

**AMENDED AND RESTATED  
MANAGEMENT SERVICES AGREEMENT BETWEEN  
COMPREHENSIVE HEALTH MANAGEMENT, INC.  
AND  
WELLCARE HEALTH INSURANCE COMPANY OF KENTUCKY, INC.**

This Amended and Restated Management Services Agreement ("Agreement") is made and entered into as of January 1, 2018 by and between WellCare Health Insurance Company of Kentucky, Inc. ("WellCare") a for-profit corporation organized under the laws of the State of Kentucky and Comprehensive Health Management, Inc., a for-profit corporation organized under the laws of the State of Florida ("CHMI") and amends and restates in its entirety the Management Services Agreement between the parties dated September 6, 2006, and subsequently amended and approved by the State of Kentucky Department of Insurance on April 12, 2016.

This Agreement shall be effective on the date first set forth above, unless such date is not approved by the State of Kentucky Department of Insurance ("DOI" or "Department"), in which case the effective date shall be the date approved by the DOI (in either instance the "Effective Date").

**WHEREAS**, WellCare is a licensed and operating health insurance company; and

**WHEREAS**, CHMI is experienced in the provision of administrative and management services to health insurance companies and health maintenance organizations and wishes to provide such services to WellCare, and

**WHEREAS**, WellCare desires CHMI to perform the functions and to provide the services described in this Agreement in accordance with the terms and conditions stated in this Agreement;

**NOW, THEREFORE**, in consideration of the mutual promises of the parties, and other good and valuable consideration, the parties hereto agree as follows:

**SECTION ONE:**  
**ALLOCATION OF AUTHORITY AND COMPENSATION FOR SERVICES**

**1.1 Control Retained in Board.**

WellCare, acting through its board of directors ("Board"), shall at all times retain the ultimate control over its assets and operations. CHMI shall perform the services as described in this Agreement in accordance with policies, procedures, directives, and bylaws adopted by WellCare as they may be amended from time to time.

**1.2 Policy and Regulatory Authority.**

All policy matters shall be established by the Board. Such policies shall be made, established and approved by the Board or those persons or committees specifically appointed to establish such policies by resolution of the Board. WellCare retains the ultimate authority and responsibility regarding any powers, duties, and responsibilities vested in it by applicable law, regulation, or its certificates of authority.

**1.3 Scope of Services.**

CHMI shall provide the administrative and management services as set forth in Exhibit A, Management Services ("Exhibit A").

#### 1.4 Reports.

CHMI representatives shall present to the Board reports on the financial and operational status of WellCare on a quarterly basis and at such other times as the Board may deem appropriate. CHMI will timely provide the Board with such other reports that WellCare may request. CHMI shall also provide such reports as may be required by any regulatory authority having jurisdiction over WellCare including, but not limited to, annual reports on financial operations and any other operational data requested by any such regulator. CHMI shall timely notify WellCare of any and all correspondence and/or determinations of any regulatory agency with jurisdiction over WellCare.

#### 1.5 Compensation.

- a. As compensation for the services set forth in Exhibit A, WellCare shall pay a Management Fee in an amount which shall be equal to the following:

1. a percentage of annual gross premium, by line of business ("Indirect Cost Rate") as set forth in Exhibit A; and
2. expenses which are directly allocable to WellCare ("Directly Allocable Costs").

The Indirect Cost Rate shall be based on statutory accounting principles, and shall be charged on a pro-rata basis monthly throughout the year, provided, however, that the Indirect Cost Rate actually paid may vary from month to month.

Both the Indirect Cost Rate and the Directly Allocable Costs shall be apportioned to WellCare as if the expenses had been paid solely by WellCare. The apportionment shall be completed based upon specific identification to WellCare incurred expenses and, where specific identification is not feasible, apportionment shall be based upon pertinent factors or ratios. Any basis adopted to apportion expenses shall be that which yields the most accurate results and may result from special studies of employee activities, salary ratios, or similar analyses.

