First Amendment to Contract MED-01-001-C

This First Amendment to Contract for Iowa Medicaid Enterprise Services Professional Services, Medical Services, No. MED-10-001-C (the "Contract") between the State of Iowa, Department of Human Services (the "Agency" or "DHS") and Iowa Foundation for Medical Care (Contractor) effective as of May 1, 2010. This First Amendment is made pursuant to Section 22.5 of the Contract. This Amendment is effective as of September 1, 2010 and will remain coterminous with the contract. The Amendment modifies, to the extent specified below, the terms and conditions of the Contract:

Section 1: Amendment to the Contract (Scope of Work). The Scope of Work in the Contract is amended as follows:

In *"Medical Support"* subsection 6.2.1.2, add Contractor Responsibility "dd", which reads as follows:

dd. Conduct pharmacy case management program which includes determining provider eligibility, member eligibility and assisting with PCM billing tools.

In "*Long Term Care*" subsection 6.2.4.2, add Contractor Responsibility "u", which reads as follows:

u. Develop and implement a prior authorization program for HCBS waiver services, in accordance with Senate File (SF) 2088, Division XXIV, Section 351. The prior authorization for HCBS waiver services would be for those that are in excess of the median amount for payment through the waivers. The prior authorization shall be operational for the following services under the HCBS waiver program: Respite, Supported Community Living, Home and Vehicle Modification, Consumer Choice Options, Consumer Directed Attendant Care, Intermittent Medical Monitoring and Treatment, Prevocational Services, Assistive Medical Device, Environment Modification, Specialized Medical Equipment, Family and Community Support Services and In-Home Family Therapy. Qualified licensed and/or QMRP staff will review service plans requesting waiver services over the median amount utilizing criteria approved by the Department to determine medical necessity of requested amount, item or service. If medical necessity cannot be determined utilizing criteria, the case will be referred to peer review for service level determination.

In "*Long Term Care*" subsection 6.2.4.2, add Contractor Responsibility "q(5)" and "q(6)", which read as follows:

q (5). Submit monthly HCBS PA activity reports within 10 business days from the end of the month of activity.
q (6). Submit quarterly HCBS PA cost savings report within 10 business days from the end of the quarter of activity, to document the savings achieved for each waiver.

In "*Long Term Care*" subsection 6.2.4.3, add Performance Standards "g(1)" and "g(2)", which read as follows:

g. (1). Review and make an HCBS PA determination within two business days of requests of initial service plans once all required materials are received.

g. (2). Review and make an HCBS PA determination within five business days of request of continuing service plans once all required materials are received.

In "*Long Term Care*" subsection 6.2.4.2, add Contractor Responsibility "v", which reads as follows:

v. Develop and implement a process in accordance with new Federal requirements of the Minimum Data Set (MDS) 3.0 Section "Q". Contractor will receive calls from nursing facilities reporting a resident (regardless of pay source) who identifies he or she wants to talk with someone about the possibility of returning to the community. Following the intake calls, Contractor will make a referral to the Local Contact Agency (designated by the IME) for options counseling and possible transition planning.

Add new subsection 6.2.7 *"Medical Home Program" which reads as follows:*

Assist in the development of Iowa's Medical Home Program as directed by Senate File (SF) 2356 (IowaCare), House File 2539 (Pediatric Medical Home), CMS Multi-payor Medical Home Demonstration, and Section 2703 of the Patient Protection and Affordable Care Act (PPACA).

The Medical Home program will promote accessible and continuous care that is coordinated, comprehensive, family-centered, compassionate and culturally effective.

The Medical Home Program's focus will be to build a more robust primary care delivery system to maximize prevention and effective treatment of chronic care, minimize uncoordinated care and duplication of efforts, and avoid preventable use of hospitals and emergency departments.

Add a new State Responsibility in "*Medical Home Program*" subsection 6.2.7.2, which reads as follows:

a. The Medical Home programs will have a phased in implementation as determined by the Department.

Add new Contractor Responsibilities "a" through "e" in "*Medical Home Program*" subsection 6.2.7.2, which read as follows:

a. Research other state Medicaid medical home models and implementation strategies.
b. Draft development and implementation plan for the Iowa Medical Home program.
c. Facilitate primary stakeholder understanding and buy-in on the Medical Home program.
d. Draft reimbursement and incentive methodology to ensure care coordination and quality care are part of the Medical Home program.
e. Develop performance indicators to identify effective Medical Homes for incentive payment.

Add a new Performance Standard "a" in "*Medical Home Program*" subsection 6.2.7.3, which reads as follows:

a. Meet the Department's established timelines for implementation of Medical Home (IowaCare Expansion Medical Home - 10/2010; Pediatric Medical Home - to be determined; Adult Medical Home - to be determined).

