

## Attachment X – Contract Compliance Matrix

### 3.0 CONTRACTOR TERMS

#### Contractor Representations and Warranties

Contract Requirement	Agree to Comply
The Contractor represents and warrants that the following are true, accurate and complete statements of fact as of the Execution Date and that the Contractor shall take all actions and fulfill all obligations required so that the representations and warranties made in this Contract shall remain true, accurate and complete statements of fact throughout the term of the Contract.	✓

### 3.1 Organization and Valid Authorization

Contract Requirement	Agree to Comply
The Contractor is a Legal Entity duly organized, validly existing and in good standing under the laws of the Commonwealth, and is in full compliance with all material Commonwealth requirements and all material municipal, Commonwealth and federal tax obligations related to its organization as a Legal Entity. The obligations and responsibilities set forth in this Contract have been duly authorized under the terms of the laws of the Commonwealth and the actions taken are consistent with the Articles of Incorporation and By-laws of Contractor.	✓
This Contract has been duly authorized and validly executed by individuals who have the legal capacity and authorization to bind the Contractor as set forth in this Contract. Likewise, execution and delivery of all other documents relied upon by FAC and the Department in entering into this Contract have been duly authorized and validly executed by individuals who have the legal capacity and corporate authorization to represent the Contractor.	✓

### 3.2 Licensure of the Contractor

Contract Requirement	Agree to Comply
The Contractor has a valid license to operate as an HMO or Insurer, issued by DOI. There are no outstanding unresolved material Appeals or Grievances filed against Contractor with DOI. The Contractor has timely filed all reports required by DOI and DOI has taken no adverse action against Contractor of which FAC has not been notified.	✓
As an HMO or Insurer under Subtitle 3 of the Kentucky Insurance Code with a health line of authority, and regardless of the non-applicability of any other provision of the Kentucky Insurance Code or any legal authority cited herein, pursuant to this Contract the Contractor agrees to be subject to a one percent (1%) annual assessment on Capitation Payments that follow the provisions of any broad based assessment within state law including but not limited to the Governor's Enacted Budget, KRS 304.17B-021 or KRS 142.316, subject to the approval of CMS.	✓
The one percent (1%) assessment is a component of the Capitation Rates as contained in <b>Appendix A "Capitation Payment Rates."</b> On or about March 1 <sup>st</sup> of each year, the Department shall notify the	✓

Contractor in writing that the annual assessment is due and the Contractor shall have thirty (30) calendar days to remit payment in full to the Department. In the event the assessment is increased, the increase shall be provided for in an amended Capitation Rate. If CMS fails to approve this component of the rates, or if the assessment is otherwise deemed non- collectable, the Capitation Payment rates shall be adjusted to remove that component from the Capitation Rate.	
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### 3.3 Fiscal Solvency

Contract Requirement	Agree to Comply
As of the Execution Date, Contractor's statutory surplus is at or above the Regulatory Action Level as defined in the risk-based capital regulations applicable to designated HMO or Insurer's licenses in the Commonwealth. The Contractor is not aware of any impending changes to its financial structure that could adversely impact its compliance with these requirements or its ability to pay its debts as they come due generally. The Contractor has not filed for protection under any Commonwealth or federal bankruptcy laws. None of the Contractor's property, plant or equipment has been subject to foreclosure or repossession within the preceding ten (10)-year period, and the Contractor has not had any debt called prior to expiration within the preceding ten (10)-year period.	✓

### 3.4 Licensure of Providers

Contract Requirement	Agree to Comply
Prior to the start date of operations and at all times during the period of the Contract, the Contractor shall ensure that each provider, including individuals and facilities and their staff, providing health care services to Enrollees is validly licensed or, where required, certified to provide those services in the Commonwealth or the state in which services are provided, including certification under CLIA, if applicable. Each provider in has a valid Drug Enforcement Agency ("DEA") registration number, if applicable. Each provider shall have a valid NPI and Taxonomy, if applicable.	✓

### 3.5 Ownership or Controlling Interest/Fraud and Abuse

Contract Requirement	Agree to Comply
Neither the Contractor nor any individual who has a controlling interest or who has a direct or indirect ownership interest of five percent (5%) or more of the Contractor, nor any officer, director, agent or managing employee (i.e., general manager, business manager, administrator, director or like individual who exercises operational or managerial control over the Contractor or who directly or indirectly conducts the day-to-day operation of the Contractor) is an entity or individual (1) who has been convicted of any offense under Section 1128(a) of the Social Security Act (42 U.S.C. §1320a-7(a)) or of any offense related to Fraud or obstruction of an investigation or a controlled substance described in Section 1128(b)(1)-(3) of the Social Security Act (42 U.S.C. §1320a-7(b)(1)- (3)); or (2) against whom a civil monetary penalty has been assessed under Section 1128A or 1129 of the Social Security Act (42	✓

U.S.C. §1320a-7a; 42 U.S.C. §1320a-8); or (3) who has been excluded from participation in a program under Title XVIII, 1902(a)(39) and (41) of the Social Security Act, Section 4724 of the BBA or under a Commonwealth health care program.	
Contractor shall require by contract that neither any Provider of health care services in the Contractor's Network, nor any individual who has a direct or indirect ownership or controlling interest of five percent (5%) or more of the Provider, nor any officer, director, agent or managing employee (i.e., general manager, business manager, administrator, director or like individual who exercises operational or managerial control over the Provider or who directly or indirectly conducts the day-to-day operation of the Provider) is an entity or individual (1) who has been convicted of any offense under Section 1128(a) of the Social Security Act (42 U.S.C. §1320a-7(a)) or of any offense related to Fraud or obstruction of an investigation or a controlled substance described in Section 1128(b)(1)-(3) of the Social Security Act (42 U.S.C. §1320a-7(b)(1)-(3)); or (2) against whom a civil monetary penalty has been assessed under Section 1128A or 1129 of the Social Security Act (42 U.S.C. §1320a-7a; 42 U.S.C. §1320a-8); or (3) who has been excluded from participation in a program under Title XVIII, 1902(a)(39) and (41) of the Social Security Act, Section 4724 of the BBA or under a Commonwealth health care program.	✓
The Contractor shall certify its compliance with 42 C.F.R. 438.610(a), (b) and (c) and have processes and/or procedures in place to ensure ongoing compliance throughout the life of the Contract.	✓

### 3.6 Compliance with Federal Law

Contract Requirement	Agree to Comply
A. The Contractor shall be prohibited from paying for an item or service (other than an emergency item or service, not including items or services furnished in an emergency room of a hospital):	✓
1. Furnished by any individual or entity during any period when the individual or entity is excluded from participation under Title V, XVIII, or XX of the Social Security Act or Sections 1128, 1128A, 1156, or 1842(j)(2), [203] of the Social Security Act;	✓
2. Furnished at the medical direction or on the prescription of a physician, during the period when such physician is excluded from participation under title V, XVIII, or XX or pursuant to Section 1128, 1128A, 1156, or 1842(j)(2) of the Social Security Act and when the person furnishing such item or service knew, or had reason to know, of the exclusion (after a reasonable time period after reasonable notice has been furnished to the person);	✓
3. Furnished by an individual or entity to whom the Department has suspended payments during any period when there is a pending investigation of a credible allegation of Fraud against the individual or entity, unless the Department determines there is good cause not to suspend such payments;	✓
4. With respect to any amount expended for which funds may not be used under the Assisted Suicide Funding Restriction Act of 1997;	✓

5.	With respect to any amount expended for roads, bridges, stadiums, or any other item or service not covered under the Medicaid State Plan; or	✓
6.	For home health care services provided by an agency or organization, unless the agency provides the state with a surety bond as specified in Section 1861(o)(7) of the Social Security Act.	✓
B.	The Capitation Payment provided by this Contract shall not be paid to the Contractor if it could be excluded from participation in Medicare or Medicaid for any of the following reasons:	✓
1.	The Contractor is controlled by a sanctioned individual;	✓
2.	The Contractor has a contractual relationship that provides for the administration, management or provision of medical services, or the establishment of policies, or the provision of operational support for the administration, management or provision of medical services, either directly or indirectly, with an individual convicted of certain crimes as described in Section 1128(b)(8)(B) of the Social Security Act;	✓
3.	The Contractor employs or contracts, directly or indirectly, for the furnishing of health care, Utilization Review, medical social work, or administrative services, with one of the following:	✓
a.	Any individual or entity excluded from participation in Federal health care programs.	✓
b.	Any entity that would provide those services through an excluded individual or entity.	✓
C.	Prohibited Affiliations.	✓
1.	The Contractor shall not:	✓
a.	Knowingly have a director, officer, or partner who is (or is affiliated with a person/entity that is) debarred, suspended, or excluded from participation in federal healthcare programs;	✓
b.	Knowingly have a person with ownership of more than five percent (5%) of the managed care entity's (MCE's) equity who is (or is affiliated with a person/entity that is) debarred, suspended, or excluded from participation in federal healthcare programs; or	✓
c.	(Knowingly have an employment, consulting, or other agreement with an individual or entity for the provision of MCE contract items or services who is (or is affiliated with a person/entity that is) debarred, suspended, or excluded from participation in federal healthcare programs.	✓
2.	The Contractor shall provide written disclosure to the Department of any director; officer; partner; Subcontractor, Network Provider; individual or entity with an employment, consulting, or other agreement; or any affiliation with a person or entity that is debarred, suspended, or otherwise excluded	✓

	from participating in procurement activities under the Federal Acquisition Regulation or from participating in non-procurement activities under regulations issued under Executive Order No. 12549 or under guidelines implementing Executive Order No. 12549.	
3.	If the Department learns that the Contractor has a prohibited relationship with a person or entity who is debarred, suspended, or excluded from participation in federal healthcare programs, the Department shall notify CMS of the noncompliance; may continue this Contract unless CMS directs otherwise; shall not renew or extend this Contract unless CMS provides to the Department a written statement describing compelling reasons that exist for renewing or extending the agreement.	✓
D.	The Contractor shall report to the Department and, upon request, to the Secretary of HHS, the Inspector General of the HHS, and the U. S. Comptroller General a description of transactions between the Contractor and a party in interest (as defined in Section 1318(b) of such Social Security Act), including the following transactions: (i) Any sale or exchange, or leasing of any property between the Contractor and such a party; (ii) Any furnishing for consideration of goods, services (including management services), or facilities between the Contractor and such a party, but not including salaries paid to employees for services provided in the normal course of their employment; (iii) Any lending of money or other extension of credit between the Contractor and such a party. The Contractor shall make any reports of transactions between the Contractor and parties in interest that are provided to the Department, or other agencies available to Enrollees upon reasonable request.	✓
E.	The Contractor shall disclose to the Department any persons or corporations with an ownership or control interest in the Contractor that has direct, indirect, or combined direct/indirect ownership interest of five percent (5%) or more of the Contractor's equity; owns five percent (5%) or more of any mortgage, deed of trust, note, or other obligation secured by the Contractor if that interest equals at least five percent (5%) of the value of the Contractor's assets; is an officer or director of the Contractor organized as a corporation, or is a partner of the Contractor organized as a partnership.	✓
	The disclosure shall contain: the name and address (The address for corporate entities must include as applicable primary business address, every business location, and P.O. Box address; date of birth and Social Security Number (in the case of an individual); other tax identification number (in the case of a corporation); whether the control interest in the Contractor or the Contractor's Subcontractor is related to another person with ownership or control interest in the Contractor as a spouse, parent, child, or sibling; the name of any other Medicaid provider or Fiscal Agent in which the person or corporation has an ownership or control interest and the name, address, date of birth, and Social Security Number of any managing employee of the Contractor.	✓

### 3.7 Pending or Threatened Litigation

Contract Requirement	Agree to Comply
All material threatened or pending litigation against the Contractor or its Affiliates has been disclosed in writing to FAC prior to the Execution Date. For purposes of this Section, litigation is material if a final finding of liability against	✓

the Contractor or its Affiliate(s), would create a substantial likelihood that the Contractor's ability to perform its obligations under this Contract would be significantly impaired. Any new material litigation filed against the Contractor or its Affiliates after the Execution Date will be disclosed in writing to FAC within ten (10) Business Days of receipt by the Contractor of notice new pending litigation. For purposes of this Section the term "litigation" shall mean any formal judicial or administrative proceeding.

#### 4.0 CONTRACTOR FUNCTIONS

##### Performance Standards

Contract Requirement	Agree to Comply
The Contractor shall perform or cause to be performed all of the Covered Services and shall develop, produce and deliver to the Department all of the statements, reports, data, accounting, Claims and documentation described and required by the provisions of this Contract, and the Department shall make payments to the Contractor on a capitated basis as described in this Contract. The Contractor acknowledges that failure to comply with the provisions of this Contract may result in the Commonwealth taking action pursuant to <b>Sections 39.1 through 39.13 "Remedies for Violation, Breach, or Non-Performance of Contract."</b> The Contractor shall meet the applicable terms and conditions imposed upon Medicaid managed care organizations as set forth in 42 United States Code Section 1396b(m), 42 C.F.R. 438 et seq., 907 KAR Title 17, other related managed care regulations and the 1915 Waiver, as applicable.	✓

#### 4.1 Administration and Management

Contract Requirement	Agree to Comply
The Contractor shall be responsible for the administration and management of all aspects of the performance of all of the covenants, conditions and obligations imposed upon the Contractor pursuant to this Contract. No delegation of responsibility, whether by Subcontract or otherwise, shall terminate or limit in any way the liability of the Contractor to the Department for the full performance of this Contract.	✓
The Contractor agrees that its administrative costs shall not exceed ten percent (10%) of the total Medicaid managed care contract cost. Administrative costs are those costs consistent with DOI annual financial filings that are included in the line for "GAO" which is generally referred to as General, Administrative, and Overhead expenses.	✓

#### 4.2 Delegations of Authority

Contract Requirement	Agree to Comply
If the Contractor delegates responsibilities to a Subcontractor, the Contractor shall ensure that the subcontracting relationship and subcontracting document(s) comply with federal requirements, including, but not limited to, compliance with the applicable provisions of 42 CFR 438.230(b) and 42 CFR 434.6. The Contractor shall ensure that the Subcontractor is in compliance with all Medicaid laws and regulations including applicable subregulatory guidance and contract provisions.	✓

The Contractor shall oversee and remain accountable for any functions and responsibilities that it delegates to any Subcontractor in compliance with 42 C.F.R. 438.230. Before any delegation, the Contractor shall evaluate the prospective Subcontractor's ability to perform the activities to be delegated. If the Contractor delegates selection of providers to another entity, the Contractor retains the right to approve, suspend, or terminate any provider selected by that Subcontractor.	✓
The Department has the right to approve or deny delegation to any Subcontractor. See <b>Section 6.0 "Subcontracts"</b> for subcontracting requirements.	✓

#### 4.3 Approval of Department

Contract Requirement	Agree to Comply
The Contractor shall submit provider or Enrollee materials, information, or documents to the Department and all such submissions will be reviewed by the Department (i) during Readiness Review; (ii) within thirty (30) days for standard submissions or (iii) five (5) Business Days for expedited submissions. The Contractor shall not use or distribute such materials with Enrollees or Providers until such time that Department approval has been received.	✓
Written material submitted to the Department for review and approval shall be considered received for review beginning with the date that the Department acknowledges to the Contractor receipt of the submission. Such acknowledgment may be demonstrated by evidence of a return receipt if sent via U.S. Mail, a delivery receipt if sent via e-mail, or the signature of a Cabinet for Health and Family Services employee taking receipt of the submission in the case of hand-delivery, including overnight mail or courier delivery.	✓
No materials will be considered approved unless such approval is sent to the Contractor in writing by the Department.	✓
General health education materials do not require prior approval by the Department. However, the Contractor shall ensure such materials are in compliance with this Contract and state and federal regulations and laws. The Contractor shall be subject to penalties for materials found to be non-compliant as set forth in <b>Appendix B "Remedies for Violation, Breach, or Non-Performance of Contract."</b>	✓

#### 4.4 No Third Party Rights

Contract Requirement	Agree to Comply
This Contract does not, nor is it intended to, create any rights, benefits or interest to any Enrollee, provider, PHO, provider network, Subcontractor, delegated Subcontractor, supplier, corporation, partnership or other organization of any kind.	✓

#### 5.0 CONTRACTOR CONFORMANCE WITH APPLICABLE LAW, POLICIES AND PROCEDURES

##### Department Policies and Procedures

Contract Requirement	Agree to Comply
The Contractor shall comply with the applicable policies and procedures of the Department, specifically including without limitation the policies and procedures for MCO services, and all policies and procedures applicable to each category of Covered Services as required by the terms of this Contract.	✓

In no instance may the limitations or exclusions imposed by the Contractor with respect to Covered Services be more stringent than those specified in the applicable Department's policies and procedures without the approval of the Department. The Department shall provide reasonable prior written notice to Contractor of any material changes to its policies and procedures, or any changes to its policies and procedures that materially alter the terms of this Contract.	
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### 5.1 Commonwealth and Federal Law

Contract Requirement	Agree to Comply
At all times during the term of this Contract and in the performance of every aspect of this Contract, the Contractor shall strictly adhere to all applicable federal and Commonwealth law (statutory and case law), regulations and standards, in effect when this Contract is signed or which may come into effect or which may be amended or repealed during the term of this Contract, except where waivers of said laws, regulations or standards are granted by applicable federal or Commonwealth authority. In addition to the other laws specifically identified herein, the Contractor shall comply with the Davis-Bacon Act and the Clean Air Act and Federal Water Pollution Control Act. The Contractor agrees to comply with the terms of 45 C.F.R. 93 Appendix A, as applicable.	✓
Any change mandated by the Affordable Care Act which pertains to Managed Care Organizations (MCO) and/or Medicaid Services shall be implemented by the Contractor without amendment to this Contract.	✓

### 5.2 Nondiscrimination and Affirmative Action

Contract Requirement	Agree to Comply
During the performance of this Contract, the Contractor agrees as follows: A. The Contractor shall not discriminate against any employee or applicant for employment because of race, religion, color, national origin, sex, sexual orientation, gender identity or age. The Contractor further shall comply with the provision of the Americans with Disabilities Act of 1990 (Public Law 101- 336), 42 USC 12101, and applicable federal regulations relating thereto prohibiting discrimination against otherwise qualified disabled individuals under any program or activity. The Contractor shall provide, upon request, needed reasonable accommodations. The Contractor will take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, religion, color, national origin, sex, age or disability. Such action shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor shall post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause or its nondiscriminatory practices.	✓
B. The Contractor shall, in all solicitations or advertisements for employees placed by or on behalf of the Contractor; state that all qualified applicants will receive consideration for employment	✓



without regard to race, religion, color, national origin, sex, sexual orientation, gender identity, age or disability.	
C. The Contractor shall send to each labor union or representative of workers with which they have a collective bargaining agreement or other contract understanding, a notice advising the said labor union or workers' representative of the Contractor's commitments under this Section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment. The Contractor shall take such action with respect to any Subcontract or purchase order as FAC may direct as a means of enforcing such provisions, including sanctions for noncompliance.	✓
D. The Contractor shall comply with all applicable provisions and furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, as amended, and by the rules, regulations and orders of the Secretary of Labor, or pursuant thereto, and will permit access to their books, records and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.	✓
E. In the event of the Contractor's noncompliance with the nondiscrimination clauses of this Contract or with any of the said rules, regulations or orders, this Contract may be canceled, terminated or suspended in whole or in part and the Contractor may be declared ineligible for further government contracts or federally-assisted construction contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, as amended, and such other sanctions may be imposed and remedies invoked as provided in or as otherwise provided by law.	✓
F. The Contractor shall include the provision of paragraphs (1) through (7) of Section 202 of Executive Order No. 11246 in every Subcontract or purchase order unless exempted by rules, regulations or orders of the Secretary of Labor, issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, as amended, so that such provisions will be binding upon each Subcontractor or vendor. Monitoring of Subcontractor compliance with the provisions of this Contract on nondiscrimination shall be accomplished during regularly scheduled quality assurance audits. Any reports of alleged violations of the requirements of this Section received by the Contractor, together with any suggested resolution of the alleged violation proposed by the Contractor in response to the report, shall be reported to FAC within five (5) Business Days. Following consultation with the Contractor, FAC shall advise the Contractor of any further action it may deem appropriate in resolution of the violation. The Contractor will take such action with respect to any Subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions including sanctions for noncompliance; provided, however, that in the event the Contractor becomes involved in, or is threatened with, litigation with a Subcontractor as a result of such direction by the agency, the Contractor may request the United States to enter or intervene into such litigation to protect the interests of the United States. The Contractor shall comply with Title IX of the Education	✓

Amendments of 1972 (regarding education programs and activities), if applicable.	
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### 5.3 Employment Practices

Contract Requirement	Agree to Comply
The Contractor agrees to comply with each of the following requirements and to include in any Subcontracts that any Subcontractor, supplier, or any other person or entity who receives compensation pursuant to performance of this Contract, a requirement to also comply with the following laws: A. Title VI of the Civil Rights Act of 1964 (Public Law 88-352);	✓
Title IX of the Education Amendments of 1972 (regarding education, programs and activities);	✓
B. The Age Discrimination Act of 1975;	✓
C. The Rehabilitation Act of 1973;	✓
D. Rules and regulations prescribed by the United States Department of Labor in accordance with 41 C.F.R. Parts 60-741; and	✓
E. Regulations of the United States Department of Labor recited in 20 C.F.R. Part 741, and Section 504 of the Federal Rehabilitation Act of 1973 (Public Law 93-112).	✓

