

**STATE OF ILLINOIS  
DEPARTMENT OF HEALTHCARE AND FAMILY SERVICES**

and

**[MANAGED CARE ORGANIZATION]**

**AMENDMENT NO. 7 TO THE  
CONTRACT FOR FURNISHING HEALTH SERVICES  
BY A MANAGED CARE ORGANIZATION  
2018-24-XXX-KA7**

**WHEREAS**, the Parties to the Contract for Furnishing Health Services by a Managed Care Organization (“Contract”), the **Illinois Department of Healthcare and Family Services**, 201 South Grand Avenue East, Springfield, Illinois 62763-0001 (“Department”), acting by and through its Director, and **[Managed Care Organization]** (“Contractor”), desire to amend the Contract; and

**WHEREAS**, pursuant to Section 9.1.18, the Contract may be modified or amended by the mutual consent of the Parties; and

**WHEREAS**, the Contract has been previously amended;

**NOW THEREFORE**, the Parties agree to amend the Contract further as follows:

1. Section 2.2 is amended by adding new subsections 2.2.1, 2.2.1.1, 2.2.1.2, 2.2.1.3, 2.2.1.4, and 2.2.1.5:

**2.2.1 Contract Provisions Related to the COVID-19 Public Health Emergency**

Effective March 1, 2020 and through the duration of the Novel Coronavirus Disease (COVID-19) public health emergency as declared by the federal or State government, and any extensions thereof, Contractor shall perform services and duties in such a manner that incorporates all applicable provisions of flexibility provided in the Department's Section 1135 and Section 1115 Waivers as approved by federal CMS, the CMS-approved HCBS 1915(c) Waivers' Appendix K, Disaster State Plan Amendments, written concurrence from federal CMS, and applicable provisions provided by the “Federal CMS COVID-19 Emergency Declaration Blanket Waivers for Health Care Providers.” The Department will provide Contractor with written notice of all applicable provisions. Furthermore, throughout the duration of the COVID-19 public health emergency as declared by the federal or State government, the following revised Contract provisions are effective:

2.2.1.1 Contractor shall implement all changes made by the Department for the FFS Medicaid Program regarding prior authorization requirements related to COVID-19 public health emergency flexibilities.

2.2.1.2 Contractor’s Care Management duties that require in-person contact with an Enrollee may be replaced with HIPAA-compliant audio-only real-time telephonic

interaction, or a virtual real-time visit, either of which must be sufficient in both substance and duration to meet the key components of an in-person contact. These visits can be counted and reported in lieu of in-person contacts on the Department's required monthly Care Management reports.

2.2.1.3 An acceptable form of required signature to finalize an Enrollee's initial or revised IPoC is a verbal agreement by Enrollee that is documented in writing by Contractor.

2.2.1.4 Contractor shall cover Medically Necessary Covered Services provided by a non-Network IMPACT-registered Provider for the diagnosis and treatment of COVID-19. Contractor may not require prior authorization as a condition for payment for such services.

2.2.1.5 Effective May 19, 2020, all Potential Enrollees will be directly enrolled by automatic assignment to an MCO. All such Enrollees will have a ninety (90)-day change period after the Effective Enrollment Date to select another MCO as provided in section 4.10.1.

2. Section 7.9 is amended by deleting and replacing subsection 7.9.1 with the following:

7.9.1 The Department shall apply a withhold, defined as a withhold arrangement under 42 CFR 438.6(a), percentage of total Capitation rates each month. The withheld amount will be one percent (1%) in the first measurement year, one-and-one-half percent (1.5%) in the second measurement year, and two percent (2%) in the third and subsequent measurement years. Contractor may earn a percentage of the aggregate withhold from all MCOs based on its performance with respect to a Department-determined combination of: (i) quality metrics set forth in Attachment XI; (ii) operational and implementation metrics as defined and published on the Department's website. The Department and Contractor will agree to the measures through a counter-signed letter annually. The letter will include any weighting assigned to quality, operational or implementation metrics as it relates to the withhold. In response to the COVID-19 public health emergency, the P4P withhold arrangement as described in this Section 7.9 for the second measurement year (calendar year 2020) is restructured as set forth in Section 7.9.7.