- b. On an annual basis, the parties shall compare for the previous year, the Management Fee with the actual cost of the management and administrative services provided under this Agreement (the "Actual Cost").
1. If the Management Fee exceeds the Actual Cost, CHMI shall pay the difference to WellCare; or if the Management Fee is less than the Actual Cost, WellCare shall pay the difference to CHMI (collectively, the "True-Up Payment").
  2. Should the comparison calculation illustrate that the current Management Fee does not cover the Actual Cost, the parties may agree to revise the Indirect Cost Rate to reflect Actual Cost for the then-current calendar year. WellCare shall notify the Department of any change to the Management Fee.
- c. All amounts owed, excluding the True-Up Payment, from either party to the other, under this Agreement shall be due and payable within forty-five (45) days of the end of the month in which the fees were incurred.



- d. CHMI may charge interest of one percent (1%) per month for fees owed by WellCare that are sixty (60) days or more past due.
- e. Within sixty (60) days of discovery, CHMI will return to WellCare any overpayments received by CHMI.
- f. Intercompany balances shall be settled as to WellCare within forty-five (45) calendar days after the end of each calendar month (where possible) and in no event more than sixty (60) calendar days after the end of each calendar quarter.
- g. The Board agrees that the capital and surplus of WellCare shall be reasonable in relation to WellCare's outstanding liabilities and adequate to its financial needs and the requirements of capital and surplus requirements at all times. In the event that any of the charges permitted under this Agreement would cause WellCare to fall below capital and surplus requirements for any period, CHMI may temporarily reduce, waive, or suspend such charges until such time that WellCare is in compliance with the capital and surplus requirements or as otherwise agreed upon by the parties.

1.6 **Extraordinary Services.**

The Board may consent from time to time to compensate CHMI for the provision of services that are not described in Exhibit A should WellCare agree to the provision of such services by CHMI. The cost of CHMI employees that provide such services to WellCare, as well as any expenses incurred in association with such services, will be allocated as a direct expense to WellCare, in accordance with the terms of this Agreement.

**SECTION TWO:**  
**MANAGEMENT OF THE BUSINESS**

2.1 **Service Standards.**

CHMI shall meet the standards set by WellCare for the operation of WellCare's business and shall manage and operate its business in accordance with the policies adopted by WellCare.

2.2 **Planning Assistance.**

CHMI will assist WellCare in reviewing its short, medium and long-range objectives and in formulating recommendations with respect thereto.

2.3 **Government Regulations.**

In the performance of its obligations under this Agreement, CHMI and WellCare shall comply with the requirements of any applicable state or federal statute, ordinance, law, rule, regulation, instruction, contract provisions, or order of any governmental or regulatory body having jurisdiction over WellCare or CHMI.

#### 2.4 State Certification.

CHMI shall supervise and manage the day-to-day operations of the WellCare business in accordance with the policies adopted by WellCare, and in accordance with WellCare's certificates of authority to conduct the business of insurance and in the statutes and regulations of its domestic regulator and the jurisdictions where it is authorized to offer insurance.

#### 2.5 Licenses and Permits.

CHMI shall apply for, in its own name, all certificates, licenses and permits required in connection with the management and operation of WellCare's business, including but not limited to third party administrator and utilization review organization licenses and accreditations.

#### 2.6 Confidentiality and Ownership of Records.

CHMI and WellCare shall protect the confidentiality of and shall comply with all applicable federal, state and local laws and regulations, relating to the records of each party to this Agreement. Each party may, in the course of the relationship established by this Agreement, disclose to the other party in confidence, non-public information concerning such party's earnings, volume of business, methods, systems, practices, plans, purchaser discounts and contract terms, and other confidential or commercially valuable proprietary information (collectively, "Confidential Information"). Each party acknowledges that the disclosing party shall at all times be and remain the owner of all Confidential information disclosed by such party, and that the party to whom Confidential Information is disclosed may use such confidential information only in furtherance of the purposes and obligations of this Agreement. The party to whom any confidential information is disclosed shall use its best efforts, consistent with the manner in which it protects its own Confidential Information, to preserve the confidentiality of any such Confidential Information which such party knows or reasonably should know that the other party deems to be Confidential Information. Neither party shall use for its own benefit, or disclose to third parties any Confidential Information of the other party without the consent of the other party.