### 5.4 Governance

Contract Requirement	Agree to Comply
The Contractor shall have a governing body. The governing body shall ensure adoption and implementation of written policies governing the operation of the Contractor's plan. The administrator or executive officer who oversees the day-to-day conduct and operations of the Contractor shall be responsible to the governing body. The governing body shall meet at least quarterly, and shall keep a permanent record of all proceedings available to the Cabinet, FAC, and/or CMS upon request. The Contractor shall have written policies and procedures for governing body elections detailing, at a minimum, the following: how board members will be elected; the length of the term for board members; filling of vacancies; and notice to Enrollees.	✓

### 5.5 Access to Premises

Contract Requirement	Agree to Comply
The State, CMS, HHS Office of the Inspector General, the Comptroller General, and their designees may, at any time, inspect and audit any records or documents of the Contractor, or its Subcontractors, and may, at any time, inspect the premises, physical facilities, and equipment where Medicaid-related activities or work is conducted. The right to audit under this section exists for ten (10) years from the final date of the contract period or from the date of completion of any audit, whichever is later.	✓

<p>The Contractor shall provide computer access in the event an audit, inspection, investigation or other on-site visit is conducted. The Contractor shall provide log-in credentials in order to access Contractor's Claims and customer service systems on a read-only basis. The Contractor shall provide access to a locked space and office security credentials for use during business hours. All access under this Section shall comply with HIPAA's minimum necessary standards and any other applicable Commonwealth or federal law.</p>	✓
<p>In addition, upon reasonable notice, the Contractor shall allow duly authorized agents or representatives of the Commonwealth or federal government or the independent External Quality Review Organization (EQRO) access to the Contractor's premises during normal business hours, and shall cause similar access or availability to the Contractor's Subcontractors' premises to inspect, audit, investigate, monitor or otherwise evaluate the performance of the Contractor and/or its Subcontractors. The Contractor and/or Subcontractors shall forthwith produce all records, documents, or other data requested as part of such review, investigation, or audit.</p>	✓
<p>In the event right of access is requested under this Section, the Contractor or Subcontractor shall provide and make available staff to assist in the audit or inspection effort, and provide adequate space on the premises to reasonably accommodate the Commonwealth, federal, or external quality review personnel conducting the audit, investigation, or inspection effort. All inspections or audits shall be conducted in a manner as will not unduly interfere with the performance of the Contractor's or Subcontractors' activities. The Contractor shall have twenty (20) Business Days to respond to any findings of an audit performed by FAC, the Department or their agent before the findings are finalized. The Contractor shall cooperate with FAC, the Department or their agent as necessary to resolve audit findings. All information obtained will be accorded confidential treatment as provided under applicable laws, rules and regulations.</p>	✓

#### 5.6 Waivers, State Innovation Models or Other Federal Initiatives

Contract Requirement	Agree to Comply
<p>The Contractor shall participate, upon the Department's request, in any federal waivers, grant initiatives or awards or other program changes that develop, plan, create or implement any model that includes but is not limited to integration of behavioral health and physical health, improve health care delivery, reform payment, require Enrollee engagement or improve population health outcomes. Such support may include but not be limited to collaboration with the Department and its designees in developing and implementing the identified initiatives and models, providing data or other information to inform planning and development of initiatives and models, and implementation of programmatic changes and innovations to support implementation of the initiatives and models. The Contractor shall provide reporting and data as determined or requested by the Department.</p>	✓

## 6.0 SUBCONTRACTS

### Requirements

Contract Requirement	Agree to Comply
The Contractor may, with the approval of the Department, enter into Subcontracts for the provision of various Covered Services to Enrollees or other services that involve risk-sharing, medical management, or otherwise interacting with an Enrollee or Provider, except the Contractor shall not enter into any Subcontract with Subcontractors outside of or that would be providing any services outside the United States. All subcontractors shall have and maintain Kentucky specific expertise in each content area for which they are providing services.	✓
Subcontractors must be eligible for participation in the Medicaid program, pursuant to federal and state regulations. The Contractor shall evaluate each prospective Subcontractor's ability to perform the proposed delegated activities. The Contractor shall execute a written contractual agreement (Subcontract) between the Contractor and Subcontractor that is in a form and has content approved by the Department. Furthermore, the Contractor shall submit any change in terms or scope of a Subcontract, notice of suspension or termination of a Subcontract to the Department for review and approval. The Contractor shall submit for review to the Department a listing of Subcontractors who will support this Contract, a description and role of each Subcontractor, detail listing of services provided, all locations of operation including disclosure of any and all operations outside the United States, and a template agreement of each type of such Subcontract referenced herein. The Department may approve, approve with modification, or reject the templates if they do not satisfy the requirements of this Contract. In determining whether the Department will impose conditions or limitations on its approval of a Subcontract, the Department may consider such factors as it deems appropriate to protect the Commonwealth and Enrollees, including but not limited to, the proposed Subcontractor's past performance. In the event the Department has not approved a Subcontract referenced herein prior to its scheduled effective date, the Contractor agrees to execute said Subcontract contingent upon receiving the Department's approval. No Subcontract shall in any way relieve the Contractor of any responsibility for the performance of its duties pursuant to this Contract including the processing of Claims.	✓
The Department's review shall ensure that all Subcontract template agreements include the following information and related requirements, at a minimum and as applicable to the given Subcontract:	✓
A. Identify the population covered by the Subcontract;	✓
B. Specify the amount, duration and delegated scope of services and reporting responsibilities of the Subcontractor, including specification that the Subcontractor shall provide information and data with the level of detail and on a timeline specified by the Contractor and Department;	✓
C. Require participation in meetings with the Department by staff as requested by the Department;	✓
D. Require ongoing and ad hoc reporting to the Department as defined and upon request. Include a statement that the Department shall have unlimited but not exclusive rights to use, disclose, or duplicate, for any purpose whatsoever, all information and data	✓

developed, derived, documented, or furnished by the Subcontractor resulting from this Contract. However, the Department shall not disclose proprietary information that is afforded confidential status by state or federal regulations;	
E. Specify that the Subcontractor shall support the Contractor and the Department, upon request, in responding to legislative or other stakeholder requests. Support may include provision of data or other information, participation in drafting of materials or reports, or attendance in required meetings or other forums;	✓
F. Specify that all materials developed by the Subcontractor specific to this Contract shall include the name and logo of each Contractor for which the material is applicable. The Subcontractor shall not publish materials that are used for more than one Contractor without each Contractor being identified on the materials;	✓
G. Include a requirement that data and information about Covered Services and Enrollees as applicable to this Contract 1) cannot be held as proprietary unless agreed to by the Department and 2) must be made available to the Department;	✓
H. For Subcontractors that will contract with Providers, specify the following: 1. Use of only Medicaid enrolled providers in accordance with this Contract; <b>Inclusion of all requirements set forth in Appendix C. "Required Standard Provisions for Network Provider Contracts"; and</b> 2. Requirements to follow required policies and processes for credentialing conducted by the Credentialing Verification Organization (CVO);	✓
I. Specify that a Subcontractor with NCQA/URAC or other national accreditation shall provide the Contractor with a copy of its' current certificate of accreditation together with a copy of the survey report;	✓
J. Provide full disclosure of the method of compensation or other consideration to be received from the Contractor;	✓
K. Contain no provision that provides incentives, monetary or otherwise, for the withholding from Enrollees of Medically Necessary Covered Services;	✓
L. Contain a prohibition on assignment, or on any further subcontracting, without the prior written consent of the Department;	✓
M. Contain an explicit provision that the Commonwealth is the intended third-party beneficiary of the Subcontract and, as such, the Commonwealth is entitled to all remedies entitled to third-party beneficiaries under law;	✓
N. Specify that the Subcontractor where applicable, agrees to timely submit Encounter Records in the format specified by the Department so that the Contractor can meet the specifications required by this Contract;	✓
O. Incorporate all provisions of this Contract to the fullest extent applicable to the service or activity delegated pursuant to the Subcontract, including without limitation, the obligation to comply with all applicable federal and Commonwealth law and regulations, including but not limited to, KRS 205.8451-8483, all rules, policies	✓

and procedures of FAC and the Department, applicable subregulatory guidance and contract provisions, and all standards governing the provision of Covered Services and information to Enrollees, all QAPI requirements, all record keeping and reporting requirements, all obligations to maintain the confidentiality of information, all rights of FAC, the Department, the Office of the Inspector General, the Attorney General, Auditor of Public Accounts and other authorized federal and Commonwealth agents to inspect, investigate, monitor and audit operations, all indemnification and insurance requirements, and all obligations upon termination;	
P. Require participation in readiness reviews as requested by the Department, including submission of requested materials, participation in meetings, and onsite reviews;	✓
Q. Provide for Contractor to conduct ongoing monitoring of the Subcontractor's performance of the full scope of required services and the quality of services rendered to Enrollees in accordance with the terms of this Contracts, including those with accreditation. The Subcontract shall include the frequency and method of reporting to the Contractor; the process by which the Contractor evaluates the Subcontractor's performance; requirement for formal review according to a periodic schedule consistent with industry standards, but no less than annually. As requested, the Contractor shall provide results of the review to the Department;	✓
R. Provide a process for the Subcontractor to identify deficiencies or areas of improvement, and any necessary corrective action. If the Contractor identifies deficiencies or areas for improvement, the Contractor and the Subcontractor shall take corrective action. The Contractor shall inform the Department of any required corrective actions related to Covered Services, Enrollees, or providers. The Department will determine frequency of required updates on progress of implementation of the corrective actions;	✓
S. Specify the right of the state, CMS, HHS Inspector General, the Comptroller General or their designee to audit, evaluate and inspect any books, records, contracts, computer or other electronic systems of the Subcontractor, or of the Subcontractor's contractor, that pertain to any aspect of services and activities performed, determination of amounts payable under the MCO's contract with the State, or for reasonable possibility of Fraud or similar risk;	✓
T. Specify the Subcontractor will make its premises, physical facilities, equipment, books, records, contracts, computer or other electronic systems relating to Medicaid Enrollees available;	✓
U. The right to audit through ten (10) years from the final date of the contract period or from the date of completion of any audit, whichever is later;	✓
V. Requirement that Subcontractors notify the Contractor throughout the Contract Term of any new or existing litigation;	✓
<b>Specify the remedies up to, and including, revocation of the Subcontract available to the Contractor if the Subcontractor does not fulfill its obligations. The Subcontractor shall also be subject to penalties as set forth in Appendix B "Remedies for Violation, Breach, or Non- Performance of Contract."</b>	✓
W. Contain provisions that suspected Fraud and Abuse be reported to the Contractor.	✓

X. Requirements that provide for revocation of the delegation or imposition of other sanctions if the Subcontractor's performance is inadequate and if the Subcontractor does not provide data or information upon request;	✓
Y. A statement that the Subcontract may be terminated by the Contractor for convenience and without cause upon a specified number of days written notice; and	✓
AA. Specify procedures and criteria for extension, renegotiation and termination.	✓
The Contractor shall notify the Department in writing of the status of all Subcontractors on a quarterly basis and of the suspension or termination of any approved Subcontractors within ten (10) days following suspension or termination. All approvals required by this section are subject to <b>Section 4.4 "Approval of Department."</b>	✓

### Subcontractor Indemnity

Contract Requirement	Agree to Comply
Except as otherwise provided in this Contract, all Subcontracts between the Contractor and its Subcontractors, shall contain an agreement by the Subcontractor to indemnify, defend and hold harmless the Commonwealth, its officers, agents, and employees, and each and every Enrollee from any liability whatsoever arising in connection with this Contract for the payment of any debt of or the fulfillment of any obligation of the Subcontractor.	✓
Each such Subcontractor shall further covenant and agree that in the event of a breach of the Subcontract by the Contractor, termination of the Subcontract, or Insolvency of the Contractor, each Subcontractor shall provide all services and fulfill all of its obligations pursuant to the Subcontract for the remainder of any month for which the Department has made payments to the Contractor, and shall fulfill all of its obligations respecting the transfer of Enrollees to other Providers, including record maintenance, access and reporting requirements all such covenants, agreements, and obligations of which shall survive the termination of this Contract and any Subcontract.	✓

### 6.1 Disclosure of Subcontractors

Contract Requirement	Agree to Comply
The Contractor shall inform the Department of any Subcontractor providing Covered Services for which the Subcontractor contracts a subcontractor in any transaction or series of transactions, in performance of any term of this Contract. As set forth in <b>Section 6.1 "Requirements,"</b> such arrangements require prior written consent of the Department.	✓

### 6.2 Remedies

Contract Requirement	Agree to Comply
FAC and the Department shall each have the right to invoke against any Subcontractor any remedy set forth in this Contract, including the right to require the termination of any Subcontract, for each and every reason for which it may invoke such a remedy against the Contractor or require the termination of this Contract.	✓

### 6.3 Capitation Agreements

Contract Requirement	Agree to Comply
The Contractor shall notify the Department of any “Capitation” agreement, including agreement changes or updates, with Subcontractors or Providers that includes the assumption of risk by the Subcontractor or Provider. The notification shall include the name of the entity, the scope of the risk, the contracting amount, and how the entity in turn pays its Subcontractors or Providers for providing Covered Services. The Contractor shall submit monthly reports of Capitation Payments made to Subcontractors, such as but not limited to a vision or pharmacy benefit manager or Providers such as Primary Care Physicians. The Contractor shall mark records it considers proprietary as such and shall defend such classification in the event an Open Records request is made concerning the proprietary record.	✓

### 7.0 CONTRACT TERM

#### Term

Contract Requirement	Agree to Comply
The term of the Contract shall be for the period <b>January 1, 2021</b> through <b>December 31, 2024</b> . This Contract may be renewed for six (6) additional two (2) year periods upon the mutual agreement of the Parties. Such mutual agreement shall take the form of an addendum to the Contract under <b>Section 40.3 “Amendments.”</b> The Contractor shall give notice to the Commonwealth at least sixty (60) days before the end of any annual term if the Contractor does not intend to renew the Contract. The Department shall use its best efforts to provide rates for renewal terms at least ninety (90) days prior to the expiration of the current term, unless the Department elects not to renew the Contract hereunder.	✓
Vendors shall not be eligible to accept Medicaid Enrollees or receive monthly capitated rate payments prior to meeting all Readiness Review and Network Adequacy requirements. Awarded Vendor(s) are to meet these requirements no later than October 1, 2020. Failure to meet the requirements by this date may result in cancellation of the awarded contract. At the end of the contract, the vendor shall provide all agency data in a form that can be converted to any subsequent system of the agency’s choice. The vendor shall cooperate to this end with the vendor of the agency’s choice, in a timely and efficient manner.	✓
The Commonwealth reserves the right not to exercise any or all renewal options. The Commonwealth reserves the right to extend the Contract for a period less than the length of the above-referenced renewal period if such an extension is determined by FAC and the Department to be in the best interest of the Commonwealth and agreed to by the Contractor.	✓
The Commonwealth reserves the right to renegotiate any terms and/or conditions as may be necessary to meet requirements for the renewal period. In the event proposed terms or conditions cannot be agreed upon, subject to the notices above, either party shall have the right to withdraw without prejudice from exercising the option for a renewal.	✓

### 7.1 Effective Date

Contract Requirement	Agree to Comply
This Contract is not effective and binding until approved by the Commonwealth of Kentucky. Payment under this Contract is contingent	✓



upon approval by CMS of any Waiver Amendment, State Plan Amendment and this Contract.	
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## 7.2 Social Security

Contract Requirement	Agree to Comply
The parties are cognizant that the Commonwealth is not liable for Social Security contributions pursuant to 42 U.S. Code Section 418, relative to the compensation of the Contractor for this Contract.	✓

## 7.3 Contractor Attestation

Contract Requirement	Agree to Comply
The Chief Executive Officer (CEO), the Chief Financial Officer (CFO) or Designee shall attest to the best of their knowledge to the truthfulness, accuracy, and completeness of all data submitted to the Department at the time of submission. This includes Encounter data or any other data in which the Contractor paid Claims.	✓

## 8.0 READINESS REVIEW

### Prerequisite to Enrolling Enrollees

Contract Requirement	Agree to Comply
The Department reserves the right to conduct a thorough readiness review prior to the enrollment of Medicaid Enrollees with the Contractor and its Subcontractors to ensure the Contractor and its Subcontractors are able and prepared to perform all administrative functions and to provide high quality services to Enrollees. Readiness reviews may include desk reviews of materials, policies, and procedures; systems demonstrations; onsite reviews; and interviews of staff. The Department reserves the right to also conduct onsite reviews in Subcontractor facilities. Specifically, the Department will assess the Contractor's ability and readiness to, at a minimum, meet the requirements set forth in the Contract, Commonwealth requirements, and federal requirements outlined in 42 C.F.R. 438.66.	✓
The Department will designate a multi-disciplinary readiness review team, which may include DMS staff, sister agency representatives, and contract staff. The Department will establish and provide to the Contractor the timeline for conduct of the readiness reviews, including Contractor requirements. The Contractor and its Subcontractors shall meet all required timelines for submission of requested materials and deliverables to the Department, be responsive to questions within designated timeframes, and provide adequate space and facilities for conduct of onsite reviews. The Contractor shall include all staff and Subcontractor representatives in readiness review meetings or onsite reviews as identified and requested by the Department.	✓
The Department will provide the Contractor with a summary of findings and identified areas requiring remedial attention or corrective action. The Contractor shall develop a plan and relevant timelines for addressing the identified issues. The Department may conduct follow up reviews to assess the effectiveness of the Contractor's implemented plan and subsequent readiness.	✓
A Contractor's failure to pass the readiness review or to cure the deficiencies through remedial attention or correction action may result in the	✓

assessment and payment of liquidated damages against the Contractor, delayed operations or Enrollment, and/or immediate Contract termination pursuant to <b>Section 39.11 "Termination for Default."</b>	
The Department reserves the right to conduct readiness reviews at any point during the Contract Term based on implementation of programmatic or regulatory changes that result in operational changes deemed to be material by the Department.	✓

## 9.0 ORGANIZATION AND COLLABORATION

### Office in the Commonwealth

Contract Requirement	Agree to Comply
The Contractor shall establish and maintain an office within Kentucky, no more than eighty (80) Miles from 275 East Main Street, Frankfort, Kentucky. Such office shall be established within ninety (90) days of Contract Execution and, at a minimum, the Contractor shall locate the Executive Team	✓
The Contractor shall also staff the following positions or equivalent to be located in and operate from within the State:	✓
A. Enrollee Services;	✓
B. Provider Services, including Provider Relations, Network Development and Enrollment;	✓
C. Population Health Management staff	✓
D. Utilization Management Director	✓
E. Enrollee and Provider Complaint, Grievance, and Appeal Coordinator(s)	✓
F. QAPI Coordinator	✓
G. Program Integrity Coordinator	✓
The Contractor may opt to locate other functions outside of an eighty (80) mile radius of Frankfort, Kentucky, but shall locate such functions within the United States. The Contractor shall not provide services or functions under this Contract that are located outside of the United States. Additionally, no Claims paid by the Contractor to a Network Provider, Out-of-Network Provider, Subcontractor, or financial institution located outside of the United States shall be considered in the development of actuarially-sound Capitation Rates.	✓
The Contractor may Subcontract for any functions with Department approval as set forth in <b>Section 6.0 "Subcontracts."</b> The Contractor shall set clear expectations that the Subcontractor is a representative of the Contractor in performance of this Contract, and the structure of the relationship and reporting lines must be clearly defined. All Subcontractors shall meet appropriate licensing and contract requirements specified in applicable State and Federal laws and regulations.	✓

### 9.1 Administration/Staffing

Contract Requirement	Agree to Comply
The Contractor shall directly or indirectly provide staffing of qualified individuals for the necessary functions and positions in a sufficient number to adequately provide for the Contractor's operational responsibilities and to support enrollment or projected enrollment. Responsibility for the functions or staff positions may be combined or divided among departments, individuals, or Subcontractors unless otherwise specified. .	✓
The Contractor's Executive Team members are considered key personnel capable and responsible for oversight of all Contractor operations for the Kentucky account and shall have the below minimum responsibilities. All key personnel shall be dedicated full-time to this Contract and shall be available to meet at the Department's requested location within twenty-four (24) hours' notice from the Department. Should the Contractor designate additional key personnel to serve as part of its Executive Team, such individuals are subject to all requirements in this Contract specific to key personnel unless otherwise approved in writing by the Department. The Contractor shall staff the following Executive Team members or equivalents:	✓
A. A Chief Executive Officer (CEO), Chief Operating Officer (COO), or equivalent who shall be a full-time administrator with clear authority over the general administration and implementation of the requirements detailed in the Contract.	✓
B. A Chief Financial Officer who shall oversee the budget and accounting systems implemented by the Contractor.	✓
C. A Chief Compliance Officer who shall maintain current knowledge of Federal and State legislation, legislative initiatives, and regulations relating to Contractors, and oversee the Contractor's compliance with the laws and requirements of the Department. The Chief Compliance Officer shall also serve as the primary contact for and facilitate communications between Contractor leadership and the Department relating to Contract compliance issues. The Chief Compliance Officer shall also oversee Contractor implementation of and evaluate any actions required to correct a deficiency or address noncompliance with Contract requirements as identified by the Department.	✓
D. A Medical Director who shall be a physician licensed to practice in Kentucky. The Medical Director shall oversee the Contractor's clinical functions and be actively involved in all major health programs of the Contractor. All clinical directors, including those employed by Subcontractors, shall report to the Medical Director for all responsibilities of this Contract. The Medical Director shall also be responsible for treatment policies, protocols, Quality Improvement activities, Population Health Management activities, and Utilization Management decisions and devote sufficient time to ensuring timely medical decisions. The Medical Director shall also be available for after-hours consultation, if needed.	✓
E. A Pharmacy Director licensed in Kentucky who shall coordinate, manage and oversee the provision of pharmacy services to Enrollees.	✓
F. A Dental Director licensed to practice dentistry in Kentucky. The Dental Director shall be actively involved in all oral health programs of the Contractor and devote sufficient time to ensuring timely oral health decisions. The Dental Director shall also be available for after-hours consultation, if needed.	✓

