

DHS-024
Amendment to the Iowa Plan for Behavioral Health Contract

This Amendment to Contract Number MED-09-020 is effective January 1, 2014, between the Iowa Department of Human Services (DHS), the Iowa Department of Public Health (DPH), and Magellan Behavioral Care of Iowa, Inc. (Contractor).

Section 1. Amendment to Contract

Revision No. 1: Amendment to the RFP Scope of Work. RFP MED-09-010, which is incorporated into the Contract by reference, is hereby amended by adding the following as new subsection 3.1.1.3:

3.1.1.3 Iowa Health and Wellness Plan

Effective January 1, 2014, members made eligible under the Iowa Health and Wellness Plan as set forth in 441 Iowa Admin. Code ch. 74 will be added to the Iowa Plan population as follows:

- A. Any Iowa Health and Wellness Plan member who qualifies as an “exempt individual” as defined in 441 Iowa Admin. Code § 74.1 who has not otherwise elected to not be treated as an exempt individual pursuant to 441 Iowa Admin. Code § 74.12(3) shall be entitled to all benefits made available through the Iowa Plan.
- B. Notwithstanding any other provision herein to the contrary, any Iowa Health and Wellness Plan member who qualifies for coverage under the “Iowa wellness plan” as set forth in 441 Iowa Admin. Code § 74.12(1) who is not described in Section 3.1.1.3(A) shall be entitled to benefits made available through the Iowa Plan but excluding the following:
 - i. B3 services, which are those described in the federally approved 1915(b) waiver effectuating the Iowa Plan for Behavioral Health (Iowa Plan).
 - ii. Habilitation services, which are described in Iowa’s 1915(i) state plan amendment (State Plan Attachment 3.1-C) and in Iowa Administrative Code 441—78.27(249A).
 - iii. BHIS services, which are described in Iowa’s federally approved state plan (State Plan Attachment 3.1-A) and Iowa Administrative Code 441 – 78.12 (249A).
 - iv. PMIC services, which are described in Iowa’s federally approved state plan (State Plan Attachment 3.1-A) and in Iowa Administrative Code

- 441—85 (249A), Division II.
- v. ACT services, which are described in Iowa's federally approved state plan (State Plan Attachment 3.1-A) and in Iowa Administrative Code 441—78.45(249A).
 - vi. IHH services, which are described in Iowa's federally approved state plan (State Plan Attachment 3.1-H) and in Iowa Administrative Code 441 – 77.47 (249A).

Revision No. 2: Amendment to the Contract. Section 2.1(3)(a) of the Contract is hereby modified by adding the following at the end of the subsection:

Capitation Payments for Patients Described in RFP Section 3.1.1.3:

Contractor's administrative fee that it may retain from the capitated rate payments made for patients described in RFP Section 3.1.1.3(A) shall be 12.0% of the capitated payments.

For those patients described in RFP Section 3.1.1.3(A) (i.e., Wellness Plan members who are Exempt Individuals), Contractor shall place 1.4% of the capitation payments in the Community Reinvestment fund.

Contractor's administrative fee that it may retain from the capitated rate payments made for patients described in RFP Section 3.1.1.3(B) shall be 12.5% of the capitated payments. For those patients described in RFP Section 3.1.1.3(B), (i.e., Wellness Plan members who are not Exempt Individuals), Contractor shall have no obligation to place any portion of the capitation payments in the Community Reinvestment fund.

Contractor shall place the balance of the capitation payment for members enrolled in the Iowa Plan pursuant to RFP Section 3.1.1.3 into a claims fund to be used to pay claims associated with the provision of services required under this contract. Contractor shall not divert any portion of the capitation rate to any other existing fund accounts.

Effective January 1, 2014, 2.345% of the SFY 2014 capitation rates shall be set aside to pay the health insurer fee and associated tax impact.

Contractor shall account for all capitation payments for patients described in RFP Section 3.1.1.3 separately and apart from other payments to the Contractor. The Contractor shall, when requested by DHS, provide a full accounting of expenditures for services and the balance of capitation payments specified for patients assigned to the Iowa Plan pursuant to RFP Section 3.1.1.3. Funds delegated to patients served pursuant to RFP Section 3.1.1.3 that are not expended shall be returned to the DHS upon request pursuant to contract provisions for that purpose.

Revision No. 3: Establishment of SFY 2014 Rates. The parties mutually agree to adopt the DHS capitation rates for the populations set forth in RFP Section 3.1.1.3, which have been determined by an independent actuary to be actuarially sound. These rates were established pursuant to the calculation performed by Milliman, Inc., with whom DHS contracts to determine actuarially sound capitation rates in accordance with 42 CFR § 438.6. The rates found in the table below are effective for all enrollments for months of eligibility of January 1, 2014 and forward until changed by contract amendment:

Rates for members eligible under RFP Section 3.1.1.3.A:

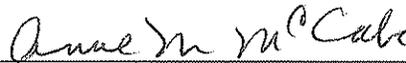
Age Range	Payment
19-25	\$154.55
26 – 35	\$149.33
36-45	\$209.60
46-55	\$185.01
56+	\$109.79

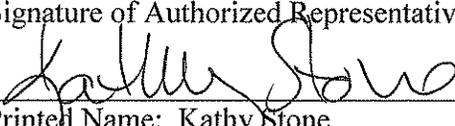
Rates for members eligible under RFP Section 3.1.1.3.B:

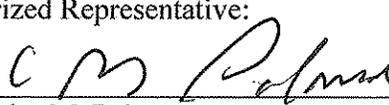
Age Range	Payment
19-25	\$30.82
26 – 35	36.14
36-45	31.66
46-55	25.35
56+	15.41

Section 2. Ratification, Authorization & Contingency. Except as expressly amended and supplemented herein, the Contract shall remain in full force and effect, and the parties hereby ratify and confirm the terms and conditions thereof. Each party to this Amendment represents and warrants to the other that it has the right, power, and authority to enter into and perform its obligations under this Amendment, and it has taken all requisite actions (corporate, statutory, or otherwise) to approve execution, delivery and performance of this Amendment, and this Amendment constitutes a legal, valid and binding obligation upon itself in accordance with its terms. This amendment is subject to and contingent upon CMS approval. In addition, this Amendment is contingent on CMS' approval of the Iowa Health and Wellness Plan.

Section 3. Execution. IN WITNESS WHEREOF, in consideration of the mutual covenants set forth above and for other good and valuable consideration, the receipt, adequacy and legal sufficiency of which are hereby acknowledged, the parties have entered into the above Amendment and have caused their duly authorized representatives to execute this Amendment.

Contractor, Magellan Behavioral Care of Iowa, Inc.	
Signature of Authorized Representative:	
	
Printed Name: Anne M. McCabe	
Title: President, MBC of Iowa	Date: 11/21/13

Iowa Department of Public Health	
Signature of Authorized Representative:	
	
Printed Name: Kathy Stone	
Title: Director, Division of Behavioral Health	Date: 11/25/13

Iowa Department of Human Services	
Signature of Authorized Representative:	
	
Printed Name: Charles M. Palmer	
Title: Director	Date: 12-13-13

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