Notwithstanding the above, CHMI hereby acknowledges that any and all records maintained by it on behalf of WellCare no matter where such records are stored or located, shall be deemed to be in the possession of WellCare, and to be the property of WellCare. Ownership of all records made by or on behalf of WellCare shall be held by WellCare, and physical custody of all records shall be transferred immediately to WellCare upon its request, or in the event this Agreement expires or is terminated for any reason.

WellCare and any regulator with jurisdiction over WellCare shall have full and direct access to books and records pertaining to the services provided including, but not limited to, the charges billed to either party pursuant to the provisions of this Agreement. The books, accounts and records shall be maintained as to clearly and accurately disclose the precise nature and details of transactions, including such accounting information as is necessary to support the reasonableness of the charges or fees to WellCare or its regulators.

#### 2.7 Deposit and Disbursement of Funds.

Signatories and approvals as to the amounts on all checks shall be in accordance with the duly adopted written policy of WellCare, and WellCare shall reserve the right of selecting and approving all financial institutions utilized by CHMI for WellCare's business transactions.



**2.8 Collection of Accounts.**

Pursuant to collection policies established from time to time by WellCare, CHMI shall supervise and direct the collection of all accounts due WellCare and shall take all reasonable steps necessary to minimize the number and amount of bad debts.

**2.9 Legal Actions.**

CHMI shall, under the overall direction and with prior approval of WellCare, initiate and pursue in the name of WellCare any and all legal actions or proceedings necessary to operate its business and protect its assets. Any and all legal costs incurred on behalf of WellCare shall be borne solely by WellCare.

**2.10 Insurance.**

CHMI shall maintain, on WellCare's behalf, and at WellCare's sole expense, and in WellCare's name, general liability insurance and professional liability insurance with coverage of at least One Million Dollars (\$1,000,000.00) per occurrence and Three Million Dollars (\$3,000,000.00) in annual aggregate. In addition, CHMI shall maintain, on WellCare's behalf, at WellCare's expense, and in WellCare's name, directors and officers liability insurance in the amount of at least One Million Dollars (\$1,000,000.00) per occurrence and Three Million Dollars (\$3,000,000.00) in total. CHMI shall confer with WellCare periodically regarding the types and amounts of coverage to be maintained for the benefit of WellCare. WellCare shall be responsible for the actual premium costs attributable to such policies.

**2.11 CHMI Location.**

CHMI may provide WellCare with the services described under this Agreement from its corporate headquarters in Tampa, Florida, or any other location that WellCare may approve.

**2.12 Other Service Agreements.**

This contract is not exclusive and does not preclude either party from entering into agreements with third parties for the provision of similar services. Additionally, CHMI may subcontract any of its obligations under this Agreement to its affiliates or to third parties.

**SECTION THREE:**  
**TERMINATION AND TERMINATION**

**3.1 Term.**

This Agreement is for a term of one (1) year from the Effective Date unless otherwise terminated by the parties as provided herein. Thereafter, this Agreement shall automatically renew for additional one year periods unless either party provides notice of its intention not to renew at least thirty (30) days prior to the renewal date.

**3.2 Termination for Cause.**

Either party may terminate and cancel this Agreement for cause for material breach, provided that prior to termination, the non-breaching party provides written notice to the breaching party detailing the breach and providing thirty (30) days to cure the breach.

In addition, WellCare may terminate this Agreement immediately in the event that CHMI applies for or consents to the appointment of a receiver, trustee, or liquidator of CHMI or of all or a substantial part of its assets, files a voluntary petition in bankruptcy, or admits in writing its inability to pay its debts as they become due, makes a general assignment for the benefit of creditors, files a petition or an answer seeking reorganization or arrangement with creditors or to take advantage of any insolvency law, or if an order, judgment, or decree shall be entered by a court of competent jurisdiction, or on the application of a creditor, adjudicating CHMI bankrupt or insolvent or approving a petition seeking reorganization of CHMI or appointment of a receiver, trustee, or liquidator of CHMI of all or a substantial part of its assets, or if CHMI is found to be managing WellCare in violation of any statute or administrative regulation (subject to thirty (30) days' notice by WellCare to CHMI and an opportunity to cure if the violation is not material in the judgment of WellCare).