G. A Behavioral Health Director who shall be a behavioral health practitioner licensed in Kentucky and actively involved in all programs or initiatives relating to behavioral health. The Behavioral Health Director shall also coordinate efforts to provide Behavioral Health Services by the Contractor or any behavioral health Subcontractors.	✓
H. A Provider Network Director who shall be responsible for oversight of Provider Services and Provider Network Development. The Provider Network Director shall provide oversight of required coordination with the Department's contracted Credentialing Verification Organization(s) (CVOs). The Provider Network Director shall also coordinate workforce development initiatives conducted by the Contractor and collaboratively with the Department and other contracted MCOs.	✓
I. A Quality Improvement Director who shall be responsible for the operation of the Contractor's Quality Improvement Program.	✓
J. A Population Health Management Director who shall be responsible for coordination and oversight of the Population Health Management (PHM) Program and services.	✓
The Contractor shall also ensure that it has the appropriate, qualified staff to fill the below roles and positions, or the equivalents, as well as others identified by the Contractor as necessary to fully support Contract implementation and ongoing operations.	✓
A. A Management Information System Director who shall oversee, manage and maintain the Contractor Management Information System (MIS).	✓
B. Enrollee Services Manager and staff to coordinate all communications with Enrollees and to advocate for Enrollees. The Contractor shall provide sufficient Enrollee Services staff to respond in a timely manner to Enrollees seeking prompt resolution of problems or inquiries.	✓
C. Provider Services Manager and staff to coordinate network development and all communications with Contractor Providers, Out of Network Providers as applicable, and Subcontractors who are involved in clinical services. The Contractor shall provide sufficient Provider Services staffing ratios to support network development, communications and education and to respond in a timely manner to Providers seeking prompt resolution of problems or inquiries.	✓
D. Claims Processing staff to ensure the timely and accurate processing of Claims, including original Claims, corrected Claims, and re-submissions, and the overall adjudication of Claims, including the timely and accurate submission of Encounter data.	✓
E. A Utilization Management Director who shall be responsible for the operation of the Contractor's Utilization Management Program and any Subcontractors of the Contractor performing services relevant to Utilization Management.	✓
F. An Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) Coordinator who shall coordinate and arrange for the provision of EPSDT services and EPSDT special services for Enrollees.	✓
G. A Guardianship Liaison who shall serve as the Contractor's primary liaison for meeting the needs of Enrollees who are adult guardianship clients.	✓
H. A Program Integrity Coordinator to serve as the single point of contact with the Department whose job duties are dedicated exclusively to the coordination, management, and oversight of the Contractor's Program Integrity unit to reduce Fraud, Waste and Abuse of Medicaid services within Kentucky. The Coordinator shall facilitate timely response to Department requests for information.	✓

The Contractor shall ensure that all staff, Providers and Subcontractors have appropriate training, education, credentials, experience, liability coverage and orientation to fulfill the requirements of their positions. The Contractor warrants and represents that all persons assigned to perform work under this Contract shall have the necessary credentials to perform the work herein. The Contractor shall ensure that all personnel involved in activities that involve clinical or medical decision making have a valid, active, and unrestricted license to practice in the Commonwealth of Kentucky. On at least an annual basis, the Contractor and its Subcontractors will verify that applicable staff have all necessary current licenses that are in good standing and will provide a list to the Department of licensed staff and current licensure status.	✓
The Contractor shall comply with all staffing/personnel obligations, including but not limited to those pertaining to security, health, and safety issues.	✓
The Contractor shall submit the following to the Department for approval within thirty (30) days of signing the Contract, annually, prior to material revisions and upon request by the Department:	✓
A. A detailed staffing plan that includes activities the Contractor will conduct to fill any staffing needs to have sufficient support for Contract implementation and ongoing operations. The staffing plan must provide timelines for conduct of activities and for filling all staff positions.	✓
B. A current organizational chart depicting all functions including mandatory functions, number of employees in each functional department and key managers responsible for the functions.	✓
C. Job descriptions and required qualifications, and a description of the qualifications of each individual with key management responsibility for any mandatory function.	✓
The Contractor shall notify the Department and FAC in writing of any change in the Executive Management key personnel, department managers, and point of contact for this Contract within three (3) Business Days of the Contractor learning of a change, including a change in duties or time commitments, resignation, or of the Contractor notifying an individual of planned changes for the key position (e.g., promotion, termination). The Commonwealth reserves the right to approve or disapprove all key personnel (initial or replacement) prior to their assignment to this Contract.	✓

## 9.2 Monthly Meetings

Contract Requirement	Agree to Comply
The Contractor's Pharmacy Director, Medical Director, Quality Improvement Director, Population Health Management Director, Utilization Management Director, Dental Director and Behavioral Health Director, their designees, or other Contractor staff as requested by the Department shall meet in separate or joint monthly meetings with the Department, and other contracted MCOs like personnel to collaborate on issues, ideas and innovations for the efficient and economical delivery of quality services to the Enrollees. Sister agencies or other entities may also be included in meetings as deemed appropriate by the Department.	✓
Meetings will be used to consider issues such as opportunities to improve health outcomes of Enrollees, addressing social determinants of health, and efforts for population health management. The Contractor shall be prepared to present best practices for topics identified by the	✓

Department as requested. Such meetings shall be conducted in compliance with applicable federal antitrust laws. The Department will establish the schedule for the meetings and may increase, cancel or reduce the meetings, as needed, with prior notice to the Contractor.	
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## 10.0 CAPITATION PAYMENT INFORMATION

### Monthly Payment

Contract Requirement	Agree to Comply
On or before the eighth (8 <sup>th</sup> ) day of each month during the term of this Contract, the Department shall remit to the Contractor the Capitation Payment specified in <b>Appendix A “Capitation Payment Rates”</b> (subject to approval of the rates by CMS) for each Enrollee determined to be enrolled for the upcoming month. The Contractor shall reconcile the Capitation Payment against the HIPAA 820. The Contractor shall receive a full month's Capitation Payment for the month in which enrollment occurs except for an Enrollee enrolled based on a determination of eligibility due to being unemployed in accordance with 45 C.F.R. 233.100. The monthly Capitation Payment for such an Enrollee shall be pro-rated from the date of eligibility based on unemployment. The Commonwealth's payment shall conform to KRS 45A.245. Payments are contingent upon the availability of appropriated funds.	✓
The Department reserves the right, if needed, to delay the monthly payment due on or before June 8 to on or before July 8 or the next Business Day following July 8. If such delay is contemplated, the Department shall give notice of such intent forty-five (45) days before June 8. Whether or not the Department exercises its right to delay the June Capitation Payment, the payment of all other monthly Capitation Payments shall be made on or before the eighth (8 <sup>th</sup> ) day of the month in which it is due.	✓

### 10.1 Payment in Full

Contract Requirement	Agree to Comply
The Contractor shall accept the Capitation Payment and any adjustments made pursuant to <b>Section 11.2 “Rate Adjustments”</b> of this Contract from the Department as payment in full for all services to be provided pursuant to this Contract and all administrative costs associated with performance of this Contract. Enrollees shall be entitled to receive all Covered Services for the entire period for which the Department has made payment. Any and all costs incurred by the Contractor in excess of the Capitation Payment shall be borne in full by the Contractor. Interest generated through investment of funds paid to the Contractor pursuant to this Contract shall be the property of the Contractor to use for eligible expenditures under this Contract. The Contractor and Department acknowledge that contracts for Medicaid capitated rates and services are subject to approval by CMS.	✓
The Contractor may pursue any unpaid Capitation Payment thirty (30) Business Days after when due from the Commonwealth in accordance with KRS 45A.245.	✓
The Contractor shall report to the Department within sixty (60) calendar days when it has identified Capitation Payments or other payments in excess of amounts specified in this Contract in accordance with 42 C.F.R. 438.608(c)(3).	✓

**10.2 Payment Adjustments**

<b>Contract Requirement</b>	<b>Agree to Comply</b>
The Monthly Capitation Payments shall be adjusted for a period not to exceed twenty-four (24) months prior to the Monthly Capitation Payment to reflect corrections to the Enrollee Listing Report. Payments will be adjusted to reflect the automatic enrollment of eligible newborn infants. A delivery payment may be paid on the eighth (8 <sup>th</sup> ) day of the month for the previous month's claims. Claims for payment adjustments shall be deemed to have been waived by the Contractor if a payment request is not submitted in writing within twelve (12) months following the month for which an adjustment is requested. Waiver of a claim for payment shall not release the Contractor of its obligations to provide Covered Services pursuant to the Contract.	✓
In the event that an Enrollee is eligible and enrolled, but does not appear on the Enrollee Listing Report, the Contractor may submit a payment adjustment request. The Contractor shall submit the request in accordance with <b>Appendix D "Reporting Requirements and Reporting Deliverables"</b> for automated reporting requirements.	✓
In the event that an Enrollee is eligible and enrolled and the Contractor believes the Capitation Payment was in error due to underpayment, overpayment, or duplicate payment, the Contractor may submit a payment adjustment request. The Contractor shall submit the request in accordance with <b>Appendix D "Reporting Requirements and Reporting Deliverables"</b> for automated reporting requirements.	✓
In the event that an Enrollee does not appear on the Enrollee Listing Report, but the Department has paid the Contractor for an Enrollee, the Department may request and obtain a refund of, or it may recoup from subsequent payments, any payment previously made to the Contractor.	✓
In the event an Enrollee appears on the Enrollee Listing Report but is determined to be ineligible, the Department may request and obtain a refund of, or it may recoup from subsequent payments, any payment previously made to the Contractor. In such instances, for each Enrollee that is determined to be ineligible, the Contractor may recover payment from any Provider who rendered services to Enrollee during the period of ineligibility. The entity to which the Enrollee is retroactively added shall assume responsibility for payment of any services provided to Enrollees during the period of adjusted eligibility.	✓
For cases involving Enrollee ineligibility due to Fraud, Waste, and Abuse, the Department shall only recoup the Capitation amount and the Contractor shall establish procedures pursuant to <b>Section 10.4 "Contractor Recoupment from Enrollee for Fraud, Waste and Abuse"</b> to recover paid Claims. Any adjustment by the Department hereunder for retroactive Disenrollment of Enrollees shall not exceed twelve (12) months from the effective date of Disenrollment.	✓

**10.4 Contractor Recoupment from Enrollee for Fraud, Waste and Abuse**

<b>Contract Requirement</b>	<b>Agree to Comply</b>
If permitted by state and federal law, the Contractor shall request a refund from the Enrollee for all paid Claims in the event the Department has established that the Enrollee was not eligible to be enrolled through an administrative determination or adjudication of Fraud. The Contractor shall, upon receipt of a completed OIG investigation of a Contractor's Enrollee that calls for administrative recoupment, send a request letter to Enrollee seeking voluntary repayment of all Claims paid by the Contractor on behalf	✓

<p>of Enrollee during time period Enrollee was found to be ineligible to receive services. The request letter shall include the following as provided by the Department: the reason for the Enrollee's ineligibility, time period of ineligibility, and amount paid during the period of ineligibility. The Contractor shall report, on a monthly basis, to the Commonwealth any monies collected from administrative request letters during the previous month and provide a listing of all administrative request letters sent to Enrollees(s) during the previous month. The Contractor is only required to mail the initial letter to the Enrollee requesting repayment of funds and accept repayment on behalf of the Department. The Contractor is not required to address any due process issues should those arise. The Contractor shall work with Department's agent to obtain monies collected through court ordered payments. Any outstanding payments not collected within six (6) months shall be subject to be collected by the Commonwealth and shall be maintained by the Commonwealth. The foregoing provisions shall be construed to require Contractor's reasonable cooperation with the Commonwealth in its efforts to recover payments made on behalf of ineligible persons, and shall not create any liability on the part of the Contractor to reimburse amounts paid due to Fraud that the Contractor has been unable to recover.</p>	
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## 11.0 RATE COMPONENT

### Calculation of Rates

Contract Requirement	Agree to Comply
<p>The Capitation Rates are established in accordance with 42 C.F.R. 438. The Capitation Rates are attached as <b>Appendix A "Capitation Payment Rates"</b> and shall be deemed incorporated into this Contract and shall be binding to the Contractor and the Department, subject to CMS' approval. If CMS fails to approve any component of the rates, the Capitation Payment rates shall be adjusted to reflect that disapproval or failure to approve. DMS will work with its actuaries to develop and certify new rates to CMS for approval. Those new rates, shall be reconciled retroactively to the beginning of the rate period certified to CMS.</p>	✓

## 11.1 Rate Adjustments

Contract Requirement	Agree to Comply
<p>Prospective adjustments to the rates <u>may</u> be required if there are mandated changes in Medicaid services to the managed care population provided through this Contract as a result of legislative, executive, regulatory, or judicial action. Changes, including programmatic changes, applicable to this Contract mandated by state or federal legislation, or executive, regulatory or judicial mandates, shall take effect on the dates specified in the legislation or mandate. In the event of such changes, any rate adjustments shall be made through the Contract amendment process.</p>	✓
<p>The Contractor is free to negotiate provider rates and methodologies that are tied to Medicaid fee- for-service reimbursement, but such ties shall not be considered to have any direct impact on rates. Changes to fee-for-service provider reimbursement rates or methodologies which may be mandated by legislative, executive, regulatory or judicial action shall not be considered as an impact to the Contractor that must be considered in setting and/or adjusting rates unless those changes are explicitly required under this Contract.</p>	✓



**11.2 Health Insurers' Premium Fee under the ACA**

Contract Requirement	Agree to Comply
The Health Insurers' premium Fee (HIF) under the ACA is due in September each year based on the preceding calendar year premiums each year unless otherwise modified. If the Contractor is or will be subject to the health insurer's premium fee for the Capitation Payments being made under this or a previously existing Managed Care Contract with the Commonwealth, the Commonwealth shall compensate the Contractor for that fee and for any federal taxes resulting from such compensation. To facilitate this payment, the Contractor shall provide the Department with the Insurer's Premium Fee assessment received from the Federal Government and the pro rata portion attributed to the Contractor's Capitation Payments under its Contract(s) for the preceding calendar year if available. In addition, the Contractor shall provide a certified statement from its Chief Financial Officer as to the effective Federal Tax Rate paid for the prior five (5) tax periods. These shall be submitted to the Department no later than September 1 of each year that the Insurer's premium fee is imposed. This payment method is contingent upon receipt of federal financial participation for the payment and CMS approval.	✓

**11.3 Medical Loss Ratio Adjustment**

Contract Requirement	Agree to Comply
Beginning with State Fiscal year 2020 and continuing annually on a state fiscal year basis thereafter, the Contractor shall calculate/report a MLR consistent with 42 CFR 438.8 for the Medicaid populations covered under the managed care contract.	✓
The MLR reporting process will begin ten (10) months after the end of each State Fiscal Year. If the Contract with the Contractor is not renewed at any time or is terminated at any time, the Medical Loss Ratio and Annual Statement will reflect an appropriately reduced number of months of experience instead of the full twelve (12) months.	✓
The MLR information shall be conveyed from the Contractor to the Commonwealth through an MLR Reporting Template developed by the Commonwealth. An actuary and an office of the company shall attest to the accuracy of the MLR calculation and the information reported in the MLR Reporting Template. The MLR Reporting Template, and any other information the Contractor wants to submit for consideration, shall be due to the Commonwealth no later than twelve (12) months after the end of the reporting period.	✓
The Commonwealth shall then determine, within thirty (30) days of receipt of all information from all Contractors if any remittance is to be collected and notify the Contractor in writing. The Contractor shall then have fifteen (15) days to review the Commonwealth's findings and remit payment to the Commonwealth.	✓
The Contractor shall cooperate with the Department or its contractor by supplying all clarifications and answers to inquiries within the requested timeframe. If the Contractor fails to submit information or respond to a Department request regarding the MLR calculation within the requested timeframe, it shall be subject to a penalty of \$500.00 per day until the information or response is received.	✓
The MLR calculation for each MCO shall be the ratio of the numerator (42 CFR 438.8(e)) to the denominator (42 CFR 438.8(f)). A remittance from the MCO to the State shall occur if the MLR is less than ninety (90) percent. The remittance amount shall be calculated as follows:	✓

A. If the Contractor has a MLR of less than ninety percent (90%) but greater than or equal to eighty-six percent (86%). The Contractor shall submit a remittance to the Commonwealth for seventy-five percent (75%) of the difference between the dollar amount corresponding to actual MLR and the dollar amount corresponding to a ninety percent (90%) Medical Loss Ratio.	✓
B. If Contractor has a MLR less than eighty six percent (86%). The Contractor shall submit a remittance to the Commonwealth for the sum of: (a) seventy-five percent (75%) of the difference between the dollar amount corresponding to an eighty six percent (86%) MLR and the dollar amount corresponding to a ninety percent (90%) MLR; and (b) one hundred percent (100%) of the difference between the actual countable medical expenses for the Contractor and the dollar amount corresponding to an eighty six percent (86%) Medical Loss Ratio.	✓
Expenses must be allocated in accordance with 42 CFR 438.8(g) including the following provisions:	✓
– Each Contractor expense must be included under only one type of expense, unless a portion of the expense fits under the definition of, or criteria for, one type of expense and the remainder fits into a different type of expense, in which case the expense must be prorated between types of expenses.	✓
– Expenditures that benefit multiple contracts or populations, or contracts other than those being reported, must be reported on pro rata basis.	✓
– Expense allocation must be based on a generally accepted accounting method that is expected to yield the most accurate results.	✓
– Shared expenses, including expenses under the terms of a management contract, must be apportioned pro rata to the contract incurring the expense.	✓
– Expenses that relate solely to the operation of a reporting entity, such as personnel costs associated with the adjusting and paying of claims, must be borne solely by the reporting entity and are not to be apportioned to the other entities.	✓
A credibility adjustment will be added to the MLR in accordance with 42 CFR 438.8(h) should the calculated MLR not meet the credibility thresholds established in 42 CFR 438.8(h)(4).	✓
The Contractor shall meet all the reporting requirements stipulated in 42 CFR 438.8 including but not limited to 42 CFR 438.8(k).	✓
The Contractor must require any third party vendor providing claims adjudication activities to provide all underlying data associated with the required MLR reporting (42 CFR 438.8(k)) to the Contractor within 180 days of the end of the MLR reporting year or within 30 days of being requested by the Contractor, whichever comes sooner, regardless of current contractual limitations, to calculate and validate the accuracy of the MLR reporting.	✓
The Department may, at its discretion and subject to CMS approval, implement MLR incentive programs by which the MCO may reduce its allowable MLR.	✓

**11.4 Physician Incentive Plans**

Contract Requirement	Agree to Comply
A template for any compensation arrangement between the Contractor and a physician, or physician group as that term is defined in 42 C.F.R. § 417.479(c); or between the Contractor and any other PCPs within the meaning of this Contract; or between the Contractor and any other Subcontractor (or like entity) shall be submitted to the Department for approval prior to its implementation. Approval is preconditioned on compliance with all applicable federal and Commonwealth laws and regulations and subject to <b>Section 4.4 “Approval of Department.”</b> The Contractor shall provide information to any Enrollee upon request about any Physician Incentive Plan and/or any payments to Provider made pursuant to an incentive arrangement under this Section to a provider as required by applicable state or federal law.	✓
If a Contractor includes a Physician Incentive Plan, the activities included shall comply with requirements set forth in 42 C.F.R. 422.208 and 42 C.F.R. 422.210. The Contractor shall report disclosures to the Department for Physician Incentive Plans including the following:	✓
A. Whether services not furnished by a physician/group are covered by the incentive plan. No further disclosure is required if the Physician Incentive Payment does not cover services not furnished by a physician/group.	✓
B. The type of incentive arrangement, e.g. withhold, bonus, Capitation.	✓
C. Percent of withhold or bonus (if applicable).	✓
D. Panel size, and if patients are pooled, the approved method used.	✓
E. If the physician/group is at substantial financial risk, proof the physician/group has adequate stop loss coverage, including amount and type of stop-loss.	✓

**11.5 Co-Payments**

Contract Requirement	Agree to Comply
The Contractor shall not set co-payment amounts that exceed the Department's Fee for Service co-payments. The co-payment requirements for the Medicaid Program can be found in 907 KAR 1:604. Any cost sharing imposed by the Contractor shall be in accordance with 42 C.F.R. §§447.50 through 447.82.	✓
The Department will calculate payments to the Contractor as set forth in 42 CFR 447.56(d).	✓
The actuarial value of the co-payments will be reflected in the Capitation Rate.	✓
The Department may exclude the collection of co-payments with at least ninety (90) days written notice to the Contractor.	✓

## 12.0 RISK ADJUSTMENTS

### Purpose for Risk Adjustments

Contract Requirement	Agree to Comply
Risk adjustment uses information on an Enrollee's medical conditions, as reported in Claims data, and other factors to predict health care costs and adjust payments to MCOs. Risk adjustment helps ensure payments to MCOs are more equitable and mitigates the impact of selection bias, thus protecting MCO solvency and reducing incentives for plans to avoid high-risk individuals. Risk adjustment is designed to be revenue neutral to the State.	✓