Add new subsection 6.2.8 *"Communication Plan for Health Care Reform",* which reads as follows:

Communications in the health care arena are especially important in light of the complicated and rapidly evolving nature of this public policy. This is especially true for the Medicaid arena, where Federal and State tax dollars are utilized to provide health care to the most vulnerable citizens, including the disabled, elderly and children. Public policy communications positively promotes understanding and facilitates work towards common goals. It allows for message discipline and provides a framework to respond to misinformation, which can result in wasted time and damaged relationships with partners.

The Patient Protection and Affordable Care Act (known as Federal Health Care Reform) requires profound changes in the delivery of Medicaid at the state level in a relatively short period of time. The successful implementation of these changes will require involvement of many stakeholders. It will be critical to the success of the outcomes that everyone understand where we have been, where we are going, and what questions must be answered along the way as Iowa Medicaid implements the federal requirements.

The contractor will assist the Department in the development and implementation of a communications plan to be used with all stakeholders to support Iowa's efforts in meeting the federally mandated deadlines to implement the various components of the highly complex federal health care reform legislation.

Add a new "*Communications Plan for Health Care Reform*" subsection 6.2.8.1 entitled Contractor Responsibilities with subparts "a" through "g", which read as follows:

a. Develop a Strategic Plan for Communications. Identify stakeholders and determine communications materials to be used and frequency.
b. Develop, deliver and distribute communication materials as identified in the Strategic Communications Plan. Materials will only be distributed after receipt of written approval of the IME. Any cost associated with producing and distributing communications will be the responsibility of the IME.
c. Identify and monitor key communications from leading organizations regarding Federal Health Care Reform.
d. Identify outreach opportunities. Attend stakeholder group meetings. Consider establishment of a regular forum for groups to communicate with the Medicaid Director.
e. Develop a plan and procedures to be used when responding to negative or incorrect information.
f. Evaluate and Retool IME Communications Plan. Analyze results and provide report of the analysis to the Medicaid Director. Retool plan for the next fiscal year and present to the Medicaid Director for approval.
g. Report at least monthly:
1. Updates on communications contractor receives from leading organizations related to Health Care Reform.

2. Identification of stakeholder meetings attended by Contractor with brief summary describing meeting discussions.

Add a new "*Communications Plan for Health Care Reform*" subsection 6.2.8.2 entitled State Responsibilities with subparts "a" through "c", which read as follows:

a. Review and approve Strategic Communications Plan.
b. Review and Approve Communications Materials.
c. Identify meetings or other opportunities for contractor to participate and communicate with stakeholders.

Add a new "*Communications Plan for Health Care Reform*" subsection 6.2.8.3 entitled Performance Standards with subparts "a" through "c", which read as follows:

a. Complete a draft of the Strategic Communications Plan for the Medicaid Director's review and approval within 30 days of the effective date of this First Amendment.
b. Develop a plan with procedures that can be used to respond to negative or incorrect information for the Medicaid Director's review and approval within 45 days of the effective date of this First Amendment.
c. Provide report analyzing results of the IME Communications Plan with suggestions to retool the plan for the next year, for the Medicaid Director's review and approval by June 30, 2011.

Modify section 7.1 "*Payment Terms and Compensation*", paragraphs three and four, as detailed in new "Attachment 5," attached hereto and incorporated herein by reference, to read as follows:

The prices for Operations and Transition in the Base Term are:

SFY 2010 $ 0
SFY 2011 $ 11,295,048
SFY 2012 $ 11,658,486
SFY 2013 $ 12,000,727

The prices for the three (3) Renewal Option Years are:

SFY 2014 $ 12,360,748
SFY 2015 $ 12,731,570
SFY 2016 $ 13,113,518

Section 2: Ratification & Authorization

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.

Section 3: Contingency

This amendment is subject to and contingent upon CMS approval.

Section 4: 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.

State of Iowa, acting by and through the Iowa Department of Human Services (Agency)

By:_____ Date: _____

Charles J. Krogmeier
Director

Iowa Foundation for Medical Care (Contractor)

By:_____ Date: _____

Attachment 5
Cost Proposal MED 10-001-C
Amended Effective September 1, 2010

Amendment 1 Costs

Item	Annual Cost SFY 2011
Amendment 1 Activity *Medical Home*	$ 100,000
Amendment 1 Activity *HCBS Prior Authorization*	$ 700,000
Amendment 1 Activity *Communications Plan (as costs incurred)*	$ 69,280
Amendment 1 Activity *MDS 3.0 Section "Q"*	$ 15,000
Amendment 1 Activity *Pharmacy Case Management*	$ 0
AMENDMENT TOTAL	**$ 884,280**
75% Federal Funds	$ 663,210
25% State Funds	$ 221,070