### 3.3 Termination Without Cause.

Either party may terminate and cancel this Agreement without cause upon thirty (30) days prior written notice to the other party or upon written mutual agreement by both parties.

### 3.4 Effect of Termination.

In the event of termination for or without cause by either party, the obligations of each party are as set forth below:

- a. Obligations of WellCare to CHMI. WellCare shall pay any and all undisputed amounts due to CHMI up to the time of said termination, including, without limitation, fees, costs, expenses, loans, and accounts payable due to CHMI.
- b. Obligations of CHMI to WellCare. During the pendency of any notice of termination, CHMI will act in a manner consistent with the standards of performance CHMI has observed during the term of the Agreement. After the date of termination CHMI will cooperate with WellCare or its designee and upon WellCare's request provide any information, records, or other assistance necessary to ensure an orderly and efficient transition of services.

## SECTION FOUR: MISCELLANEOUS PROVISIONS

### 4.1 Indemnification.

Each party shall indemnify, defend and hold harmless the other, and their respective officers, directors, employees and agents from and against any and all losses, damages, injuries, causes of action, claims, demands and expenses (including reasonable legal fees and expenses), regardless of nature or type of claim, whether based upon tort, breach of contract, or other claims, arising out of, resulting from, or related to any act, omission, or default in the performance of their obligations pursuant to this Agreement.



#### 4.2 Arbitration.

In the event that any dispute shall arise with regard to the Agreement, both parties agree to submit the matter(s) in controversy to a board of arbitrators consisting of three (3) members (one shall be selected by each party to this Agreement and these members in turn shall select a third member). The board of arbitrators so constituted shall proceed under the rules and regulations of the American Arbitration Association governing the resolution of commercial disputes. Both parties expressly covenant and agree to be bound by the decision of the arbitrators and accept any decision by a majority of the arbitrators as a final determination of the matter(s) in dispute. The parties of this Agreement shall share the cost of arbitration equally.

#### 4.3 Assignment.

CHMI shall have the right to assign this Agreement provided (i) notifies all applicable governmental authorities, including but not limited to the Department of Insurance, in writing of its intent to assign the Agreement, or any portion thereof, at least 30 days prior to such assignment, or such other period as such governmental authorities may require or permit, and (ii) receives WellCare's prior written approval, which approval shall not be unreasonably withheld.

#### 4.4 Member Hold Harmless.

It is understood and agreed that CHMI shall look solely to WellCare for compensation for management services provided to WellCare, and at no time shall CHMI seek compensation for such services from members, members' family members, any other person acting on a member's behalf, or any sponsor of a health benefits expense reimbursement plan.

#### 4.5 Payment Obligations.

The Board of WellCare shall not be personally or individually liable for the payment of obligations of WellCare to CHMI.

#### 4.6 Notices.

Any notice of other communication by either party to the other shall be in writing and shall be delivered personally or mailed, postage prepaid, by registered or certified mail, addressed as follows:

To WellCare:	WellCare Health Insurance Company of Kentucky, Inc. 8735 Henderson Road Tampa, FL 33634 Attn: General Counsel
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To CHMI:	Comprehensive Health Management, Inc. 8735 Henderson Road Tampa, FL 33634 Attn: General Counsel
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or to such other address, and to the attention of such other person or officer as either party may designate in writing from time to time.

**4.7 Amendment.**

This Agreement may be modified only by a writing executed by an authorized representative of both parties provided that (i) CHMI notifies the Department in writing of its intent to amend said Agreement, at least 30 days prior, or such shorter period as the Department may permit, and the Department has either approved it within such period, or it is deemed approved by statutory application.

**4.8 Headings.**

The headings contained herein are for the convenience of reference only and are not intended to define, limit or describe the scope or intent of any provision of the Agreement.

**4.9 Entire Agreement.**

This Agreement constitutes all of the understandings and agreements of whatsoever nature or kind existing between the parties with respect to the matters described herein, and supersedes any prior or contemporaneous agreements, whether written or oral for the same subject matter.