### 12.1 Risk Adjustment Method

Contract Requirement	Agree to Comply
The Department will analyze the risk profile of each MCO's Enrollees using a risk adjustment model specified by the Department.	✓
A. Enrollees will be assigned risk scores based on attributes including, but not limited to, demographics, disease conditions, rate cell, and duration of enrollment in the study period.	
B. Not all Enrollees will be risk scored. Exclusions such as dual eligible Enrollees may exist.	✓
C. Each MCO's proposed base Capitation rates will be risk adjusted based on its Enrollees' risk scores relative to risk scores of other MCOs.	✓
D. The Department will update risk scores at least one (1) time per State Fiscal Year, either in the form of a full Enrollee re-score or an update for changes in Enrollee distributions, with all calculations including a budget neutrality adjustment.	✓
Supplemental Pass-Through Payments and Payments related to the HIF will not be risk-adjusted.	✓

## 13.0 CONTRACTOR'S FINANCIAL SECURITY OBLIGATIONS

### Solvency Requirements and Protections

Contract Requirement	Agree to Comply
The Contractor shall be subject to requirements contained in KRS Chapter 304 and related administrative regulations regarding protection against Insolvency and risk-based capital requirements. In addition, pursuant to KRS 304.3-125, the Commissioner has authority to require additional capital and surplus if it appears that an Insurer is in a financially hazardous condition.	✓
The Contractor shall cover continuation of services to Enrollees during Insolvency, for the duration of the period for which payment has been made, as well as for inpatient admissions up until discharge.	✓
In the event of the Contractor's Insolvency, the Contractor shall not hold its Enrollees liable, except in instances of Enrollee Fraud:	✓
A. For the Contractor's debts;	✓

B. For the Covered Services provided to the Enrollee, for which the Department does not pay the Contractor;	✓
C. For the Covered Services provided to the Enrollee for which the Department or the Contractor does not pay the individual or health care provider that furnishes the services under a contractual, referral, or other arrangement; and	✓
D. For Covered Services furnished under a contract, referral, or other arrangement, to the extent that those payments are in excess of the amount that the Enrollee would owe if the Contractor provided the services directly.	✓

### 13.1 Contractor Indemnity

Contract Requirement	Agree to Comply
In no event shall the Commonwealth, FAC, the Department or Enrollee be liable for the payment of any debt or fulfillment of any obligation of the Contractor or any Subcontractor to any Subcontractor, supplier, Out-of-Network Provider or any other party, for any reason whatsoever, including the Insolvency of the Contractor or any Subcontractor insolvency. The Contractor agrees that any Subcontract will contain a hold harmless provision.	✓
The Contractor shall indemnify, defend, save and hold harmless the Commonwealth, FAC, the Department, its officers, agents, and employees (collectively, the "Indemnified Parties") from all claims, demands, liabilities, suits, judgments, or damages, including court costs and reasonable attorney fees made or asserted against or assessed to the Indemnified Parties (collectively the "Losses"), arising out of or connected in any way with this Contract or the performance or nonperformance by the Contractor, its officers, agents, employees; and suppliers, Subcontractors, or Providers, including without limitation any claim attributable to:	✓
A. The improper performance of any service, or improper provision of any materials or supplies, irrespective of whether the Department knew or should have known such service, supplies or materials were improper or defective;	✓
B. The erroneous or negligent acts or omissions, including without limitation, disregard of federal or Commonwealth law or regulations, irrespective of whether the Department knew or should have known of such erroneous or negligent acts;	✓
C. The publication, translation, reproduction, delivery, collection, data processing, use, or disposition of any information to which access is obtained pursuant to this Contract in a manner not authorized by this Contract or by federal or Commonwealth law or regulations, irrespective of whether the Department knew or should have known of such publication, translation, reproduction, delivery, collection, data processing, use, or disposition; or	✓
D. Any failure to observe federal or Commonwealth law or regulations, including but not limited to, insurance and labor laws, irrespective of whether the Department knew or should have known of such failure.	✓
Upon receiving notice, the Department shall give the Contractor written notice of any claim made against the Contractor for which the Indemnified Parties are entitled to indemnification, so that the Contractor shall have the opportunity to appear and defend such claim. The Indemnified Parties shall have the right to intervene in any proceeding or negotiation respecting a claim and to procure independent representation, all at the sole cost and	✓

expense of the Indemnified Parties. Under no circumstances shall the Contractor be deemed to have the right to represent the Commonwealth in any legal matter without express written permission from FAC. Notwithstanding the above, Contractor shall have no obligation to indemnify the Indemnified Parties for any losses due to the negligent acts or omissions or intentional misconduct of the Indemnified Parties.	
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### 13.2 Insurance

Contract Requirement	Agree to Comply
The Contractor shall secure and maintain during the entire term of the Contract, and for any additional periods following termination of the Contract during which it is obligated to perform any obligations pursuant to this Contract, original, prepaid policies of insurance, in amounts, form and substance satisfactory to FAC, and non-cancelable except upon thirty (30) Days prior written notice to FAC, providing coverage for property damage (all risks), business interruption, comprehensive general liability, motor vehicles, workers' compensation and such additional coverage as is reasonable or customary for the conduct of the Contractor's business in the Commonwealth.	✓

### 13.3 Advances and Loans

Contract Requirement	Agree to Comply
The Contractor shall not, without thirty (30) Days prior written notice to and approval by the Department, make any advances to a related party or Subcontractor. The Contractor shall not, without similar thirty (30) Day prior written notice and approval, make any loan or loan guarantee to any entity, including another fund or line of business within its organization. Such approval is subject to <b>Section 4.4 "Approval of Department."</b> Written notice is to be submitted to the Department and if applicable to DOI. The prohibition on advances to Subcontractors contained in this subsection shall not apply to Capitation Payments or payments made by the Contractor to Contractor's Network for provision of Covered Services.	✓

### 13.4 Provider Risks

Contract Requirement	Agree to Comply
If a Provider assumes substantial financial risk for contracted services, the Contractor shall ensure that the Provider has adequate stop-loss protection. The Contractor shall provide the Department proof the Provider has adequate stop-loss coverage, including an amount and type of stop-loss.	✓

## 14.0 THIRD PARTY RESOURCES

### Coordination of Benefits (COB)

Contract Requirement	Agree to Comply
The Contractor shall actively pursue, collect and retain all monies available from all available resources for services to Enrollees under this Contract except where the amount of reimbursement the Contractor can reasonably expect to receive is less than estimated cost of recovery.	✓

Cost effectiveness of recovery is determined by, but not limited to, time, effort, and capital outlay required in performing the activity. The Contractor shall specify the threshold amount or other guidelines used in determining whether to seek reimbursement from a liable third party, or describe the process by which the Contractor determines seeking reimbursement would not be cost effective. The Contractor shall provide the guidelines to the Department for review and approval.	✓
COB collections are the responsibility of the Contractor or its Subcontractors. Subcontractors shall report COB information to the Contractor. Contractor and Subcontractors shall not pursue collection from the Enrollee but directly from the third party payer. The Contractor shall only recoup payments to providers if the third party payer is Medicare. Access to Covered Services shall not be restricted due to COB collection.	✓
The Contractor shall maintain records of all COB collections. The Contractor shall demonstrate that appropriate collection efforts and appropriate recovery actions were pursued. The Department has the right to review all billing histories and other data related to COB activities for Enrollees. The Contractor shall seek information on other available resources from all Enrollees.	✓
In order to comply with CMS reporting requirements, the Contractor shall submit a monthly COB Report for all Enrollee activity which the Department or its agent shall audit no less than every six (6) months. Additionally, Contractor shall submit a report that includes subrogation collections from auto, homeowners, or malpractice insurance, etc.	✓

#### 14.1 Third Party Liability

Contract Requirement	Agree to Comply
By law, Medicaid is the payer of last resort and as a result shall be used as a source of payment for Covered Services only after all other sources of payment have been exhausted. If an Enrollee has resources available for payment of expenses associated with the provision of Covered Services, other than those which are exempt under Title XIX of the Social Security Act, such resources are primary to the coverage provided by the Contractor, pursuant to this Contract, and must be exhausted prior to payment by the Contractor. The Capitation Rate set forth in this Contract has been adjusted to account for the primary liability of third parties to pay such expenses. The Contractor shall be responsible for determining the legal liability of third parties to pay for services rendered to Enrollees pursuant to this Contract. The Contractor shall maintain a current TPL Resource File which contains the Enrollee's current TPL information including coverage that has ended for the Enrollee. The Contractor shall share TPL information with Subcontractors that are responsible for payment of Covered Services for Enrollees. The Contractor shall also provide TPL information to the Department on a monthly file.	✓
All funds recovered by the Contractor from Third Party Resources shall be treated as income to the Contractor to be used for eligible expenses under this Contract. The Contractor and all Providers in the Contractor's Network are prohibited from directly receiving payment or any type of compensation from the Enrollee, except for Enrollee co-pays or deductibles from Enrollees for providing Covered Services. Enrollee co-payments, co-insurance or deductible amounts cannot exceed amounts specified in 907 KAR 1:604. Co-payments, co-insurance or deductible amounts may be increased only with the approval of the Department.	✓
42.C.F.R. 433.138 requires that as a condition of Medicaid eligibility each Enrollee will be required to:	✓

A. Assign, in writing, his/her rights to the Contractor for any medical support or other Third Party Payments for medical services paid for by the Contractor; and	✓
B. Cooperate in identifying and providing information to assist the Contractor in pursuing third parties that may be liable to pay for care and services.	✓
42.C.F.R. 433.138 requires the Contractor be responsible for actively seeking and identifying Third Party Resources, i.e., health or casualty insurance, liability insurance and attorneys retained for tort action, through contact with the Enrollees, participating providers, and the Medicaid Agency. However, the Commonwealth may direct the Contractor to refrain from actively seeking and identifying Third Party Resources for services that are covered only by the Medicaid program, as identified by the Department.	✓
42.C.F.R. 433.139 requires the Contractor be responsible to ensure that the Medicaid Program is the payer of last resort when other Third Party Resources are available to cover the costs of medical services provided to Medicaid Enrollees. When the Contractor is aware of other Third Party Resources, the Contractor shall avoid payment by "cost avoiding" (denying) the Claim and redirecting the provider to bill the other Third Party Resource as a primary payer. If the Contractor does not become aware of another Third Party Resource until after the payment for service, the Contractor is responsible to seek recovery from the Third Party Resource on a post-payment basis. See <b>Appendix F "Third Party Payments/Coordination of Benefits."</b> The Department or its agent will audit the Contractor's Third Party practices and collections at least every six (6) months.	✓
The Contractor shall respond to Enrollee and provider requests for COB or TPL updates according to the following timelines:	✓
A. For urgent requests, within forty-eight (48) hours; or	✓
B. For routine requests, within three (3) Business Days.	✓

## 15.0 MANAGEMENT INFORMATION SYSTEM

### Contractor MIS

Contract Requirement	Agree to Comply
The Contractor shall maintain a Management Information System (MIS) that will provide support for all aspects of a managed care operation to include the following subsystems: Enrollee, Third Party Liability, provider, reference, Encounter/Claims processing, financial, utilization data/ Quality Improvement and Surveillance Utilization Review Subsystem. The Contractor will also be required to demonstrate sufficient analysis and interface capacities. The Contractor's MIS shall ensure medical information will be kept confidential at all times including but not limited to when data is moving and at rest, through security protocol, especially as that information relates to personal identifiers and sensitive services. The Contractor shall comply with 42 C.F.R. 438.242.	✓
The Contractor shall provide such information in accordance with the format and file specifications for all data elements as specified in <b>Appendix G "Management Information Systems Requirements"</b> hereto, and as may be amended from time to time.	✓



The Contractor shall transmit all data directly to the Department in accordance with 42 C.F.R. 438. If the Contractor utilizes Subcontractors for services, all data from the Subcontractors shall be provided to the Contractor and the Contractor shall transmit the Subcontractors' data to the Department in a format specified by the Department in accordance with 42 C.F.R. 438.	✓
The Contractor will execute a Business Associate Agreement (BAA) in <b>Appendix H "Business Associates Agreement"</b> with the Department, pursuant to Sections 261 through 264 of the federal Health Insurance Portability and Accountability Act (HIPAA) of 1996, Public Law 104-191, known as "the Administrative Simplification provisions," that directs the federal Department of Health and Human Services to develop standards to protect the security, confidentiality and integrity of health information. The execution of the BAA is required prior to data exchanges being implemented.	✓
The Contractor shall meet all system requirements, including but not limited to required testing, as directed by the Department. Upon request by the Department, the Contractor shall participate in Joint Application Development sessions for system or policy changes.	✓
At least ten (10) Days prior to implementation, the Contractor shall notify the Department of any significant changes to the system that may impact the integrity of the data, including such changes as new Claims processing software, new Claims processing vendors and significant changes in personnel.	✓

### 15.1 Contractor MIS Requirements

Contract Requirement	Agree to Comply
The Department's MIS system utilizes eight (8) subsystems to carry out the functions of the Medicaid program. The Contractor is not required to have actual subsystems as listed below, provided the requirements are met in other ways which may be mapped to the subsystem concept. The Contractor shall have the capacity to capture necessary data and provide it in formats and files that are consistent with the Commonwealth's functional subsystems as described below. The Contractor shall maintain flexibility to accommodate the Department's needs if a new system is implemented by the Commonwealth. These subsystems focus on the individual systems functions or capabilities which provide support for the following areas:	✓
A. Enrollee Subsystem;	✓
B. Third Party Liability (TPL);	✓
Provider Subsystem;	✓
C. Reference Subsystem;	✓
D. Claims Processing Subsystem (to include Encounter Data);	✓
E. Financial Subsystem;	✓

F. Utilization/Quality Improvement Subsystem; and	✓
G. Surveillance Utilization Review Subsystem (SURS).	✓
The Contractor shall ensure that data received from Providers and Subcontractors is accurate and complete by conducting the following activities, at a minimum:	✓
A. Verifying, through edits and audits, the accuracy and timeliness of reported data;	✓
B. Screening the data for completeness, logic and consistency;	✓
C. Collecting service information in standardized formats to the extent feasible and appropriate, including secure information exchanges and technologies utilized for the Department's Medicaid Quality Improvement, population health and care management efforts;	✓
D. Compiling and storing all Claims and Encounter data from the Subcontractors in a data warehouse in a central location in the Contractor's MIS;	✓
E. At a minimum, assuring edits and audits comply with NCCI;	✓
F. Resolving all reporting errors in transaction submission and reconciliation; and	✓
G. Successfully transmitting required data to the Department.	✓





### 15.2 Interface Capability

Contract Requirement	Agree to Comply
The interface subsystems support incoming and outgoing data from other organizations and allow the Contractor to maintain Enrollee Enrollment information and Enrollee-related information. It might include information from secondary sources to allow the tracking of population outcome data or other population information. At a minimum, there will be a Provider, Enrollee, Encounter Record and Capitation interface. Specific requirements for the interface subsystem shall include such items as: defined data elements, formats, and file layouts including input and output job schedule with backend reporting and data reconciliation.	✓

### 15.3 Access to Contractor's MIS

Contract Requirement	Agree to Comply
The Contractor shall provide the Department with log-in credentials to allow access to Contractor's Claims and customer service systems on a read-only basis at the Contractor's primary place of business during normal business hours. The Contractor shall provide the Department access to a locked space and office security credentials for use during business hours. All access under this Section shall comply with HIPAA's minimum necessary standards and any other applicable Commonwealth or federal law.	✓

**16.0 ENCOUNTER DATA****Encounter Data Submission**

Contract Requirement	Agree to Comply
<p>In accordance with the terms of this Contract and all applicable state and federal laws, the Contractor shall submit complete, accurate, and timely Encounter Data to the Department within thirty (30) Days of Claim adjudication. This includes all paid and denied Claims, corrected Claims, adjusted Claims, voided Claims, and zero dollars (\$0) paid Claims processed by the Contractor or by its Subcontractors.</p>	
<p>The Contractor shall have a computer and data processing system sufficient to accurately produce the data, reports, and Encounter Files set in formats and timelines prescribed by the Department as defined in the Contract. The system shall be capable of following or tracing an Encounter within its system using a unique Encounter identification number for each Encounter. At a minimum, the Contractor shall electronically provide Encounter Files to the Department, on a weekly schedule. Encounter Files must follow the format, data elements and method of transmission specified by the Department. All changes to edits and processing requirements due to Federal or State law changes shall be provided to the Contractor in writing no less than sixty (60) Business Days prior to implementation, whenever possible. Other edits and processing requirements shall be provided to the Contractor in writing no less than thirty (30) Business Days prior to implementation. The Contractor shall submit electronic test data files as required by the Department in the format referenced in this Contract and as specified by the Department. The electronic test files are subject to Department review and approval before production of data. The Department will process the Encounter data through defined edit and audit requirements and reject Encounter data that does not meet its requirements. Threshold edits, those which will enable the Encounter File to be accepted, and informational editing, those which enable the Encounter to be processed, shall apply. The Department reserves the right to change the number of, and the types of edits used for threshold processing based on its review of the Contractor's monthly transmissions. The Contractor shall be given thirty (30) Business Days' prior notice of the addition/deletion of any of the edits used for threshold editing.</p>	
<p>The Contractor's weekly electronic Encounter data submission is to include all adjudicated (paid and denied) Claims, corrected Claims and adjusted Claims processed by the Contractor. Contractor shall submit all Claims within thirty (30) Days of adjudication. Encounter File transmissions that exceed a five percent (5%) threshold error rate (total Claims/documents in error equal to or exceed five percent (5%) of Claims/documents records submitted) will be subject to penalties as provided in the Contract. Encounter File transmissions with a threshold error rate not exceeding five percent (5%) will be accepted and processed by the Department. Only those Erred Encounters will be returned to the Contractor for correction and resubmission. Denied Claims submitted for Encounter processing will not be held to normal edit requirements and rejections of denied Claims will not count towards the minimum five percent (5%) rejection.</p>	
<p>Encounter data must be submitted in the format defined by the Department as follows</p>	

Health Insurance Portability and Accountability Act (HIPAA) Accredited Standards Committee (ASC) X12 version 4010A1 to ASC X12 version 5010 transaction 837 and National Council for Prescription Drug Programs (NCPDP) version 5.1 to NCPDP version 2.2. Example transactions include the following:	✓
1. 837I – Instructional Transactions	✓
2. 837P – Professional Transactions	✓
3. 837D – Dental Transactions	✓
4. 278 – Prior Authorization Transactions	✓
5. 835 – Remittance Advice	✓
6. 834 – Enrollment/Disenrollment	✓
7. 820 – Capitation	✓
8. 276/277 Claims Status Transactions	✓
9. 270/271 Eligibility Transactions	✓
10. 999 – Functional Acknowledgement	✓
11. NCPDP 2.2	✓
Encounter corrections (Encounter returned to the Contractor for correction, i.e., incorrect procedure code, blank value for diagnosis codes) will be transmitted to the Contractor electronically for correction and resubmission. The Contractor shall have the capacity to track all Erred Encounter Records and provide a report detailing transmission reconciliation of each failed transaction or file within thirty (30) Days of the transaction or file error. Penalties will be assessed against the Contractor for each Encounter record, which is not resubmitted within thirty (30) days of the date the record is returned.	✓
The Contractor shall use procedure codes, diagnosis codes, MS-DRG, and other codes used for reporting Encounter data in accordance with guidelines and versions of all code sets as defined by the Department. The Contractor shall also use appropriate NPI/Provider numbers for Encounters as directed by the Department.	✓
The Contractor shall submit corresponding data in all data fields on each Encounter File submitted to the Department. Claims shall be submitted with a current and valid date in the format identified by the applicable Encounter File submission guidelines.	✓

Encounters submitted without dates, including those that have previously been allowed to be submitted blank, shall be populated with a valid date or the Encounter shall threshold. A complete list of field requirements at both the detail and the header levels shall be supplied by the Department.	✓
The Encounter File will be received and processed by the Department's Fiscal Agent and will be stored in the existing MMIS.	✓
The Contractor shall include provisions in all Subcontracts with Providers or other vendors requiring that an Encounter is reported/submitted in an accurate and timely fashion that complies with Department requirements.	✓
The Contractor shall specify to the Department the name of the primary contact person assigned responsibility for submitting and correcting Encounters, and a secondary contact person in the event the primary contact person is not available. The Contractor shall report the reconciliation status of failed transactions on a monthly basis.	✓
The Contractor shall submit Encounter data after the Contract ends for services rendered during the Contract period for a sufficient time as determined by the Department to ensure timely filing and complete data.	✓
The Department will conduct an annual validity study to determine the completeness, accuracy and timeliness of the Encounter data provided by the Contractor. Completeness will be determined by assessing whether the Encounter data transmitted includes each service that was provided. Accuracy will be determined by evaluating whether or not the values in each field of the Encounter accurately represent the service that was provided. Timeliness will be determined by assuring that the Encounter was transmitted to the Department the month after adjudication. The Department will randomly select an adequate sample which will include hospital Claims, provider Claims, drug Claims and other Claims (any Claims except in-patient hospital, provider and drug), to be designated as the Encounter Processing Assessment Sample (EPAS).	✓
The Contractor will be responsible to provide to the Department the following information as it relates to each Claim to substantiate that the Contractor and the Department processed the Claim correctly:	✓
A. A copy of the Claim, either paper or a generated hard copy for electronic Claims;	✓
B. Data from the paid Claim's file;	✓
C. Enrollee eligibility/enrollment data;	✓
D. Provider eligibility data;	✓
E. Reference data (i.e., diagnosis code, procedure rates, etc.) pertaining to the Claim;	✓
F. Edit and audit procedures for the Claim;	✓
G. A copy of the remittance advice statement/explanation of benefits;	✓
H. A copy of the Encounter Record transmitted to the Department; and	✓