3. Section 7.9 is further amended by adding new subsection 7.9.7:

7.9.7 **Calendar Year 2020 P4P.** The Department will include the amounts normally withheld pursuant to section 7.9 in Contractor's monthly capitation payments for the months of June 2020 through September 2020, and, to the extent initially withheld for the months of January 2020 through May 2020, release those withheld amounts to Contractor. In the place of the quality metrics normally used for earning the withhold under this section, Contractor shall propose initiatives that reinvest the January 2020 through September 2020 released P4P funds in a manner that serves the best interests of their Enrollees and Providers. These initiatives may be based on traditional quality metrics, or, may be based on providing assistance to Enrollees through addressing social determinants of health or other needs during the COVID-19 public health emergency and providing assistance to Providers to maintain access to services

during the COVID-19 public health emergency. To be paid the released P4P funds, Contractor's proposal must receive Prior Approval. Contractor shall have the opportunity to adjust its proposal, in writing, and request Department approval on a monthly basis. Contractor shall report monthly on progress towards the proposed reinvestment initiatives on a template approved by the Department. The Department reserves the right to recoup released P4P funds in an amount proportional to the extent Contractor fails to allocate P4P funds as outlined in Contractor's Department-approved proposal, as determined by the Department. For funds withheld the last calendar year quarter, the Department will distribute to Contractor its withhold amount upon confirmation that Contractor has fulfilled its Department-approved proposal. To the extent Contractor does not earn its final withhold amount or has released withhold money recouped, these funds will be, at the option of the Department, distributed in one of the following ways:

7.9.7.1 the funds will be distributed equally to MCOs that fulfilled their Department-approved proposals; or

7.9.7.2 the funds will be allocated toward the P4P metrics originally agreed to by the Department and each MCO for calendar year 2020 and distributed based on performance with respect to those metrics as previously contemplated under this Contract.

4. Article VII is amended by adding new section 7.24 and its subsections:

#### **7.24 CY2020 RISK CORRIDOR**

The Department shall utilize, for all Enrollees, a risk corridor mechanism that allows Contractor to operate with the understanding that if there are excessive losses or profits as a result of the COVID-19 public health emergency's impact on utilization of Covered Services, the mechanism ensures that Contractor will share the risk of such deviations to a certain degree with the Department.

7.24.1 For the purpose of this risk corridor calculation, benefit expenses include Covered Services and approved in-lieu-of services, as well as non-Covered Services and Provider-based care coordination services approved by the Department as part of Contractor's reinvestment proposal to address needs resulting from the COVID-19 public health emergency. Benefit expenses exclude healthcare quality improvement expenses as defined in 42 CFR 438.8(e)(2). Benefit expenses include incurred but not yet paid expenses, as reported by Contractor within a timeframe and format provided by the Department.

7.24.2 The risk corridor settlement will be calculated for Contractor across all HealthChoice Illinois populations and rating regions combined. The risk corridor ratio is calculated as actual benefit expenses divided by the target benefit expense amount for Contractor.

7.24.3 In the event Contractor's risk corridor ratio is greater than 101%, the Department shall reimburse Contractor the target amount multiplied by:

7.24.3.1 50.0% multiplied by [risk corridor ratio less 101.0%], if the risk corridor ratio is less than or equal to 104.0%; or

7.24.3.2 1.5% plus [risk corridor ratio less 104.0%], if the risk corridor ratio exceeds 104.0%.

7.24.4 In the event Contractor's risk corridor ratio is less than 99.0%, the Department shall make a recoupment from Contractor of the target amount multiplied by:

7.24.4.1 50.0% multiplied by [99.0% less risk corridor ratio], if the risk corridor ratio is greater than or equal to 96.0%; or

7.24.4.2 1.5% plus [96.0% less risk corridor ratio], if the risk corridor is less than 96.0%.

7.24.5 The risk corridor will be calculated using values reported consistent with the medical loss ratio (MLR) reporting. The payment or recoupment amount will be an adjustment to the denominator of the MLR for the calculation of the calendar year 2020 MLR.

**IN WITNESS WHEREOF**, the Parties have hereunto caused this Amendment No. 7 to the Contract to be executed by their duly authorized representatives, effective as of the date of last signature.

[MANAGED CARE ORGANIZATION]

DEPARTMENT OF HEALTHCARE & FAMILY SERVICES

By: \_\_\_\_\_

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

FEIN: \_\_\_\_\_