**4.10 Governing Law.**

This Agreement shall be governed by and construed in accordance with the laws of the State of Florida, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of Florida or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Florida.

**4.11 Compliance with Laws.**

Each of the parties shall at all times act in accordance with all applicable laws and regulations including all applicable federal, state and local statutes, ordinances and regulations.

- a. Without limiting the foregoing, CHMI shall comply with the terms and conditions in Exhibit B, Medicare Payor Government Provisions, Exhibit C Medicare Prescription Drug Program Government Payor Provisions Addendum.

**4.12 Severability.**

In the event any provision of this Agreement is rendered invalid or unenforceable by any Laws or by any valid judicial or administrative order, the remainder of the provisions of this Agreement shall remain in full force and effect.

In witness whereof, the parties have caused their duly authorized agents to execute this agreement effective as of the Effective Date.

WellCare Health Insurance Company of Kentucky, Inc. Comprehensive Health Management, Inc.

By: 

Printed Name: Michael W. Haber  
Title: Vice President and Secretary

Date: August 27, 2018

By: 

Printed Name: Michael Troy Meyer  
Title: Vice President, Corporate Controller and  
Assistant Treasurer

Date: August 27, 2018



**EXHIBIT A**  
**MANAGEMENT FEE SERVICES**

**Medicare Indirect Cost Rate:**

The initial Indirect Cost Rate under this agreement is 6.8 % (six and eight-tenths percent) of annual gross Medicare Advantage premium revenue.

**Medicaid Indirect Cost Rate:**

The initial Indirect Cost Rate under this agreement is 6.8 % (six and eight-tenths percent) of annual gross Medicaid premium revenue.

**Medicare Prescription Drug Program Part D Indirect Cost Rate:**

The initial Indirect Cost Rate under this agreement is 9.2 % (nine and two-tenths percent) of annual gross Medicare Prescription Drug Program Part D premium revenue.

**SCOPE OF SERVICES**

- (a) **Human Resources.** Human resource services include planning, implementing, and evaluating of employee relations and human resources policies, programs, and practices; maintenance and administration of the employee benefits programs; recruiting, selecting, orienting, and training employees; payroll administration; risk management as it relates to workers' compensation; dispute resolution; and compliance with state and federal employment laws. WellCare shall retain full decision making authority to recruit, hire, train, promote, assign, set the compensation level of, and discharge employees that provide services to WellCare.
- (b) **Finance.** All accounting and reporting functions including billing, accounts receivable, accounts payable, payroll, budgets, premium rates, financial and statutory reporting, tax return preparation, investment consulting, investment decision making, and cash management, including premium payments and other payments. All financial records shall be available to WellCare at all times.
- (c) **Operational Services.** General operational services including telephone and computer system design services, mail services, and microfilm services.
- (d) **Procurement.** Procurement Services including the extension of CHMI's volume vendor discounts, to the extent available.
- (e) **Legal & Compliance Services.** Legal and compliance services necessary to meet the needs of WellCare including, but not limited to, legal review and analysis of vendor, provider, and government contracts; regulatory compliance matters; management of litigation, arbitration and subrogation activities; general corporate and healthcare related legal work; and compliance oversight and training.
- (f) **Provider, Vendor, Ancillary and Other Agreements.** On WellCare's behalf, negotiate and enter into such agreements as it may deem necessary or advisable for the furnishing of utilities, services, concessions, and supplies for the maintenance and operation of WellCare's business including the rendering of professional and/or healthcare services. CHMI shall enter into such agreements only if the terms and conditions of such agreements will meet fair and reasonable standards under good commercial practices and industry standards.
- (g) **Claims Payment.** Payment of claims and benefits incurred by health plan members. Final decisions will be based upon guidelines and procedures established and approved by WellCare

from time to time and communicated to CHMI by WellCare, and WellCare shall retain final approval authority on all claim payments.