A listing of Covered Services.	✓
The Department will review each Claim from the EPAS to determine if complete, accurate and timely Encounter data was provided to the Department. Results of the review will be provided to the Contractor. The Contractor will be required to provide a corrective action plan to the Department within sixty (60) Days if deficiencies are found.	✓

### 16.1 Encounter Technical Workgroup

Contract Requirement	Agree to Comply
The Contractor shall assign staff to participate in the Encounter Technical Workgroup periodically scheduled by the Department. The workgroup's purpose is to enhance the data submission requirements and improve the accuracy, quality, and completeness of the Encounter submission.	✓

## 17.0 OFFICE OF HEALTH DATA AND ANALYTICS

### Kentucky Health Information Exchange

Contract Requirement	Agree to Comply
Providers who contract with The Contractor will sign a Participation Agreement with the Kentucky Health Information Exchange (KHIE) within one (1) month of contract signing. Providers will engage with KHIE for the purpose of connecting their electronic health records (EHR) system to the health information exchange to share their patient electronic records. The ultimate objective is to facilitate improved care coordination resulting in higher quality care and better outcomes. The data set required for submission is a Summary of Care Record.	✓
Hospitals that contract with "Your MCO" will be required to also submit ADTs (Admission, Discharge, Transfer messages) to KHIE.	✓
If the provider does not have an electronic health record they must still sign a Participation Agreement with KHIE and sign up for Direct Secure Messaging services so that clinical information can be shared securely with other providers in their community of care.	✓
The Contractor will submit a monthly report to the KY Office of Health Data and Analytics regarding the above items.	✓

### 17.1 Kentucky Health Benefit Exchange

Contract Requirement	Agree to Comply
The Contractor shall develop a collaborative relationship with Enrollees of the Kentucky Health Benefit Exchange (KHBE) Consumer Assistance Program, which includes KHBE staff, Assistors, Navigators, Certified Application Counselors and Insurance Agents. The Contractor shall provide a contact person to KHBE staff for outreach and education, accessibility complaints, and Grievances and appeals as appropriate for the Medicaid responsibilities of Assistors and Navigators.	✓

**18.0 ELECTRONIC HEALTH RECORDS**

Contract Requirement	Agree to Comply
The Contractor shall encourage all Providers in its Network to participate in the EHR Incentive Program, if eligible.	✓
The Department will continue to administer the EHR Incentive Payment Program. The Department will notify the Contractor on a monthly basis which providers have received incentive payments and will continue to update the Contractor when additional payments are made. The Contractor shall comply with data requests from the Department to assist in verification that the Providers are meeting the requirements for the EHR Incentive Payment Program.	✓

**19.0 QUALITY MANAGEMENT AND HEALTH OUTCOMES**

Contract Requirement	Agree to Comply
The Contractor shall support Kentucky in its goals to transform the Medicaid program to empower individuals to improve their health and engage in their healthcare and to drastically improve quality of care and healthcare outcomes, and to reduce or eliminate health disparities. To support these goals, the Contractor shall implement innovative and strategic solutions to Quality Management and improvement, and collaborate with the Department and other contracted MCOs, to develop a data-driven, outcomes-based continuous quality improvement process. The Department will work with the MCOs to develop approaches that are focused and achievable. The Contractor shall work to achieve improvements in outcomes and performance metrics as determined by the Department, and to develop a value-based payment (VBP) model.	✓
The Contractor is accountable to the Department for the quality of care provided to Enrollees, and as such shall implement a comprehensive approach to quality measurement and improvement that complies with 42 C.F.R. 438 Subpart E, requirements of this Contract, and the Department's Quality Strategy. The Contractor shall implement a comprehensive QAPI Program in compliance with the requirements of 42 C.F.R. 438.330.	✓
The Contractor shall provide copies of all materials and documents identified in this section that must be submitted to the Department to the Department's Division of Program Quality & Outcomes, Managed Care Oversight Quality Branch Manager.	✓

**19.1 National Committee for Quality Assurance (NCQA) Accreditation**

Contract Requirement	Agree to Comply
In compliance with 42 C.F.R 438.332, the Contractor shall inform the Department of its accreditation status for its Medicaid product line within two (2) years from the Effective Date of its initial MCO Contract with the Commonwealth. The Contractor shall have NCQA accreditation.	✓
If the Contractor holds a current NCQA accreditation status it shall submit a copy of its current certificate of accreditation with a copy of the complete accreditation survey report, including scoring of each category, standard, and element levels, and recommendations, as presented via the NCQA Interactive Review Tool (IRT): Status, Summarized & Detailed Results, Performance, Performance Measures, Must Pass Results	✓

Recommendations and History to the Department in accordance with timelines established by the Department.	
The Contractor shall authorize the accrediting entity to provide the Department a copy of its most recent accreditation review, including:	✓
A. Accreditation status, survey type, and level (as applicable);	✓
B. Accreditation results, including recommended actions or improvements, corrective action plans, and summaries of findings;	✓
C. Expiration date of the accreditation.	✓
The Contractor shall provide the Department a copy of its complete survey report every (3) three years.	✓

### 19.2 Quality Committees and Meetings

Contract Requirement	Agree to Comply
A. The Contractor shall have in place an organizational Quality Improvement Committee (QIC) that shall be responsible for all quality activities. The QIC structure shall be chaired by the Contractor's Medical Director or Quality Improvement Director, be interdisciplinary and include administrative staff assigned to this Contract and Kentucky-based providers of a variety of medical disciplines including behavioral health, health professions and individual(s) with specialized knowledge and experience with Individuals with special health care needs and/or receiving Population Health Management services.	✓
The QIC shall analyze and evaluate the results of QM/QI activities, recommend policy decisions, ensure that providers are involved in the QM/QI program, institute needed action to address deficiencies, and ensure that appropriate follow-up occurs.	✓
The QIC shall maintain records that document the QIC's activities, meeting minutes, findings, recommendations, actions, and results. Records shall be available for review upon Department request, during the annual on-site EQRO review, and/or for NCQA accreditation review.	✓
The Contractor shall provide the Department's Chief Medical Officer with ten (10) Days advance notice of all regularly scheduled QIC meetings with an agenda and related meeting materials, as available, to support determination of attendance.	✓
B. The Contractor shall establish and maintain an ongoing Quality and Member Access Committee (QMAC) composed of Enrollees, individuals from consumer advocacy groups or the community who represent the interests of the Enrollee population. The Contractor shall also include community-based organizations on the Committee.	✓
The Contractor shall implement innovative strategies to encourage Enrollee participation in the Committee. The Contractor may collaborate with other contracted MCOs to conduct joint QMACs, with Department approval, if doing so is found to increase Enrollee participation and input. Enrollees participating in the QMAC shall be consistent with the composition of the Enrollee population, including such factors as aid category, gender, geographic distribution, parents, as well as adult Enrollees and representation of racial and ethnic minority groups. Enrollee participation	✓



may be excused by the Department upon a showing by Contractor of good faith efforts to obtain Enrollee participation. The Contractor shall conduct at least quarterly meetings of the QMAC. Responsibilities of the QMAC shall include the following at a minimum:	
A. Providing review and comment on the following:	✓
1. Quality and access standards;	✓
2. Grievance and Appeals process and policy modifications based on review of aggregate Grievance and Appeals data;	✓
3. Enrollee Handbooks;	✓
4. Enrollee educational materials prepared by the Contractor; and	✓
5. Contractor and Department policies that affect Enrollees.	✓
B. Recommending community outreach activities.	✓
The Contractor shall provide the Department with ten (10) Days advance notice of all regularly scheduled meetings of the QMAC with an agenda and related meeting materials, as available, to support determination of attendance. The Contractor shall submit meeting minutes to the Department within ten (10) Days after conduct of each meeting.	✓
The Contractor shall submit a summary to the Department annually that includes a listing of the Enrollees participating with the QMAC, recommendations received from attendees, and information about if and how the Contractor implemented the recommendations.	✓
C. The Contractor shall participate in quality meetings with the Department, its designees, and other CHFS departments and/or other contracted MCOs quarterly or at a frequency otherwise determined by the Department. These meetings will be used to collaborate on quality initiatives, for MCOs to provide updates on progress of their performance improvement projects (PIPs), or other initiatives to support achievement of Department goals to improve outcomes. The Contractor shall be prepared to discuss opportunities and challenges in addressing quality, outcomes, and population health.	✓

### 19.3 Quality Assurance and Performance Improvement (QAPI) Program

Contract Requirement	Agree to Comply
The Contractor shall implement and operate a comprehensive QAPI Program in compliance with the requirements of 42 C.F.R. 438.330 that focuses on health outcomes, health improvement and health-related social needs. The QAPI program shall assess, monitor, evaluate and improve the quality of care provided to Enrollees. QAPI activities of Providers and Subcontractors, if separate from the Contractor's QAPI activities, shall be integrated into the overall QAPI program. Requirements to participate in QAPI activities, including submission of complete Encounter Record(s), are	✓

incorporated into all Provider and Subcontractor contracts and employment agreements. The Contractor's QAPI program shall provide feedback to the Providers and Subcontractors regarding integration of, operation of, and corrective actions necessary in Provider and Subcontractor QAPI activities.	
The Contractor shall integrate management activities such as Utilization Management, Risk Management, Enrollee Services, Grievances and Appeals, Population Health Management, Provider Credentialing, Ombudsman Services and Provider Services in its QAPI program.	✓
The Contractor's QAPI program shall use as a guideline the most current NCQA Standards and Guidelines for the Accreditation of MCOs and incorporate best practices and innovations in quality assurance. The Contractor shall collaborate with Enrollees to gain input on development of the QAPI program. The Contractor shall maintain documentation of all Enrollee input, response, conduct of performance improvement activities, and feedback to Enrollees. Documentation shall be made available upon request of the Department or its contracted EQRO.	✓
The QAPI program shall at a minimum include:	✓
A. Requirements set forth in the Department's Quality Strategy and in accordance with federal regulations at 42 CFR 438.330, including:	✓
<b>Conducting and assessing PIPs as further described in Section 19.6 "Performance Improvement Projects" of this Contract;</b>	✓
1. Collecting and submitting to the Department performance measurement data that enables the Department to calculate performance on required measures, including indication of progress on measures and related outcomes;	✓
2. Establishing mechanisms for detecting under-utilization and over-utilization of services' and	✓
3. Mechanisms to assess the quality and appropriateness of care furnished to Enrollees with special health care needs, as defined by the State.	✓
<b>A QIC to provide oversight of QAPI functions;</b>	✓
B. Methods for seeking input from and working with stakeholders, such as the Department, Enrollees, Providers, Subcontractors, other contracted MCOs, other community resources and agencies, and advocates to actively improve the quality of care provided to Enrollees;	✓
C. Methods for addressing Department mandated performance measures;	✓
D. Integration of Behavioral Health indicators into the QAPI program and a systematic, ongoing process for monitoring, evaluating, and improving the quality and appropriateness of Behavioral Health Services provided to Enrollees;	✓
E. Methods to collect data, and monitor and evaluate for improvements to physical health outcomes resulting from behavioral health integration into the Enrollee's overall care;	✓
F. Use of a health information system to support collection, integration, tracking, analysis and reporting of data analytics specific to health care outcomes and performance metrics, including	✓

stratification of findings (e.g., by Region, provider type, Enrollee populations); and	
G. Methods to evaluate data and findings reports to assess QAPI program activities, progress on objectives, identified areas for improvements and processes to implement changes, including methods for providing feedback or other information to Providers and Enrollees.	✓
Within thirty (30) Days of Contract Execution, by each June 30, thereafter, and upon request, the Contractor shall submit a QAPI Program Plan for review and approval by the Department. The QAPI Program Plan shall include the below information, at a minimum. The Department reserves the right to designate the required format and design for the QAPI Program Plan.	✓
A. Detailed QAPI program description that addresses goals and objectives, all program elements, and scope of activities;	✓
B. Discussion of innovative approaches the Contractor will implement to support the Department in achieving improved outcomes;	✓
C. Detailed description of the Contractor's staffing to meet QAPI program goals and objectives, including a listing of staffing resources, roles, qualifications and experience, and total FTEs percentage of time;	✓
D. Description of QAPI activities to be conducted by Providers and Subcontractors, if separate from the Contractor's QAPI activities and integration of those into the overall QAPI program;	✓
E. Workplan that provides the scope of activities and timelines, including reporting cycles and annual evaluation;	✓
F. Clearly defined approaches to Quality Improvement efforts, including PIPs, that the Contractor will implement; and	✓
G. A process to continually evaluate the impact and effectiveness of the QAPI program, and approach to modify the QAPI Program to address deficiencies.	✓
The Contractor shall establish new goals and objectives at least annually based on findings from QI activities and studies, survey results, Grievances and Appeals, performance measures, and EQRO findings, among other information as identified by the Department or Contractor.	✓

#### 19.4 Kentucky Healthcare Outcomes

Contract Requirement	Agree to Comply
The Contractor's Quality Management and performance improvement approach shall incorporate rigorous outcomes measurement against relevant targets and benchmarks. All health goals, outcomes, and indicators shall comply with Federal requirements established under 42 C.F.R. 438.240 (C) (1) and (C) (2) relating to Contractor performance and reporting. The Department will specify the required performance and outcomes measures that the Contractor shall address, including Health Care Effectiveness Data and Information Set (HEDIS™) measures and Kentucky- specific measures. Performance measures, benchmarks, and/or specifications may be modified by the Department over the course of the Contract to comply with industry standards and updates, as well as to focus on particular outcomes. The Department will provide the Contractor with at least ninety (90) Days' notice,	✓

when possible, to make administrative changes to comply with any new measurement requirements.	
A. The Department will set specific quantitative performance targets and goals, and the Contractor shall be expected to achieve demonstrable and sustained improvement for each measure. Minimum performance levels shall be specified for each performance improvement area derived from regional or national standards or from standards established by an appropriate practice organization.	✓
B. The Contractor shall report activities to address the performance measures in the QAPI Plan quarterly and shall submit an annual report after collection of performance data. The Contractor shall make comparisons across data for each measure by the Medicaid geographic regions, eligibility category, race ethnicity, gender and age to the extent such information has been provided by the Department to Contractor. The Contractor shall incorporate consideration of social determinants of health into the process for analyzing data to support population health management. Reported information may be used to determine disparities in health care. The Contractor shall submit a plan to the Department for initiatives and activities the Contractor will implement to address identified disparities.	✓
C. The Contractor shall continually work to improve health outcomes from year to year and sustain such improvements. The Department shall assess the Contractor's achievement of performance improvement as evidenced by health outcome measurement results on an annual basis unless otherwise specified by the Department.	✓
D. Where achievement is lagging in progress towards meeting performance measure targets, the Department will consider the following:	✓
1. Opportunities across MCOs to collaborate to understand challenges and work with the MCOs to identify opportunities to coordinate efforts to work towards improvement. The Contractor shall actively participate in collaborative efforts, including providing data and other materials to help inform options.	✓
2. Need for the Contractor to develop and implement a corrective action plan that addresses the lack of achievements and identifies steps that will lead toward improvements. The Contractor shall submit the plan to the Department within thirty (30) Calendar Days of receipt of notification of required corrective action.	✓
<b>Implementation of penalties, as deemed appropriate by the Department due to Contractor failure to make improvements. See Appendix B "Remedies for Violation, Breach, or Non-Performance of Contract" for information about penalties.</b>	✓

#### 19.5 Reporting HEDIS™ Performance Measures

Contract Requirement	Agree to Comply
The Contractor shall collect and report HEDIS™ data annually, including separate data for the KCHIP population. After completion of the Contractor's annual HEDIS™ data collection, reporting and performance measure audit, the Contractor shall submit to the Department the Final Auditor's Report issued by the NCQA certified audit organization and an electronic	✓

(preferred) or printed copy of the interactive data submission system tool (formerly the Data Submission tool) by no later than each August 31.	
In addition, for each measure being reported, the Contractor shall provide trending of the results from all previous years in chart and table format to the Department. Where applicable, benchmark data and performance goals established for the reporting year shall be indicated. The Contractor shall include the values for the denominator and numerator used to calculate the measures.	✓
For all reportable Effectiveness of Care and Access/Availability of Care measures, the Contractor shall make comparisons across each measure by Medicaid Region, Medicaid eligibility category, race, ethnicity, gender and age.	✓
Annually, the Contractor and the Department will select a subset of targeted performance from the HEDIS™ reported measures and Kentucky-specific measures on which the Department will evaluate the Contractor's performance. The Department shall inform the Contractor of its performance on each measure, whether the Contractor satisfied the goal established by the Department, and whether the Contractor shall be required to implement corrective action. The Contractor shall have sixty (60) Days to review and respond to the Department's performance report.	✓
The Department reserves the right to evaluate the Contractor's performance on targeted measures based on the Contractors submitted Encounter data. The Contractor shall have sixty (60) Days to review and respond to findings reported as a result of these activities.	✓

#### 19.6 Performance Improvement Projects (PIPs)

Contract Requirement	Agree to Comply
The purpose of health care quality performance improvement projects (PIPs) is to assess and improve processes, and thereby outcomes, of care for Enrollees. For these projects to achieve real improvements and for interested parties to have confidence in the reported improvements, the Contractor shall follow CMS protocol when designing, conducting, and reporting on PIPs in a methodologically sound manner.	✓
The Contractor shall comply with 42 C.F.R. 438.330(d) to conduct PIPs which focus on both clinical and non-clinical areas. PIPs focused on clinical areas as designated by the Department may address preventive and chronic health care needs of the whole Enrollee population and subpopulations, including, but not limited to Medicaid eligibility category, type of disability or special health care needs, race, ethnicity, gender and age. PIPs focused on non-clinical areas as designated by the Department may address issues such as improving the quality, availability, and accessibility of services provided by the Contractor to Enrollees and Providers. Such aspects of service should include, but not be limited to availability, accessibility, cultural competency of services, and complaints, grievances, and Appeals.	✓
The Department and its contracted EQRO shall determine PIP focus areas, and the Contractor shall implement PIPs as follows to achieve significant improvements that are sustained over time, in health outcomes and Enrollee satisfaction:	✓
A. The Contractor shall design and implement PIPs that are focused on areas of concern to conduct on an ongoing basis.	✓

B. The Department will work with the EQRO and the MCOs to identify regionally based collaborative PIPs that would be feasible and impactful for the Kentucky healthcare community. All parties will work together to develop strategies and detailed processes for implementing and coordinating efforts for regional collaborative PIPs. To support a collaborative process, the Contractors shall perform the following activities:	✓
1. Define the scope of the PIP, identify target populations, set improvement goals, and define comprehensive interventions;	✓
2. Coordinate with existing State or MCO initiatives, as applicable;	✓
3. Support development of meeting agenda topics, writing quarterly reports, and identifying subject matter experts who should attend meetings based on the agenda items, and writing quarterly reports upon Department request.	✓
4. Provide adequate funding and staffing resources to execute the PIP.	✓
5. Evaluate the successes and challenges of interventions on an ongoing basis, and provide quarterly progress reports and an annual findings report to the Department.	✓
DMS will give final approval for the collaborative PIP design and establish required timelines for ongoing meetings and coordination among the involved parties.	✓
C. As required by the Department, the Contractor shall implement an additional PIP if findings from an EQR review or audit indicate need or if directed by CMS. The Contractor shall assist the Department by supplying readily available data, soliciting input and supporting clinicians.	✓
D. Implement PIPs as identified and requested for conduct by CMS.	✓
The Contractor's PIPs shall include the following elements:	✓
A. Measurement of performance using objective quality indicators and measures and minimum performance levels as defined collaboratively by the Department, the EQRO, and Contractor prior to commencement of each PIP. In determining indicators and measures, the Department and Contractor shall work to confirm they are not misaligned with those being used in other projects and that they are measurable and can be tracked. The Department shall have final decision and approval of required indicators and data definitions of each;	✓
B. Implementation of interventions to achieve improvement in the access to and quality of care;	✓
C. Evaluation of the effectiveness of the interventions based on the performance measures; and	✓
D. Planning and initiation of activities for increasing or sustaining improvement.	✓
The Contractor shall be committed to ongoing collaboration for service and clinical care improvements through efforts such as development of best	✓

practices, use of Encounter data-driven performance measures and establishment of relationship with existing organizations engaged in provider performance improvement through education and training in best practices and data collection. The Contractor shall develop collaborative relationships with local health departments, behavioral health agencies, community-based health and social agencies and health care delivery systems to achieve improvements in priority areas. Linkages with local public health agencies is essential for achievement of public health objectives. Evidence of adequate partnerships should include formal documentation of meetings, input from stakeholders and shared responsibility in the design and implementation of PIP activities	
The Contractor shall complete each PIP in a period determined by the Department to allow information on the success of the project in the aggregate to produce new information on quality of care each year. Each PIP will use a study period approved by the Department.	✓
The Contractor shall continuously monitor its own performance on a variety of dimensions of care and services for Enrollees, identify areas for potential improvement, undertake system interventions to improve care and services, and monitor the effectiveness of those interventions.	✓
The Contractor shall participate in the quarterly quality meetings or more frequent meetings with the Department to review progress in achieving the identified goals and targeted improvements for the PIP focus areas. The Department may request ad-hoc meetings as it deems necessary to, for example, address areas of non-compliance. The Department will provide the Contractor with reasonable advance notice of meetings, generally at least five (5) Business Days when possible. The Contractor shall provide to the Department, no later than fourteen (14) Business Days prior to each quarterly meeting, an electronic report detailing the Contractor's progress, successful strategies, and challenges in achieving improvements.	✓
The Contractor shall report the status and results of all required PIPs to the Department as required in 42 C.F.R. 438.330(c)(3) with sufficient detail for the Department to evaluate the reliability and validity of the data and the conclusions drawn. The Contractor's final report shall follow a format as approved by the Department, and must provide detailed information that addresses all items, as applicable, that are outlined in the CMS Protocol for Performance Improvement Projects, PIP Review Worksheet.	✓
The Contractor shall validate if improvements were sustained through periodic audits of the relevant data and maintenance of the interventions that resulted in improvement.	✓
While undertaking a PIP, no specific payments shall be made directly or indirectly to a provider or provider group as an inducement to reduce or limit Medically Necessary services furnished to an Enrollee.	✓

