An annual operating budget and enrollment forecast at least 60 days before the beginning of each reporting period.
  - 2. An interim cost report applicable to the first 6-month period of the HCPP's reporting

- period not later than 45 days after the close of the 6-month period; and
3. A final cost report for each reporting period not later than 120 days following the close of the reporting period.
- H. The HCPP agrees to provide such additional information as CMS finds necessary to determine whether payments are or were due and the amounts thereof.
- I. The HCPP agrees to permit such examination of its fiscal and other records by CMS as may be necessary to verify and support information submitted to CMS.
- J. The HCPP acknowledges and agrees that provisions of the statute and regulations dealing with reasonable cost reimbursement of providers apply to reasonable cost reimbursement.
- K. The HCPP acknowledges and agrees to comply with provisions of the statute and regulations related to appeals and organization determinations, including those in 42 CFR §§ 417.830 – 417.840.
- L. Pursuant to § 1833(s) and §1866(f) of the Act, the HCPP agrees:
1. To inform all Medicare enrollees at the time of enrollment of their right (under State law whether statutory or recognized by the courts of the State) to accept or refuse treatment and to execute an advance directive, such as living wills or durable powers of attorney, and of the HCPP's written policies on implementation of that right;
  2. To document in the individual's medical records whether or not an individual has executed an advance directive;
  3. To not condition the provision of care or otherwise discriminate on the basis of whether an individual has executed an advance directive;
  4. To ensure compliance with requirements of State law (whether statutory or recognized by the courts of the State) respecting advance directives at facilities of the HCPP; and
  5. To provide (individually or with others) for education for staff and the community on issues concerning advance directives.
- M. The HCPP agrees not to employ or contract with, directly or indirectly, entities or individuals excluded from participation in Medicare or Medicaid under §§1128 or 1128A of the Act, for the provision of health care, utilization review, medical social work, or administrative services.

## **Article V**

### **Termination or Nonrenewal of Agreement**

- A. The HCPP may terminate or nonrenew this agreement after giving the appropriate written notice to CMS and, in the case of termination, receiving CMS' termination date approval, as specified in 42 CFR §417.801(e).
- B. If CMS finds that the HCPP failed to perform its obligations under Article IV of this agreement, or undergoes a change in ownership, CMS may terminate or not renew the agreement after giving the HCPP the prescribed notice, under 42 CFR §417.801(d)(2), stating the reasons for termination or nonrenewal and the effective date thereof.

### **Article VI Miscellaneous**

#### **A. DEFINITIONS**

Terms not otherwise defined in this contract shall have the meaning given to such terms in 42 CFR Part 417.

#### **B. ALTERATION TO ORIGINAL CONTRACT TERMS**

The HCPP agrees that it has not altered in any way the terms of this contract presented for signature by CMS. The HCPP agrees that any alterations to the original text the HCPP may make to this contract shall not be binding on the parties.

#### **C. PLAN DISCLOSURE REQUIREMENTS**

The procedures and requirements relating to disclosure in 42 CFR §422.111 apply to this contract in accordance with 42 CFR §417.427.

#### **D. COMPLIANCE WITH NONDISCRIMINATION REQUIREMENTS**

The HCPP agrees to comply with the requirements relating to Nondiscrimination in Health Programs and Activities in 45 CFR Part 92, including submitting assurances that the HCPP health programs and activities will be operated in compliance with the nondiscrimination requirements, as required in 45 CFR §92.5.

In witness whereof, the parties hereby execute this contract.

This document has been electronically signed by:

FOR THE HCPP

<<CONTRACTING\_OFFICIAL\_NAME>>

Contracting Official Name

<<DATE\_STAMP>>

Date

<<CONTRACT\_NAME>>

HCPP

<<ADDRESS>>

Address

FOR THE CENTERS FOR MEDICARE & MEDICAID SERVICES

<<KATHRYN\_COLEMAN\_ESIG>>

Kathryn A. Coleman

Director

Medicare Drug and Health

Plan Contract Administration Group,

Center for Medicare

<<DATE\_STAMP>>

Date