- (h) **Health Services.** Medical support functions in the nature of quality assessment services, including the preparation of quality assessment services, practice guidelines, National Committee for Quality Assurance ("NCQA") or other accreditation, disease and case management services, risk management services, appeals, grievance, utilization review, patient management, policies and procedures.
- (i) **Customer Service.** Provider and member customer service including enrollment, surveys, complaints, and inquiries. CHMI agrees that customer service services shall comply with all regulatory and government payor contract rules, regulations and guidelines.
- (j) **Provider Network and Credentialing Services.** Provider network development including credentialing services, and the service obligations and quality aspects of agreements with providers, and provider relations services.
- (k) **Insurance and Risk Management.** The negotiation and maintenance of required insurance and bonds, including but not limited to, general and professional liability insurance, errors and omission, and fidelity bonds.
- (l) **Information Services and Data Management.** Provide and manage data systems and related facilities for processing and retrieving internal business information; select systems and train personnel; and respond to external data requests. Services include the management of cost and accounting information systems, management control systems, personnel information systems, data storage and security, business systems networking, report preparation, computer facilities and equipment operation and maintenance, operator supervision and training, and management information systems policy and planning. Proprietary software developed or licensed from third parties by CHMI will remain the property of CHMI and/or be used in accordance with the terms and conditions of any license from a third party, and will be made available to WellCare throughout the term of this Agreement and for one (1) year after termination, or in accordance with the provisions of any third party license agreement, as applicable.
- (m) **Employee Wages.** CHMI is the employer for all employees providing services to WellCare. The cost of any CHMI employees responsible for the provision of services under this Agreement shall be directly allocated to WellCare.
- (n) **Facilities.** Furnishing of facilities, office space and equipment, furniture, utilities, landscaping, capital improvements and other expenses attributable to property maintenance. CHMI may negotiate and contract for such items and services in its name, and shall supervise the appropriate of any installation property and equipment.
- (o) **Sales & Marketing.** Development and implementation of a sales and marketing program for lines of business, including advertising, website development, agent oversight, public relations and sales compliance. The scope for the marketing plan shall include development of new sales and maintenance of existing membership as well as recommending changes to the benefit plans.
- (p) **Licenses and Permits.** CHMI shall apply for all accreditations, certificates, licenses and permits required in connection with the management and operation of WellCare's business, including, but not limited to, business licenses or permits, health plan licenses, third party administration and utilization review licenses. All regulatory and licensure fees paid in connection with the



certificates, licenses and permits required for the operation of WellCare's business shall be directly allocated to WellCare.

## EXHIBIT B MEDICARE GOVERNMENT PAYOR PROVISIONS

This Exhibit, supplements and is made a part of the Agreement, whereby CHMI provides management and administrative services to certain Medicare members in accordance with WellCare's contract with the Centers for Medicare and Medicaid Services ("Government Payor Contract"), subject to and in accordance with the terms of this Agreement.

WHEREAS, in addition to the terms and conditions in the Agreement, CHMI agrees to the following terms and conditions as they relate to WellCare's core functions under its Government Payor Contract which includes, but is not limited to: Enrollment, Disenrollment, Marketing, Quality Assurance, Physician Credentialing, Provider/Facility Contracting, Claims Processing, Utilization Management, Reconsiderations, Grievances, and Member Services.

NOW THEREFORE, in consideration of the mutual promises of the parties and other good and valuable consideration, the parties agree to the following:

1. Reference to "CHMI" means the individual or entity identified as a named party to the Agreement, its employees, contractors and/or subcontractors and those individuals or entities performing administrative services for or on behalf of CHMI and/or any of the above referenced individuals or entities performing services related to the Agreement. CHMI acknowledges that: 1) the requirements contained in this Exhibit shall apply equally to the previously referenced individuals or entities; 2) CHMI's agreements with such individuals or entities shall contain the applicable Medicare Advantage ("MA") requirements set forth in this Exhibit; and 3) in the event there is a conflict between any provision in this Exhibit and the Agreement with regard to the provision of management and administrative services to Medicare members, the terms of this Exhibit will control.