### 19.7 Department for Public Health Initiatives

Contract Requirement	Agree to Comply
The Contractor is encouraged to work with the Department for Public Health to support efforts to improve public health outcomes and to support the Department for Public Health's key priorities, which include but are not limited to diabetes, obesity, cardiovascular disease, lung cancer, and substance use disorder. The Contractor is encouraged to work with the Department for Public Health to identify opportunities for the Contractor to collaborate and participate in initiatives such as, but not limited to, the following: the Diabetes Self-Management Program and the Diabetes	✓

Prevention and Control Program, and the Tobacco Prevention and Cessation Program.	
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### 19.8 Quality Management and Performance Improvement Monitoring and Evaluation

Contract Requirement	Agree to Comply
The Contractor, through the QAPI program, shall monitor and evaluate progress in improving the quality of health care and outcomes on an ongoing basis and provide updates to the Department on progress during quality meetings and at the Department's request on an ad hoc basis. Health care needs such as preventive care, acute or chronic physical or behavioral conditions, social determinants of health and high volume, high risk, and special health care needs populations shall be studied and prioritized for performance measurement, performance improvement and/or development of practice guidelines.	✓
The Contractor's Quality Management and performance improvement activities shall demonstrate the linkage of quality initiatives and projects to findings from multiple quality evaluations, such as the EQR annual evaluation, opportunities for improvement identified through performance metrics (e.g., annual HEDIS™ indicators), results of consumer and provider surveys, internal surveillance and monitoring, as well as any findings identified by the Department or an accreditation body.	✓
The Contractor shall use appropriate multidisciplinary teams to analyze and address data or systems issues. The Contractor shall collaborate with existing provider Quality Improvement activities and, to the extent possible, align with those activities to reduce duplication and to maximize outcomes.	✓
Providers shall be measured against practice guidelines and standards adopted by the Quality Improvement Committee. Areas identified for improvement shall be tracked and corrective actions taken as indicated. The effectiveness of corrective actions shall be monitored until problem resolution occurs. The Contractor shall perform reevaluations to ensure that improvement is sustained.	✓
The Contractor shall annually review and evaluate the overall effectiveness of the QAPI program to determine whether the program has demonstrated improvement in the quality of care and service provided to Enrollees. The Contractor shall modify as necessary, the QAPI program, including Quality Improvement policies and procedures; clinical care standards; practice guidelines and patient protocols; utilization and access to Covered Services; and treatment outcomes to meet the needs of Enrollees. The Contractor shall prepare a written report to the Department, detailing the annual review and shall include a review of completed and continuing QI activities that address the quality of clinical care and service; trending of measures to assess performance in quality of clinical care and quality of service; any corrective actions implemented; corrective actions which are recommended or in progress; and any modifications to the program. There shall be evidence that QI activities have contributed to meaningful improvement in the quality of clinical care and quality of service, including preventive and behavioral health care, provided to Enrollees. The Contractor shall submit this report as specified by the Department. The Department shall give the Contractor advance notice of the due date of the annual QAPI report. The Department may require interim reports more frequently than annually to demonstrate Contractor progress.	✓



**19.9 Value-based Payment**

<b>Contract Requirement</b>	<b>Agree to Comply</b>
The Contractor shall collaborate with the Department and other MCOs to implement a Value-Based Payment (VBP) model that aligns incentives for Enrollees, Providers, the Contractors, and the Commonwealth to achieve the Medicaid program's overarching goals for improvement in quality and healthcare outcomes. The impact of initiatives will be measured in terms of access, outcomes, quality of care, and savings.	✓
The Contractor shall work collaboratively with the Department and other MCOs to develop, implement, and execute the VBP model, for which the Department has final approval on design. The Contractor shall provide staffing, including Executive Team members such as the Chief Medical Officer, to attend planning meetings on a schedule defined by the Department and to provide expertise and input on the design, priorities, and initiatives to implement the models. Initiatives shall include an approach to incentivize Providers to participate, and to support Providers in learning about opportunities under the model and their roles in achieving goals. The Contractor may also implement strategies and incentives to encourage Enrollees' participation in addressing their own health needs which may in turn support achievement of identified performance measures.	✓
The Department will finalize performance measures and related targets that the Contractor shall achieve under the VBP model based on the Department's goals for the Medicaid program to support achieved healthcare outcomes and achieve savings. The Department will also determine payment strategies for the Contractor's achievement levels of the required targets such as incentive payments and withholds. The Contractor shall develop initiatives it will implement to achieve the performance measure targets. The Department may also specify required initiatives for the Contractor and other contracted MCOs to implement, which may coordinate with PIPs and focused studies. All contracted MCOs are encouraged to collaborate on initiatives, interventions, and solutions to be implemented.	✓
The Department reserves the right to modify the performance measures during the Contract Term. For any performance measures, the Department and the Contractor shall agree to the methodology for quantifying the Contractor's success in achieving targets and related incentives.	✓
When the VBP model is implemented, the Contractor shall review and provide real-time information focused on the initiatives it is undertaking to achieve required targets on a monthly and quarterly basis and submit reports annually based on agreed upon reporting requirements. The Contractor shall highlight status and progress of initiatives, as well as successes and challenges. The Department will make the final decision as to data and information to be reported to the Department by the Contractor. The Contractor and the Department shall use findings to identify additional opportunities for improvement to the model and need for modification of priorities, measures, and targets.	✓

**19.10 Conduct of Surveys**

<b>Contract Requirement</b>	<b>Agree to Comply</b>
The Contractor shall conduct an annual survey of Enrollees' and Providers' satisfaction with the quality of services provided and their degree of access to services. The Enrollee satisfaction survey requirement shall be satisfied	✓

by the Contractor participating in the Agency for Health Research and Quality's (AHRQ) current Consumer Assessment of Healthcare Providers and Systems survey ("CAHPS") for Medicaid Adults and Children with a separate sample and survey for CHIP Enrollees, administered by an NCQA certified survey vendor. The Contractor shall provide a copy of the current CAHPS survey tool to the Department. Annually, the Contractor shall assess the need for conducting special surveys to support quality/performance improvement initiatives that target subpopulations perspective and experience with access, treatment and services. To meet the provider satisfaction survey requirement, the Contractor shall submit to the Department for review and approval the Contractor's provider satisfaction survey tool within thirty (30) Days of signing the Contract, annually and prior to any revisions.	
The Department shall review and approve any survey instruments and shall provide a written response to the Contractor within thirty (30) Days of receipt. The Contractor shall provide the Department a copy of all survey results. A description of the methodology to be used conducting surveys, the targeted audience, the number and percentage of stakeholders, Providers or Enrollees to be surveyed, response rates, and a sample survey instrument, shall be submitted to the Department along with the findings and interventions conducted or planned. All survey results must be reported to the Department, and upon request, disclosed to Enrollees.	✓

#### 19.11 Quality Rating System

Contract Requirement	Agree to Comply
The Department shall monitor for CMS development of a Medicaid Managed Care Quality Rating System to determine whether it will adopt the CMS system or develop its own. The Department shall implement CMS's Medicaid Managed Care Quality Rating System or develop its own within three (3) years of the date of a final notice published in the Federal Register. When implemented, the Contractor shall comply with requirements specified by the Department.	✓

#### 20.0 UTILIZATION MANAGEMENT

Contract Requirement	Agree to Comply
The Contractor may establish measures that are designed to maintain quality of services and control costs and are consistent with its responsibilities to Enrollees; may place appropriate limits on a service on the basis of criteria applied under the Medicaid State Plan, and applicable regulations, such as Medical Necessity; and place appropriate limits on a service for utilization control, provided the services furnished can reasonably be expected to achieve their purpose, services supporting individuals with ongoing or chronic conditions or who require long-term services and supports are authorized in a manner that reflects the Enrollee's ongoing need for such services and supports, and Family Planning Services are provided in a manner that protects and enables the Enrollee's freedom to choose the method of family planning.	✓

**20.1 Utilization Management Program**

<b>Contract Requirement</b>	<b>Agree to Comply</b>
The Contractor shall implement a Utilization Management (UM) Program that meets the requirements set forth in this section and that is documented in a plan as defined in KRS 304.17A- 600. The UM program, processes and timeframes shall be in accordance with 42 C.F.R. 456, 42 C.F.R. 431, 42 C.F.R. 438. If the Contractor utilizes a private review agent, as defined in KRS 304.17A-600, the agent shall comply with all applicable requirements of KRS 304.17A-600 to 304.17A-633, as applicable. The Medical Director and Behavioral Health Director shall supervise the UM Program and shall be accessible and available for consultation as needed.	✓
The Contractor shall implement innovative and effective Utilization Management processes to ensure a high quality, clinically appropriate yet highly efficient and cost-effective delivery system. The Contractor shall continually evaluate the cost and quality of medical services delivered by Providers. The Contractor shall apply objective and evidence-based criteria that take the individual Enrollee's circumstances when determining the Medical Necessity of health care services.	✓
The Contractor shall have a written plan for the UM program that details the program structure and, if delegated, includes a clear definition of authority and accountability for all activities between the Contractor and entities to which the Contractor delegates UM activities. The UM Program and Review Plan shall comply with KRS 304.17A-600 and include the following information, at a minimum:	✓
A. Scope of the program;	✓
B. The processes and information sources used to determine service coverage;	✓
C. List which services require PCP Referral; which services require Prior Authorization and how requests for initial and continuing services are processed;	✓
D. Written policies and procedures to evaluate Medical Necessity, the criteria used, information sources, timeframes and the process used to review, approve, or deny the provision of services, as needed, including those specific to the EPSDT program;	✓
E. Policies and procedures to evaluate discharge criteria, site of services, levels of care, triage decisions and cultural competence of care delivery;	✓
F. Written policies and procedures for monitoring to ensure clinically appropriate overall continuity of care;	✓
G. Written policies to ensure the coordination of services:	✓
1. Between settings of care, including appropriate Discharge Planning for short-term and long-term hospital and institutional stays;	✓
2. With the services the Enrollee receives from any other MCO;	✓
3. With the services the Enrollee receives in FFS; and	✓

4. With the services the Enrollee receives from community and social support providers.	✓
H. Written policies and procedures that explain how Prior Authorization data shall be incorporated into the Contractor's overall Quality Improvement Plan;	✓
I. Education plan for UM Program staff in the application of related policies and use of designated criteria in making UM decisions;	✓
J. Written policies and procedures for complying with the Mental Health Parity And Addiction Equity Act (MHPAEA);	✓
K. Mechanisms to identify or detect under-utilization and over-utilization of services; and	✓
L. Description of evaluation approach of Enrollee satisfaction (using the CAHPs survey) and Provider satisfaction with the UM program as part of its satisfaction surveys, and how the Contractor will use results.	✓
Nothing in this section shall prohibit or impede the Contractor from applying a person-centric clinical decision that may vary from the written Utilization Management Policies and Procedures in so far as that decision is accompanied by the clinical rationale for such a decision.	✓
Network Providers may participate in UM activities to the extent that there is not a conflict of interest. The Contractor shall have UM Policies and Procedures that define when such a conflict may exist and remedies.	✓
The Contractor shall include in each Subcontract that, consistent with 42 C.F.R. Sections 438.6(h) and 422.208, compensation to individuals or entities that conduct UM activities is not structured so as to provide incentives for the individual or entity to deny, limit, or discontinue Medically Necessary services to an Enrollee.	✓
The Contractor shall submit the UM Program description to the Department for approval within thirty (30) Days of signing the Contract annually and at any time when making material revisions.	✓
The Contractor shall evaluate the UM program annually, including an assessment of the effectiveness in improving clinical and service outcomes. The evaluation shall include assessment of UM activities conducted by Subcontractors. The UM program evaluation along with any changes to the UM program as a result of the evaluation findings, will be reviewed and approved annually by the Contractor's Medical Director and Behavioral Health Director prior to submission to the Department. The Contractor shall provide findings of the evaluation to the Department, including a discussion of changes, if any, the Contractor plans to make to the program to address challenges or increase effectiveness.	✓

## 20.2 Utilization Management Committee

Contract Requirement	Agree to Comply
The Contractor shall establish an internal UM Committee, including Kentucky-based provider representation, that focuses on oversight of clinical service delivery trends across its membership, including evaluating utilization, patterns of care, and key utilization indicators. The Contractor's Medical Director shall chair or co-chair the UM Committee report findings to the QI Committee. The UM Committee shall review, at a minimum:	✓

A. The need for and approval of any changes in UM policies, standards, and procedures, including approval and implementation of clinical guidelines, and approving and monitoring the UM program description and work plan.	✓
B. Grievances and Appeals (including expedited Appeals and State Fair Hearings) related to UM activities to determine any needed policy changes.	✓

### 20.3 Clinical Practice Guidelines

Contract Requirement	Agree to Comply
The Contractor shall develop or adopt practice guidelines that are disseminated to Providers, and, upon request, to Enrollees and Potential Enrollees. The guidelines shall be based on valid and reliable medical/behavioral health evidence or consensus of health professionals; consider the needs of Enrollees; developed or adopted in consultation with contracting health professionals, and reviewed and updated periodically.	✓

### 20.4 Medical Necessity Criteria

Contract Requirement	Agree to Comply
The Contractor shall have a comprehensive UM Program that reviews services for Medical Necessity and clinical appropriateness, and that monitors and evaluates on an ongoing basis the appropriateness of care and services for physical and behavioral health. The Contractor shall comply with federal and state regulations when selecting Medical Necessity criteria. The Contractor shall adopt Interqual or MCG (Milliman) as the primary medical/surgical criteria for Medical Necessity except that the Contractor shall utilize the American Society of Addiction Medicine (ASAM) for substance use. If Interqual or MCG does not cover a Behavioral Health Service, the Contractor shall adopt the following standardized tools for Medical Necessity determinations:	✓
A. For adults: Level of Care Utilization System (LOCUS)	✓
B. For children: Child and Adolescent Service Intensity Instrument (CASII) or the Child and Adolescent Needs and Strengths Scale (CANS); for young children; Early Childhood Service Intensity Instrument (ECSII)	✓
If it is determined that a Medical Necessity criteria named in this section is not available or is not specifically addressed for a service or for a specific population, the Contractor shall submit its proposed Medical Necessity criteria to the Department for approval subject to <b>Section 4.4 "Approval of Department."</b> CMS recognized guidelines, LCDs and NCDs, may be utilized by all MCOs when other criteria do not specifically address the provider request. There must be written policies for applying the criteria based on an assessment of the local delivery system. The Department may also, at its discretion, require the use of other criteria it creates or identifies for services or populations not otherwise covered by the named criteria in this section. Criteria must be based on established scientific evidence which should be specifically referenced in documentation, and strive to incorporate local factors such as Kentucky's demography, epidemiology or provider	✓

network attributes. The Contractor shall implement such criteria within ninety (90) Days of receipt of notice from the Department.	
The Contractor's Medical Necessity criteria will be transparent and meet all relative documentation requirements as required by the Department, the Kentucky Department of Insurance, CMS or other relevant regulatory agencies. Criteria shall be readily available for review by DMS or the public by request and on the Contractor's website.	✓
The Contractor and Subcontractors responsible for service authorization decisions shall have in place written policies, procedures and mechanisms to ensure consistent application of review criteria for the processing of requests for initial and continuing authorization of services. The written clinical criteria and protocols shall provide for mechanisms to obtain all necessary information, including pertinent clinical information, and consultation with the attending physician or other health care provider as appropriate.	✓
The Contractor shall have a review body that includes representation by Kentucky licensed health care professionals that review Medical Necessity criteria at least annually. The Contractor shall annually attest to the criteria being used by the Contractor and Subcontractors for Medical Necessity decisions.	✓
The Contractor shall resubmit criteria approved under a prior contract, if applicable, to the Department for review and approval to ensure compliance with the requirements of this Contract.	✓

## 20.5 Service Authorization

Contract Requirement	Agree to Comply
The Contractor may place limits on a service in accordance with federal regulations and requirements of this Contract as set forth in this section and <b>Section 30.1 "Medicaid Covered Services."</b> Such limitations and authorization requirements shall be included in the UM Program description as set forth in <b>Section 20.0 "Utilization Management"</b> . The Contractor shall submit requests to implement new or change existing authorization requirements to the Department for review and approval prior to implementation of the change.	✓
In accordance with KRS 205.5591, the Contractor shall not require the following specific to telehealth services:	✓
A. Require Prior Authorization, medical review, or administrative clearance for telehealth that would not be required if a service were provided in person;	✓
B. Demonstration that it is necessary to provide services to an Enrollee through telehealth; and	✓
C. Restrict or deny coverage of telehealth based solely on the communication technology or application used to deliver the telehealth services.	✓
For the processing of requests for initial and continuing authorizations of services, the Contractor shall consult with the requesting Provider for medical services when appropriate. Decisions to deny a Service Authorization Request or to authorize a service in an amount, duration, or scope that is less than requested, shall be made by a physician who has appropriate clinical expertise in treating the Enrollee's medical or behavioral condition or disease. The clinical reason for the Denial, in whole	✓

or in part, specific to the Enrollee shall be cited. Physician consultants from appropriate medical, surgical and psychiatric specialties shall be accessible and available for consultation as needed.	
The Department shall provide a common Prior Authorization Form for all Contractors and Subcontractors as applicable to utilize for a Provider to initiate the Prior Authorization process. The Contractor shall give the Provider the option to use the common form or the Contractor specific form. The Contractor's Prior Authorization process shall be fully automated and comply with provisions of this Contract. The Contractor's Prior Authorization requirements shall comply with all state and federal requirements including but not limited to the requirements for parity in mental health and substance use disorder benefits in 42 C.F.R. 438.910(d).	✓

## 20.6 Service Review and Authorization Timeframes

Contract Requirement	Agree to Comply
The Contractor shall make Prior Authorization determinations in a timely and consistent manner so that Enrollees with comparable medical needs receive comparable and consistent levels, amounts, and duration of services as supported by the Enrollee's medical condition, records, and previous affirmative coverage decisions. Unless otherwise specified, the Contractor shall meet, and shall require Subcontractors to meet, the following timelines for conduct of Medical Necessity and service authorization reviews:	✓
A. Complete the review process for a standard Prior Authorization request within two (2) Business Days of receiving the request. The timeframe for a standard authorization request may be extended up to fourteen (14) Days if the Provider or Enrollee requests an extension, or if the Contractor justifies, in writing, to the Department a need for additional information and how the extension is in the Enrollee's best interest.	✓
B. For cases in which a Provider indicates, or the Contractor determines, that following the standard timeframe could seriously jeopardize the Enrollee's life or health or ability to attain, maintain, or regain maximum function, complete an expedited authorization decision within twenty-four (24) hours and provide notice as expeditiously as the Enrollee's health condition requires;	✓
C. A request for authorization or preauthorization for treatment of an Enrollee with a diagnosis of substance use disorder shall be considered an Expedited Authorization Request by the provider and the Contractor;	✓
D. Complete post-service (retrospective) review requests within fourteen (14) Days or, if the Enrollee or the Provider requests an extension or the Contractor justifies in writing to the Department a need for additional information and how the extension is in the Enrollee's interest, may extend up to an additional 14 Days.	✓
E. Upon request of an Enrollee or Provider, provide written confirmation of the Contractor's decision within three (3) Business Days of providing notification of a decision if the initial decision was not in writing. The written confirmation shall be written in accordance with Enrollee Rights and Responsibilities.	✓

**20.7 Adverse Benefit Determination Related to Requests for Services and Coverage Denials**

<b>Contract Requirement</b>	<b>Agree to Comply</b>
The Contractor shall provide the Enrollee written notice that meets the language and formatting requirements for Enrollee materials, of any Adverse Benefit Determination (not limited to service authorization actions) within the timeframes for each type of Adverse Benefit Determination pursuant to 42 C.F.R. 438.210(d) and in compliance with 42 C.F.R. 438.404 and other provisions of this Contract. The notice must explain:	✓
A. The Adverse Benefit Determination the Contractor has made or intends to make;	✓
B. The reason(s) for the Adverse Benefit Determination in clear, non-technical language that is understandable by a layperson;	✓
C. Specific and detailed information as to why the service did not meet Medical Necessity, if the action related to a Denial, in whole or in part, of a service is due to a lack of Medical Necessity;	✓
D. The federal or state regulation supporting the action, if applicable;	✓
E. The right to be provided upon request and free of charge, reasonable access to and copies of all documents, records, and other information relevant to the Enrollee's Adverse Benefit Determination, including Medical Necessity criteria, and any processes, strategies, or evidentiary standards used in setting coverage limits;	✓
F. The Enrollee's right to Appeal including information on exhausting the Contractor's one level of Appeal as required by 42 C.F.R. 438.402(b);	✓
G. Procedures for exercising Enrollee's rights to Appeal or file a Grievance;	✓
H. Circumstances under which the Appeal process can be expedited and how to request it;	✓
I. The Enrollee's rights to have benefits continue pending the resolution of the Appeal, how to request that benefits be continued, and the circumstances under which the Enrollee may be required to pay the costs of these services;	✓
J. The Enrollee's right to request a State Fair Hearing after receiving notice that the Adverse Benefit Determination is upheld;	✓
Notices to Enrollees shall:	✓
A. Be available in English, Spanish, and each Prevalent Non-English Language;	✓
B. Be available in alternative formats for persons with special needs; and	✓
C. Be easily understood in language and format.	✓
The Contractor shall give notice as follows at a minimum:	✓



A. Within ten (10) Days of an Adverse Benefit Determination when the Adverse Benefit Determination is a termination, suspension or reduction of a covered service authorized by the Department, its agent or Contractor, except the period of advanced notice is shortened to five (5) Days if Enrollee Fraud or Abuse has been determined.	✓
B. By the date of the Adverse Benefit Determination for the following situations:	✓
1. In the death of an Enrollee;	✓
2. A signed written Enrollee statement requesting service termination or giving information requiring termination or reduction of services (where he or she understands that this will be the result of supplying that information);	✓
3. The Enrollee's admission to an institution where he or she is ineligible for further services;	✓
4. The Enrollee's address is unknown and mail directed to him or her has no forwarding address;	✓
5. The Enrollee has been accepted for Medicaid services outside of Kentucky;	✓
6. The Enrollee's physician prescribes the change in the level of medical care;	✓
7. An adverse determination made with regard to the preadmission screening requirements for nursing facility admissions;	✓
8. The safety or health of individuals in the facility would be endangered, the Enrollee's health improves sufficiently to allow a more immediate transfer or discharge, an immediate transfer or discharge is required by the Enrollee's urgent medical needs, or an Enrollee has not resided in a nursing facility for thirty (30) Days.	✓
C. On the date of the Adverse Benefit Determination when the Adverse Benefit Determination is a Denial of payment.	✓
D. As expeditiously as the Enrollee's health condition requires and within State-established timeframes. If the Contractor extends the timeframe for an appeal or expedited appeal, and the extension was not at the request of the Enrollee, the Contractor shall make reasonable efforts to give the Enrollee prompt oral notice of the delay; give the Enrollee written notice within two (2) Days, of the reason for the decision to extend the timeframe and inform the Enrollee of the right to file a Grievance if he or she disagrees with that decision; and resolve the appeal as expeditiously as the Enrollee's health condition requires and no later than the date the extension expires.	✓
E. For expedited authorization decisions, provide notice as expeditiously as the Enrollee's health condition requires and no later than two (2) Business Days after receipt of the request for service.	✓

F. On the date that the timeframes expire when service authorization decisions are not reached within the timeframes for either standard or expedited service authorizations. An untimely service authorization constitutes a Denial and is thus an Adverse Benefit Determination.	✓
As set forth in KRS 205.534, upon the request of a Medicaid Provider, provide at no cost to the provider, all documents, records, and other information relevant to an adverse payment or coverage determination, the Contractor shall inform a Medicaid Provider of the determination with sufficient detail of the reason(s) therefore and the Provider's right to request and receive at no cost to the Provider, all documents, records, and other information related to the determination	✓

## 20.8 Court-Ordered Evaluations and Services

Contract Requirement	Agree to Comply
In the event an Enrollee requires Medicaid covered Services ordered by a State or federal court, the Contractor shall fully comply with all court orders while maintaining appropriate UM practices. See <b>Appendix I "Covered Services"</b> for additional requirements.	✓
The Contractor shall maintain and operate a formalized Discharge Planning Program that includes a comprehensive evaluation of the Enrollee's health needs and identification of the services and supplies required to facilitate appropriate care following discharge from an institutional clinical setting.	✓

## 21.0 MONITORING AND OVERSIGHT

### Monitoring Requirements

Contract Requirement	Agree to Comply
The Department is responsible for monitoring and oversight of the Contractor for compliance with the provisions of this Contract and applicable federal and State laws and regulations. The Department and its representatives will conduct ongoing monitoring and oversight through activities such as but not limited to the following:	✓
1. Tracking and/or auditing or reviewing Contractor activities, materials, and records developed under the Contract, which may include periodic medical audits and audits or review of Appeals, enrollments, disenrollments, termination of providers, utilization and financial records;	✓
2. Reviewing management systems and procedures;	✓
3. Conducting periodic reviews of the Contractor's Provider Network to confirm adequacy and to ensure that providers excluded from Medicaid participation are excluded from the Contractors Provider Network;	✓
4. Reviewing Contractor reports for progress, successes, trends, and challenges or problems;	✓
5. Conducting random inspections of Contractor and Subcontractor facilities; and	✓
6. Providing feedback to the Contractor about findings, and requiring corrective actions, as determined necessary by the Department.	✓

The Contractor shall fully cooperate with monitoring and oversight activities. The Contractor shall participate in scheduled meetings, respond to Department inquiries and findings from monitoring and oversight activities, respond to requests for corrective action plans, provide reports on the timeline required by and as requested by the Department, among other activities as deemed necessary by the Department. See <b>Section 37.0 “Contractor Reporting Requirements.”</b> Cooperation in Contract monitoring and provision of documents during Contract monitoring shall be at no additional cost to the Department.	✓
The Contractor is responsible for the faithful performance of the Contract and shall have internal monitoring procedures and processes to ensure compliance. The Contractor shall provide oversight of its Subcontract(s) and shall have internal monitoring procedures and processes to ensure Subcontractor compliance. The Contractor shall ensure that all Subcontractor(s) work for the purpose of fulfilling a Contractor's obligation under this Contract.	✓

### 21.1 External Quality Review

Contract Requirement	Agree to Comply
Section 1902(a)(30)(c) of Title XIX of the Social Security Act, requires the Commonwealth to acquire an independent external review body for the purpose of performing an annual review of the quality of services provided by an MCO under contract with the Commonwealth, including the evaluation of quality outcomes and timeliness of access to services. Requirements relating to the External Quality Review (EQR) are further defined and described under 42 C.F.R. 438, Subpart E. The results of EQR are made available, upon request, to specified groups and to interested stakeholders. The Contractor shall provide information to the EQRO as requested to fulfill the requirements of the mandatory and optional activities required in 42 C.F.R. Part 438.	✓
The Contractor shall cooperate and participate in EQR activities in accordance with protocols identified under 42 C.F.R. 438, Subpart E. These protocols guide the independent external review of quality outcomes and timeliness of and access to services provided by a Contractor providing Medicaid services.	✓
In an effort to avoid duplication, the Department may also use, in place of such audit, information obtained about the Contractor from a Medicare or private accreditation review in accordance with 42 C.F.R. 438.360.	✓

### 21.2 EQR Administrative Reviews

Contract Requirement	Agree to Comply
The Contractor shall assist the EQRO in completing all Contractor reviews and evaluations in accordance with established protocols previously described. The Contractor shall assist the Department and the EQRO in identification of Provider and Enrollee information required to carry out annual, external independent reviews of the quality outcomes, and timeliness of on-site or off-site medical chart reviews. Timely notification of Providers and Subcontractors of any necessary medical chart review shall be the responsibility of the Contractor.	✓

### 21.3 EQR Performance

Contract Requirement	Agree to Comply
If during the conduct of an EQR by an EQRO acting on behalf of the Department, an adverse quality finding or deficiency is identified, the Contractor shall respond to and correct the finding or deficiency in a timely manner in accordance with guidelines established by the Department and EQRO. The Contractor shall:	✓
A. Assign a staff person(s) to conduct follow-up concerning review findings;	✓
B. Inform the Contractor's Quality Improvement Committee of the final findings and involve the committee in the development, implementation and monitoring of the corrective action plan;	✓
C. Submit a corrective action plan in writing to the EQRO and Department within ten (10) Business Days that addresses the measures the Contractor intends to take to resolve the finding. The Contractor's final resolution of all potential quality concerns shall be completed within six (6) months of the Contractor's notification;	✓
D. Demonstrate how the results of the EQR are incorporated into the Contractor's overall Quality Improvement Plan and demonstrate progressive and measurable improvement during the term of this Contract; and	✓
E. If Contractor disagrees with the EQRO's findings, submit its position to the Commissioner of the Department whose decision is final.	✓

### 22.0 ENROLLEE SERVICES

#### Required Functions

Contract Requirement	Agree to Comply
The Contractor shall have an Enrollee Services function that includes a call center which is staffed and available by telephone Monday through Friday 7:00 am to 7:00 pm Eastern Time (ET). The call center shall meet the current American Accreditation Health Care Commission/URAC- designed Health Call Center Standard (HCC) for call center abandonment rate, blockage rate and average speed of answer for all Contractor programs with the exception of behavioral health which is addressed in <b>Section 33.6 "Behavioral Health Services Hotline."</b>	✓
If a Contractor has separate telephone lines for different Medicaid populations, the Contractor shall report performance for each individual line separately.	✓
The Contractor shall also provide access to medical advice and direction through a centralized toll- free call-in system, available twenty-four (24) hours a day, seven (7) days a week nationwide. The twenty-four/seven (24/7) call-in system shall be staffed by appropriately trained medical personnel. For the purposes of meeting this requirement, trained medical professionals are defined as physicians, physician assistants, licensed practical nurses, and registered nurses.	✓
The Contractor shall self-report their prior month performance in the three (3) areas listed above, call center abandonment rate, blockage rate and average speed of answer, for their Enrollee services and twenty-four/seven (24/7) hour toll-free medical call-in system to the Department.	✓

Appropriate foreign language and/or oral interpreters shall be provided by the Contractor and available free of charge and as necessary to ensure availability of effective communication regarding treatment, medical history, or health education and otherwise comply with 42 C.F.R. 438.10(d). Enrollee written materials shall be provided and printed in English, Spanish, and each Prevalent Non-English Language. Oral interpretation shall be provided for all non-English languages. The Contractor staff shall be able to respond to the special communication needs of the disabled, blind, deaf, and aged, and effectively interpersonally relate with economically and ethnically diverse populations. The Contractor shall provide ongoing training to its staff and Providers on matters related to meeting the needs of economically disadvantaged and culturally diverse individuals.	✓
The Contractor shall require that all Service Locations meet the requirements of the Americans with Disabilities Act, Commonwealth and local requirements pertaining to adequate space, supplies, sanitation, and fire and safety procedures applicable to health care facilities. The Contractor shall cooperate with the Cabinet for Health and Family Services' independent ombudsman program, including providing immediate access to an Enrollee's records when written Enrollee consent is provided.	✓
The Contractor's Enrollee Services function shall also be responsible for:	✓
A. Ensuring that Enrollees are informed of their rights and responsibilities;	✓
B. Ensuring each Enrollee is free to exercise his or her rights without the Contractor or its Providers treating the Enrollee adversely;	✓
C. Guaranteeing each Enrollee's right to receive information on available treatment options and alternatives, presented in a manner appropriate to the Enrollee's condition and ability to understand;	✓
D. Collecting updated demographic information for Enrollees, including address, phone numbers, etc.;	✓
E. Monitoring the selection and assignment process of PCPs;	✓
F. Identifying, investigating, and resolving Enrollee Grievances about health care services;	✓
G. Assisting Enrollees with filing formal Appeals regarding plan determinations;	✓
H. Providing each Enrollee with an identification card that identifies the Enrollee as a participant with the Contractor, unless otherwise approved by the Department;	✓
I. Explaining rights and responsibilities to Enrollees or to those who are unclear about their rights or responsibilities including reporting of suspected Fraud and Abuse;	✓
J. Explaining Contractor's rights and responsibilities, including the responsibility to ensure minimal waiting periods for scheduled Enrollee office visits and telephone requests, and avoiding undue pressure to select specific Providers or services;	✓
K. Providing within five (5) Business Days of the Contractor being notified of the enrollment of a new Enrollee, by a method that will	✓

not take more than three (3) Days to reach the Enrollee, and whenever requested by the Enrollee, guardian or authorized representative, an Enrollee Handbook and information on how to access services; (alternate notification methods shall be available for persons who have reading difficulties or visual impairments);	
L. Explaining or answering any questions regarding the Enrollee Handbook;	✓
M. Facilitating the selection of or explaining the process to select or change PCPs through telephone or face-to-face contact where appropriate. The Contractor shall assist Enrollees to make the most appropriate PCP selection based on previous or current PCP relationship, providers of other family Enrollees, medical history, language needs, provider location and other factors that are important to the Enrollee. The Contractor shall notify Enrollees within thirty (30) Days prior to the effective date of voluntary termination (or if Provider notifies Contractor less than thirty (30) Days prior to the effective date, as soon as Contractor receives notice), and within fifteen (15) Days prior to the effective date of involuntary termination if their PCP leaves the Program and assist Enrollees in selecting a new PCP;	✓
N. Facilitating direct access to specialized providers in the circumstances of:	✓
1. Enrollees with long-term, complex health conditions;	✓
2. Aged, blind, deaf, or disabled persons; and	✓
3. Enrollees who have been identified as having special healthcare needs and who require a course of treatment or regular healthcare monitoring. This access can be achieved through referrals from the PCP or by the specialty physician being permitted to serve as the PCP.	✓
O. Arranging for and assisting with scheduling EPSDT Services in conformance with federal law governing EPSDT for persons under the age of twenty-one (21) years;	✓
P. Providing Enrollees with information or referring to support services offered outside the Contractor's Network such as WIC, child nutrition, elderly and child abuse, parenting skills, stress control, exercise, smoking cessation, weight loss, behavioral health and substance abuse;	✓
<b>Facilitating direct access to primary care vision services; primary dental and oral surgery services, and evaluations by orthodontists and prosthodontists; women's health specialists; voluntary family planning; maternity care for Enrollees under age eighteen (18); childhood immunizations; sexually transmitted disease screening, evaluation and treatment; tuberculosis screening, evaluation and treatment; and testing for HIV, HIV-related conditions and other communicable diseases; all as further described in Appendix I "Covered Services" of this Contract;</b>	✓
Q. Facilitating access to Behavioral Health Services and pharmaceutical services;	✓

R. Facilitating access to the services of public health departments, Community Mental Health Centers (CMHCs), Rural Health Clinics (RHCs), Federally Qualified Health Centers (FQHCs), the Office for Children with Special Health Care Needs and charitable care providers, such as Shriner's Hospital for Children;	✓
S. Assisting Enrollees in making appointments with Providers and obtaining services. When the Contractor is unable to meet the accessibility standards for access to PCPs or referrals to specialty providers, the Enrollee Services staff function shall document and refer such problems to the designated Enrollee Services Manager for resolution;	✓
T. Assisting Enrollees in obtaining transportation for both emergency and appropriate non- emergency situations;	✓
U. Handling, recording and tracking Enrollee Grievances properly and timely and acting as an advocate to ensure Enrollees receive adequate representation when seeking an expedited Appeal;	✓
V. Facilitating access to Enrollee Health Education Programs;	✓
<b>Assisting Enrollees in completing the Health Risk Assessment (HRA) as outlined in Appendix I "Covered Services" upon any telephone contact; and referring Enrollees to the appropriate areas to learn how to access the health education and prevention opportunities available to them including referral to the Population Health Management (PHM) Program; and</b>	✓
W. The Enrollee Services staff shall be responsible for making an annual report to management about any changes needed in Enrollee services functions to improve either the quality of care provided or the method of delivery. A copy of the report shall be provided to the Department.	✓

## 22.1 Enrollee Handbook

Contract Requirement	Agree to Comply
The Contractor shall publish an Enrollee Handbook and make the handbook available to Enrollees upon enrollment, to be delivered to the Enrollee within five (5) Business Days of Contractor's notification of Enrollee's enrollment.	✓
With the exception of a new Enrollee assigned to the Contractor, the Contractor is in compliance with this requirement if the Enrollee's handbook is:	✓
A. Mailed within five (5) Business Days by a method that will not take more than three (3) Days to reach the Enrollee;	✓
B. Provided by email after obtaining the Enrollee's agreement to receive the information by email;	✓
C. Posted on the Contractor's website and the Contractor advises the Enrollee in paper or electronic form that the information is available on the internet and includes the internet address, provided that Enrollee's with disabilities who cannot access this information online are provided auxiliary aids and services upon request at no cost; or	✓

D. Provided by any other method that can reasonably be expected to result in the Enrollee receiving that information.	✓
For any new Enrollee assigned to the Contractor, the Contractor shall mail a hard copy of the Enrollee Handbook within five (5) Business Days of notification of the assignment.	✓
The Enrollee Handbook shall be available in English, Spanish, and each Prevalent Non-English Language. The Enrollee Handbook shall be available in a hardcopy format as well as an electronic format online. The electronic format shall be readily accessible, placed in a location on the website that is prominent and easily accessible, can be electronically retained and printed. The information shall be available in paper form without charge upon request within five (5) Business Days.	✓
The Enrollee Handbook shall follow the model Enrollee Handbook provided to the Contractor by the Department after Contract execution. The handbook shall meet the requirements of 42 CFR 438.10(c)(4)(ii), 42 CFR 438.10, and 42 CFR 438.62(b)(3).	✓
The handbook shall be written at the sixth (6 <sup>th</sup> ) grade reading comprehension level and shall include at a minimum the following information:	✓
A. Information as required by the Department in the model Enrollee Handbook;	✓
B. The Contractor's Network of Primary Care Providers, including a list of the names, telephone numbers, and service site addresses of PCPs available in the network listing. The network listing may be combined with the Enrollee Handbook or distributed as a stand-alone document;	✓
C. How to access a list of Network Providers for Covered Services in paper form, upon request, or electronic form containing information required in 42 C.F.R. 438.10(h);	✓
D. Any restrictions on an Enrollee's freedom of choice among Network Providers;	✓
E. The procedures for selecting a PCP and scheduling an initial health appointment or requesting a change of PCP and specialists; reasons for which a request may be denied; and reasons a Provider may request a change;	✓
F. The availability of oral interpretation services for all languages, written translations in English, Spanish, and each Prevalent Non-English Language as well as for the top fifteen (15) non- English languages as released by the U.S. Department of Health and Human Services, Office for Civil Rights, alternative formats, and other auxiliary aids and services as well as how to access those services;	✓
G. The name of the Contractor and address and telephone number from which it conducts its business; the hours of business; and the Enrollee Services telephone number and twenty- four/seven (24/7) toll-free medical call-in system;	✓
H. A list of all available Covered Services, an explanation of any service limitations or exclusions from coverage, including those due to moral or religious objections, and a notice stating that the Contractor shall be liable only for those services authorized by the Contractor;	✓
I. Enrollee rights and responsibilities including reporting suspected Fraud and Abuse and the elements specified in 42 C.F.R. 438.100;	✓



J. Procedures for obtaining Emergency Care and non-emergency care after hours, what constitutes an Emergency Medical Condition, the fact that a Prior Authorization is not required for Emergency Services and the right to use any hospital or other setting for Emergency Care. For a life-threatening situation, instruct Enrollees to use the Emergency Medical Services available or to activate Emergency Medical Services by dialing 911;	✓
K. Procedures for obtaining transportation for both emergency and non-emergency situations;	✓
L. Information on the availability of maternity, family planning and sexually transmitted disease services and methods of accessing those services;	✓
M. Procedures for arranging EPSDT for persons under the age of twenty-one (21) years;	✓
N. Procedures for obtaining access to Long Term Care Services;	✓
O. Procedures for notifying the Department for Community Based Services (DCBS) of family size changes, births, address changes, death notifications;	✓
P. A list of direct access services that may be accessed without the authorization of a PCP;	✓
Q. Information about how to access care before a PCP is assigned or chosen;	✓
R. An Enrollee's right to obtain a second opinion in or out of the Contractor's Provider network and information on obtaining second opinions related to surgical procedures, complex and/or chronic conditions;	✓
S. Procedures for obtaining Covered Services from non-Network Providers;	✓
Procedures and timelines for filing a Grievance or Appeal. This shall include the title, address and telephone number of the person responsible for processing and resolving Grievances and Appeals, the availability of assistance in the filing process, the right of the Enrollee to a State Fair Hearing and that benefits will continue while under appeal if MCO decision is to reduce or terminate services;	✓
T. Information about the Cabinet for Health and Family Services' independent ombudsman program for Enrollees;	✓
U. Information on the availability of, and procedures for obtaining behavioral health/substance abuse health services;	✓
V. Information on the availability of health education services;	✓
W. Any cost sharing imposed;	✓
X. How to exercise an advance directive;	✓

Y. Information deemed mandatory by the Department; and	✓
AA. The availability of Population Health Management (PHM) Program services provided by the Contractor.	✓
The Contractor's Quality and Access Committee shall review and approve the Enrollee Handbook. The Contractor shall review the Enrollee Handbook at least annually for updates as necessary to maintain accuracy, particularly with regard to the list of participating providers, Covered Services and any service not covered by the Contractor because of moral or religious objections. The Department may also request updates to the Enrollee Handbook at any time to address issues such as changes in state or federal regulations. The Contractor shall communicate any changes to Enrollees in written form as least thirty (30) Days before the intended effective date of the change. Revision dates shall be added to the Enrollee Handbook so that it is evident which version is the most current.	✓
The Contractor shall submit its Enrollee Handbook, and any subsequent changes throughout the Contract Term, to the Department for review and approval. Changes shall be approved by the Department prior to printing or distribution. The Department has the authority to review the Contractor's Enrollee Handbook at any time.	✓