2. CMS requires that specific terms and conditions be incorporated into the Agreement between a Medicare Advantage Organization or First Tier Entity and a First Tier Entity or Downstream Entity to comply with the Medicare laws, regulations, and CMS instructions, including, but not limited to, the Medicare Prescription Drug, Improvement and Modernization Act of 2003, Pub. L. No. 108-173, 117 Stat. 2066 ("MMA"); and

3. The administrative and/or management services set forth in the Agreement shall be provided for all government programs administered by the MA Organization including, without limitation, the Medicare Advantage program, the Medicare Prescription Drug Benefit program, and the Capitated Financial Alignment Demonstration Model for Medicare-Medicaid or such other similar joint federal and state demonstration model to integrate care for dual eligible individuals.

### **Definitions:**

**Centers for Medicare and Medicaid Services ("CMS"):** the agency within the Bureau of Health and Human Services that administers the Medicare program.

**Completion of Audit:** completion of audit by the Bureau of Health and Human Services, the Government Accountability Office, or their designees of a Medicare Advantage Organization, Medicare Advantage Organization contractor or related entity.

**Downstream Entity:** any party that enters into a written arrangement, acceptable to CMS, with persons or entities involved with the MA benefit, below the level of the arrangement between an MA organization (or applicant) and a first tier entity. These written arrangements continue down to the level of the ultimate provider of both health and administrative services.



**Final Contract Period:** the final term of the contract between CMS and the Medicare Advantage Organization.

**First Tier Entity:** any party that enters into a written arrangement, acceptable to CMS, with an MA organization or applicant to provide administrative services or health care services for a Medicare eligible individual under the MA program.

**Medicare Advantage (“MA”):** an alternative to the traditional Medicare program in which private plans run by health insurance companies provide health care benefits that eligible beneficiaries would otherwise receive directly from the Medicare program.

**Medicare Advantage Organization (“MA organization”):** a public or private entity organized and licensed by a State as a risk-bearing entity (with the exception of provider-sponsored organizations receiving waivers) that is certified by CMS as meeting the MA contract requirements.

**Member or Enrollee:** a Medicare Advantage eligible individual who has enrolled in or elected coverage through a Medicare Advantage Organization.

**Provider:** (1) any individual who is engaged in the delivery of health care services in a State and is licensed or certified by the State to engage in that activity in the State; and (2) any entity that is engaged in the delivery of health care services in a State and is licensed or certified to deliver those services if such licensing or certification is required by State law or regulation.

**Related entity:** any entity that is related to the MA organization by common ownership or control and (1) performs some of the MA organization's management functions under contract or delegation; (2) furnishes services to Medicare enrollees under an oral or written agreement; or (3) leases real property or sells materials to the MA organization at a cost of more than \$2,500 during a contract period.

CHMI agrees to the following:

1. HHS, the Comptroller General, or their designees have the right to audit, evaluate, collect, and inspect any pertinent information for any particular contract period, including, but not limited to, any books, contracts, computer or other electronic systems (including medical records and documentation of the first tier, downstream, and entities related to CMS' contract with WellCare, (hereinafter, “MA organization”) through 10 years from the final date of the final contract period of the contract entered into between CMS and the MA organization or from the date of completion of any audit, whichever is later. [42 C.F.R. §§ 422.504(i)(2)(i) and (iv); 42 CFR §423.505]
2. HHS, the Comptroller General, or their designees have the right to audit, evaluate, collect, and inspect any records under paragraph 1 of this amendment directly from any first tier, downstream, or related entity. For records subject to review under paragraph 1, except in exceptional circumstances, CMS will provide notification to the MA organization that a direct request for information has been initiated. [42 C.F.R. §422.504(i)(2)(ii) and (iii)]
3. CHMI will comply with the confidentiality and enrollee record accuracy requirements, including: (1) abiding by all Federal and State laws regarding confidentiality and disclosure of medical records, or other health and enrollment information, (2) ensuring that medical information is released only in accordance with applicable Federal or State law, or pursuant to court orders or subpoenas, (3) maintaining the records and information in an accurate and timely manner, and (4) ensuring timely access by enrollees to the records and information that pertain to them. [42 C.F.R. §§ 422.504(a)(13) and 422.118; 42 CFR §423.136]

4. Enrollees will not be held liable for payment of any fees that are the legal obligation of the MA organization. [42 C.F.R. §§ 422.504(i)(3)(i) and 422.504(g)(1)(i); 42 CFR §423.505(i)(3)(i)]
5. For all enrollees eligible for both Medicare and Medicaid, enrollees will not be held liable for Medicare Part A and B cost sharing when the State is responsible for paying such amounts. Providers will be informed of Medicare and Medicaid benefits and rules for enrollees eligible for Medicare and Medicaid. CHMI may not impose cost-sharing that exceeds the amount of cost-sharing that would be permitted with respect to the individual under title XIX if the individual were not enrolled in such a plan. Providers will: (1) accept the MA plan payment as payment in full, or (2) bill the appropriate State source. [42 C.F.R. §§ 422.504(i)(3)(i) and 422.504(g)(1)(i)]
6. Any services or other activity performed in accordance with a contract or written agreement by CHMI are consistent and comply with the MA organization's contractual obligations. [42 C.F.R. § 422.504(i)(3)(iii); 42 CFR §423.505(i)(4)(i)]
7. Contracts or other written agreements between the MA organization and providers or between first tier and downstream entities must contain a prompt payment provision, the terms of which are developed and agreed to by the contracting parties. The MA organization is obligated to pay contracted providers under the terms of the contract between CHMI and the provider. [42 C.F.R. §§ 422.520(b)(1) and (2)]
8. CHMI and any related entity, contractor or subcontractor will comply with all applicable Medicare laws, regulations, and CMS instructions. [42 C.F.R. §§ 422.504(i)(4)(v)]
9. If any of the MA organization's activities or responsibilities under its contract with CMS are delegated to any first tier, downstream and related entity:
  - (i) The delegated activities and reporting responsibilities are included in the Agreement.
  - (ii) CMS and the MA organization reserve the right to revoke the delegation activities and reporting requirements or to specify other remedies in instances where CMS or the MA organization determine that such parties have not performed satisfactorily. [42 CFR §423.505(i)(4)(ii)]
  - (iii) The MA organization will monitor the performance of the parties on an ongoing basis. [42 CFR §423.505(i)(4)(iii)]
  - (iv) The credentials of medical professionals affiliated with the party or parties will be either reviewed by the MA organization or the credentialing process will be reviewed and approved by the MA organization and the MA organization must audit the credentialing process on an ongoing basis.
  - (v) If the MA organization delegates the selection of providers, contractors, or subcontractor, to CHMI, the MA organization retains the right to approve, suspend, or terminate any such arrangement. [42 C.F.R. §§ 422.504(i)(4) and (5); 42 CFR §423.505(i)(5)]
10. CHMI and any related entity, contractor or subcontractor will comply with all applicable Federal laws and regulations and CMS instructions. [42 C.F.R. § 423.505(i)(4)(iv)]





**Matthew G. Bevin**  
Governor

**PUBLIC PROTECTION CABINET**

**Department of Insurance**  
P.O. Box 517  
Frankfort, Kentucky 40602-0517  
1-800-595-6053  
<http://insurance.ky.gov>

**K. Gail Russell**  
Acting Secretary

**Nancy G. Atkins**  
Commissioner

August 27, 2018

WellCare Health Insurance Company of Kentucky, Inc.  
Attention: Mrs. Rachelle Sico  
8735 Henderson Road  
Tampa, FL 33634

RE: Form D filing August 16, 2018- Amended and Restated Management Agreement between Comprehensive Health Management, Inc. and WellCare Health Insurance Company of Kentucky, Inc.

Dear Mrs. Sico:

We have received the above referenced Form D filing requesting approval for an amended and restated Management Service Agreement between Comprehensive Health Management, Inc. and WellCare Health Insurance Company of Kentucky, Inc. Pursuant to KRS 304.37-030, the Kentucky Department of Insurance approved this Form D filing. Please file the executed copies of the agreement with the Department when available.

Please feel free to contact me if you have any questions.

Sincerely,

A handwritten signature in dark ink, appearing to read "Sandra Batts", with a stylized flourish at the end.

Ms. Sandra Batts  
Director  
Financial Standards and Examination Division