## 22.2 Enrollee Education and Outreach

Contract Requirement	Agree to Comply
The Contractor shall develop, administer, implement, monitor and evaluate an Enrollee and community education and outreach program that incorporates information on the benefits and services of the Contractor's Program to its Enrollees. The Outreach Program shall encourage Enrollees and community partners to use the information provided to best utilize services and benefits.	✓
Creative methods should be used to reach Contractor's Enrollees and community partners. These must include but not be limited to collaborations with schools, homeless centers, youth service centers, family resource centers, public health departments, school-based health clinics, chamber of commerce, faith-based organizations, and other appropriate sites.	✓
The Contractor shall submit an annual outreach plan to the Department for review and approval subject to <b>Section 4.4 "Approval of Department."</b> The plan shall include the frequency of activities, the staff person responsible for the activities and how the activities will be documented and evaluated for effectiveness and need for change.	✓

## 22.3 Cultural Consideration and Competency

Contract Requirement	Agree to Comply
The Contractor shall participate in the Department's effort to promote the delivery of services in a culturally competent manner to all Enrollees, including those with limited English proficiency and diverse cultural and ethnic backgrounds, disabilities and regardless of gender, sexual orientation or gender identity. The Contractor shall address the special health care needs of its Enrollees needing culturally sensitive services. The Contractor shall conduct ongoing training of staff in the areas of cultural competency development, cultural sensitivity, and unconscious bias. The Contractor shall	✓

incorporate in policies, administration and service practice the values of the following: recognizing the Enrollee's beliefs; addressing cultural differences in a competent manner; fostering in staff and Providers attitudes and interpersonal communication styles which respect Enrollee's cultural background. The Contractor shall communicate such policies to Subcontractors and include requirements in Subcontracts to ensure Subcontractor implementation of such policies	
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#### 22.4 Outreach to Homeless Persons

Contract Requirement	Agree to Comply
The Contractor shall assess the homeless population by implementing and maintaining a customized outreach plan for Homeless Persons population, including victims of domestic violence. The plan shall include:	✓
A. Utilizing existing community resources such as shelters and clinics; and	✓
B. Face-to-face encounters.	✓
The Contractor shall not differentiate services for Enrollees who are homeless. Victims of domestic violence should be a target for outreach as they are frequently homeless. Assistance with transportation to access health care may be provided via bus tokens, taxi vouchers or other arrangements when applicable.	✓

#### 22.5 Enrollee Information Materials

Contract Requirement	Agree to Comply
All written materials provided to Enrollees that are critical to obtaining services, including, at a minimum, Marketing materials, new Enrollee information, provider directories, handbooks, Denial and termination notices, and grievance and appeal information shall comply with 42 C.F.R. 438.10(d) and 45 C.F.R. 92 unless otherwise specifically addressed in this Contract. The information shall at a minimum:	✓
A. Be written at a sixth (6 <sup>th</sup> ) -grade reading level determined by Flesch-Kincaid and use easily understood language and format;	✓
B. Be published in at least a twelve (12) point font size, and available in large print in a font size no smaller than eighteen (18) point, except font size requirements shall not apply to Enrollee Identification Cards;	✓
C. Comply with the Americans with Disabilities Act of 1990 (Public Law USC 101-336).	✓
D. Be available through auxiliary aids and services, upon request of the Enrollee at no cost;	✓
E. Be available in alternative formats, upon request of the Enrollee at no cost;	✓
F. Be available in English, Spanish, and each Prevalent Non-English Language;	✓
G. Be provided through oral interpretation services for any language;	✓

H. Include taglines in the top fifteen (15) non-English languages as released by the U.S. Department of Health and Human Services Office of Civil Rights, as well as large print, explaining the availability of written translation or oral interpretation and the toll-free telephone number of the Contractor's entity providing those services and how to request services.	✓
Written materials provided to Enrollees, including forms used to notify Enrollees of Contractor actions and decisions, with the exception of written materials unique to individual Enrollees, unless otherwise required by the Department shall be submitted to the Department for review and, approval prior to publication and distribution to Enrollees such approval by the Department shall be subject to <b>Section 4.4 "Approval of Department."</b>	✓

## 22.6 Information Materials Requirements

Contract Requirement	Agree to Comply
The Contractor shall notify all Enrollees of their right to request and obtain the information listed herein at least once a year and within a reasonable time after the Contractor receives from the Department notice of the Enrollee's Enrollment. Any change in the information listed herein shall be communicated at least thirty (30) Days before the intended effective date of the change.	✓
A. Names, locations, telephone numbers of, and non-English languages spoken by, Providers in the Contractor's Network, including identification of Providers that are not accepting new patients. This includes, at a minimum, information on PCPs, specialists, and hospitals;	✓
B. Any restrictions on the Enrollee's freedom of choice among network Providers;	✓
C. Any changes in Covered Services by the Contractor due to moral or religious objections and how to obtain the service;	✓
D. Enrollee rights and protections, as specified in 42 C.F.R. §438.100:	✓
E. Information on the right to file grievances and Appeals and procedures as provided in 42 C.F.R. §§438.400 through 438.424 and 907 KAR 17:010, including: requirements and timeframes for filing a grievance or Appeal; availability of assistance in the filing process; toll-free numbers that the Enrollee can use to file a grievance or an Appeal by phone; that when requested benefits can continue during the grievance or Appeal; and that the Enrollee may be required to pay the cost of services furnished while the Appeal is pending, if the final decision is adverse to the Enrollee;	✓
F. Information on a State fair hearing including the right to hearing; method for obtaining a hearing; and rules that govern representation at the hearing;	✓
G. The amount, duration, and scope of benefits available under the Contract in sufficient detail to ensure that Enrollees understand the benefits to which they are entitled;	✓
H. Procedures for obtaining benefits, including authorization requirements;	✓
I. The extent to which, and how, Enrollees may obtain benefits, including Family Planning Services, from Out-of-Network Providers;	✓

J. The extent to which, and how, after-hours and emergency coverage are provided, including:	✓
What constitutes Emergency Medical Condition, Emergency Services, and Post-Stabilization Services, with reference to the definitions in 42 C.F.R. §438.114(a) and 907 KAR 3:130;	✓
1. The fact that Prior Authorization is not required for Emergency Services;	✓
2. The process and procedures for obtaining Emergency Services, including use of the 911- telephone system;	✓
3. The locations of any emergency settings and other locations at which providers and hospitals furnish Emergency Services and Post-Stabilization Services covered under the Contract;	✓
4. The fact that, subject to the provisions of this section, the Enrollee has a right to use any hospital or other setting for Emergency Care.	✓
K. The post-stabilization care services rules set forth at 42 C.F.R. §422.113(c);	✓
L. The Contractor's policy on referrals for Specialty Care and for other benefits not furnished by the Enrollee's PCP;	✓
M. Cost sharing, if any;	✓
N. How and where to access any benefits that are available under the State plan but are not covered under the Contract;	✓
O. Any Appeal rights made available to Providers to challenge the failure of the Contractor to cover a service;	✓
P. Advance directives, as set forth in 42 C.F.R. §438.6(i)(2);	✓
Q. Upon request, information on the structure and operation of the Contractor and physician incentive plans; and	✓
R. An Enrollee's right to request and receive a copy of his or her Medical Records and request that the records be amended or corrected.	✓

## 22.7 Advance Medical Directives

Contract Requirement	Agree to Comply
The Contractor shall comply with laws relating to Advance Medical Directives pursuant to KRS 311.621 - 311.643 and 42 C.F.R. Part 489, Subpart I and 42 C.F.R. 422.128, and 438.10 Advance Medical Directives, including living wills or durable powers of attorney for health care, allow adult Enrollees to initiate directions about their future medical care in those circumstances where Enrollees are unable to make their own health care decisions. The Contractor shall, at a minimum, provide written information on Advance Medical Directives to all Enrollees and shall notify all Enrollees of any changes in the rules and regulations governing Advance Medical Directives within ninety (90) Days of the change and provide information to its PCPs via the Provider Manual and Enrollee Services staff on informing	✓

Enrollees about Advance Medical Directives. PCPs have the responsibility to discuss Advance Medical Directives with adult Enrollees at the first medical appointment and chart that discussion in the Medical Record of the Enrollee.	
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## 22.8 Enrollee Rights and Responsibilities

Contract Requirement	Agree to Comply
The Contractor shall have written policies and procedures that are in compliance with Title VI of the Civil Rights Act of 1964 as implemented by regulations at 45 C.F.R. part 80; the Age Discrimination Act of 1975 as implemented by regulations at 45 C.F.R. part 91; the Rehabilitation Act of 1973; Title IX of the Education Amendments of 1972; Titles II and III of the Americans with Disabilities Act; Section 1557 of the ACA and 42 C.F.R. 438.100, and designed to protect the rights of Enrollees and enumerate the responsibilities of each Enrollee. A written description of the rights and responsibilities of Enrollees shall be included in the Enrollee information materials provided to new Enrollees. The Contractor shall provide a copy of these policies and procedures to all of the Contractor's Network Providers to whom Enrollees may be referred. In addition, the Contractor shall provide these policies and procedures to any Out-of-Network Provider upon request from the Provider.	✓
The Contractor's written policies and procedures that are designed to protect the rights of Enrollees, in accordance with federal and state law, shall include, without limitation, the right to:	✓
A. Respect, dignity, privacy, confidentiality, accessibility and nondiscrimination;	✓
B. A reasonable opportunity to choose a PCP and to change to another Provider in a reasonable manner;	✓
C. Consent for or refusal of treatment and active participation in decision choices;	✓
D. Ask questions and receive complete information relating to the Enrollee's medical condition and treatment options, including Specialty Care;	✓
E. Voice Grievances and receive access to the Grievance process, receive assistance in filing an Appeal, and request a State Fair Hearing from the Contractor and/or the Department;	✓
F. Timely access to care that does not have any communication or physical access barriers;	✓
G. Prepare Advance Medical Directives pursuant to KRS 311.621 to KRS 311.643;	✓
H. Assistance with Medical Records in accordance with applicable federal and state laws;	✓
I. Timely referral and access to medically indicated Specialty Care;	✓
J. Be free from any form of restraint or seclusion used as a means of coercion, discipline, convenience, or retaliation;	✓
K. Receive information in accordance with 42 C.F.R. 438.10;	✓

L. Be furnished health care services in accordance with 42 C.F.R. Part 438; and	✓
M. Any American Indian enrolled with the Contractor eligible to receive services from a participating I/T/U provider or an I/T/U PCP shall be allowed to receive services from that provider if part of Contractor's Network.	✓
The Contractor shall also have policies addressing the responsibility of each Enrollee to:	✓
A. Become informed about Enrollee rights;	✓
B. Abide by the Contractor's and Department's policies and procedures;	✓
C. Become informed about service and treatment options;	✓
D. Actively participate in personal health and care decisions, practice healthy lifestyles;	✓
E. Report suspected Fraud and Abuse; and	✓
F. Keep appointments or call to cancel.	✓

## 22.9 Enrollee Choice of MCO

Contract Requirement	Agree to Comply
The Department will enroll and disenroll eligible Enrollees in conformance with this Contract. The Contractor is not allowed to induce or accept Disenrollment from an Enrollee. The Contractor shall direct the Enrollee to contact the Department for Enrollment or Disenrollment questions.	✓
The Department makes no guarantees or representations to the Contractor regarding the number of eligible Enrollees who may ultimately be enrolled with the Contractor or the length of time any Enrollee may remain enrolled with the Contractor.	✓
The Department will electronically transmit to the Contractor new Enrollee information monthly and will electronically transmit demographic changes regarding Enrollees daily.	✓

## 22.10 Identification Cards

Contract Requirement	Agree to Comply
The Contractor shall issue an identification card for every Enrollee assigned to it. The Identification card will also include the PCP, if applicable, and the Enrollee's Identification Number. If the same card is used for pharmacy Claims processing, the card shall include the Claims processor information as specified in <b>Section 31.0 "Pharmacy Benefits."</b>	✓

### 23.0 ENROLLEE SELECTION OF PRIMARY CARE PROVIDER (PCP)

#### 23.1 Enrollees Not Required to Have a PCP

Contract Requirement	Agree to Comply
Dual Eligible Enrollees and Enrollees who are presumptively eligible, are not required to have a Primary Care Provider (PCP).	✓

#### 23.2 Enrollee Choice of Primary Care Provider

Contract Requirement	Agree to Comply
Enrollees shall choose or have the Contractor select a PCP for their medical home. The Contractor shall have two processes in place for Enrollees to choose a PCP:	✓
A. A process for Enrollees who have SSI coverage but are not Dual Eligible Enrollees; and	✓
B. A process for other Enrollees.	✓

#### 23.3 Enrollees without SSI

Contract Requirement	Agree to Comply
An Enrollee without SSI shall be offered an opportunity to: (1) choose a new PCP who is affiliated with the Contractor's Network or (2) stay with their current PCP as long as such PCP is affiliated with the Contractor's Network. Each Enrollee shall be allowed to choose his or her Primary Care Provider from among all available Contractor Network Primary Care Providers and specialists as is reasonable and appropriate for Enrollee.	✓
The Contractor shall have procedures for serving Enrollees from the date of notification of Enrollment, whether or not the Enrollee has selected a PCP. The Contractor shall send Enrollees a written explanation of the PCP selection process within ten (10) Business Days of receiving Enrollment notification from the Department, either as a part of the Enrollee Handbook or by separate mailing. Enrollees will be asked to select a PCP by contacting the Contractor's Enrollee Services department with their selection. The written communication shall include the timeframe for selection of a PCP, an explanation of the process for assignment of a PCP if the Enrollee does not select a PCP and information on where to call for assistance with the selection process.	✓
An Enrollee shall be allowed to select, from all available, but not less than two (2) PCP in the Contractor's Network.	✓
The Contractor shall assign the Enrollee to a PCP:	✓
A. Who has historically provided services to the Enrollee, meets the PCP criteria and participates in the Contractor's Network;	✓
<b>If there is no such PCP who has historically provided services, the Contractor shall assign the Enrollee to a PCP, who participates in the Contractor's Network and is within thirty (30) Miles or thirty (30) minutes from the Enrollee's residence in accordance with the accessibility standards set forth in Section 28.4</b>	✓



<b>“Provider Network Access and Adequacy.” The assignment shall be based on the following:</b>	
1. The need of children and adolescents to be followed by pediatric or adolescent specialists;	✓
2. Any special medical needs, including pregnancy;	✓
3. Any language needs made known to the Contractor; and	✓
4. Area of residence and access to transportation.	✓
The Contractor shall monitor and document in a quarterly report to the Department the number of eligible individuals that are assigned a PCP. The Contractor shall notify the Enrollee, in writing, of the PCP assignment, including the Provider's name, and office telephone number. The Contractor shall make available to the PCP a roster on the first day of each month of Enrollees who have selected or been assigned to his/her care.	✓
If the Contractor assigns the Enrollee a PCP prior to offering the Enrollee the process above for self-selection, then in the event the Contractor receives a request from the Enrollee within thirty (30) Days for a reassignment, the reassignment shall be retroactively effective to the date of the Enrollee's assignment to the Contractor.	✓

### 23.4 Enrollees who have SSI and Non-Dual Eligibles

<b>Contract Requirement</b>	<b>Agree to Comply</b>
An Enrollee who has SSI but is not a Dual Eligible Enrollee shall be offered an opportunity to: (1) choose a new PCP who is affiliated with the Contractor's Network or (2) stay with their current PCP as long as such PCP is affiliated with the Contractor's Network. Each Enrollee shall be allowed to choose his or her Primary Care Provider from among all available Contractor Network Primary Care Providers and specialists as is reasonable and appropriate for Enrollee.	✓
The Contractor shall send Enrollees information regarding the requirement to select a PCP, or one will be assigned to them according to the following:	✓
A. Upon Enrollment, the Enrollee shall receive a letter requesting them to select a PCP. This letter may be included in the Enrollee Welcome Kit. After thirty (30) Days, if the Enrollee has not selected a PCP, the Contractor shall send a second letter requesting the Enrollee to select a PCP. If the Enrollee does not select a PCP within thirty (30) Days of the second notice, the Contractor shall send a third notice to the Enrollee.	✓
B. At the end of the third thirty (30) Day period, if the Enrollee has not selected a PCP, the Contractor shall select a PCP for the Enrollee and send a card identifying the PCP selected for the Enrollee and informing the Enrollee specifically that the Enrollee can contact the Contractor and make a PCP change.	✓
If the Contractor assigns the Enrollee a PCP prior to offering the Enrollee the process above for self-selection, then in the event the Contractor receives a request from the Enrollee for a PCP reassignment within thirty (30) Days of the Auto-Assignment, the reassignment shall be retroactively effective to the date of the Enrollee's assignment to the Contractor.	✓

### 23.5 Selection Procedures for Guardianship

Contract Requirement	Agree to Comply
DAIL staff are authorized to apply for Medicaid on behalf of guardianship clients (DAIL) through an expedited application process agreed on by the Department and DAIL.	✓
Adult guardianship clients may move frequently from one placement to another. The parties agree that the following procedures will be used to determine the residence of these Enrollees for the purpose of maintaining a PCP selection. In addition to a change in the county of residence, adult guardianship clients may change PCP selections at any time.	✓
For Enrollees who are in adult guardianship status, the county of residence shall be where the Enrollee is living. Brief absences, such as for respite care or hospitalization, not to exceed one month, do not change the county of residence.	✓

### 23.6 Primary Care Provider (PCP) Changes

Contract Requirement	Agree to Comply
The Contractor shall have written policies and procedures for allowing Enrollees to select or be assigned to a new PCP when such a change is mutually agreed to by the Contractor and Enrollee, when a PCP is terminated from coverage, or when a PCP change is as part of the resolution to an Appeal. The Contractor shall allow Enrollees to select another PCP within ten (10) Days of the approved change or the Contractor shall assign a PCP to the Enrollee if a selection is not made within the time frame. Pursuant to 42 C.F.R. 438.52, for Enrollees in a designated rural area in which only the Contractor provides services, the restrictions on changing PCPs cannot be more restrictive than for Enrollee Disenrollment as outlined in <b>Section 26.13 "Enrollee Request for Disenrollment."</b>	✓
An Enrollee shall have the right to change the PCP ninety (90) Days after the initial assignment and once a year regardless of reason, and at any time for any reason as approved by the Enrollee's Contractor. The Enrollee may also change the PCP if there has been a temporary loss of eligibility and this loss caused the Enrollee to miss the annual opportunity, if Medicaid or Medicare imposes sanctions on the PCP, or if the Enrollee and/or the PCP are no longer located in the same Medicaid Region.	✓
The Enrollee shall also have the right to change the PCP at any time for cause. Good cause includes the Enrollee was denied access to needed medical services; the Enrollee received poor quality of care; and the Enrollee does not have access to providers qualified to treat his or her health care needs. If the Contractor approves the Enrollee's request, the assignment will occur no later than the first day of the second month following the month of the request	✓
PCPs shall have the right to request an Enrollee's disenrollment from his/her practice and to be reassigned to a new PCP in the following circumstances: incompatibility of the PCP/patient relationship; Enrollee has not utilized a service within one (1) year of enrollment in the PCP's practice and the PCP has documented unsuccessful contact attempts by mail and phone on at least six (6) separate occasions during the year; or inability to meet the medical needs of the Enrollee.	✓
PCPs shall not have the right to request an Enrollee's disenrollment from their practice for the following: a change in the Enrollee's health status or need for treatment; an Enrollee's utilization of medical services; an Enrollee's diminished mental capacity; or, disruptive behavior that results from the Enrollee's special health care needs unless the behavior impairs the ability of	✓

the PCP to furnish services to the Enrollee or others. Transfer requests shall not be based on race, color, national origin, handicap, age or gender. The Contractor shall have authority to approve all transfers.	
The initial PCP shall serve until the new PCP begins serving the Enrollee, barring ethical or legal issues. The Enrollee has the right to file a grievance regarding such a transfer.	✓
The PCP shall make the request for change to the Contractor in writing. The Enrollee may request a PCP change in writing, face to face or via telephone.	✓

## 24.0 ENROLLEE GRIEVANCES AND APPEALS

### 24.1 General Requirements

Contract Requirement	Agree to Comply
The Contractor shall have an organized grievance system that shall include- a grievance process, an Appeals process, and access for Enrollees to a State Fair Hearing pursuant to KRS Chapter 13B and 42 C.F.R. 438 Subpart F. The Department shall provide a standardized form for Contractors to utilize for an Enrollee to begin the Contractor's grievance and Appeal process.	✓

### 24.2 Enrollee Grievance and Appeal Policies and Procedures

Contract Requirement	Agree to Comply
The Contractor shall have a timely and organized Grievance and Appeal Process with written policies and procedures for resolving Grievances filed by Enrollees. The Grievance and Appeal Process shall address Enrollees' oral and written grievances. The Grievance and Appeal Process shall be approved in writing by the Department prior to implementation and shall be conducted in compliance with the notice, timelines, rights and procedures in 42 C.F.R. 438 subpart F, 907 KAR 17:010 and other applicable CMS and Department requirements. If federal law and regulation and state law and regulation conflict, federal law and regulation preempts unless the state has been given specific discretion. Grievance and Appeal policies and procedures shall include, but not be limited to:	✓
A. Provide the Enrollee the opportunity to present evidence, testimony and allegations of fact or law, in person as well as in writing. The Contractor shall inform the Enrollee of the limited time available for this sufficiently in advance of the resolution timeframe for Appeals and expedited Appeals as specified in 42 C.F.R. 438.408(b) and (c);	✓
Provide the Enrollee and the Enrollee's representative the Enrollee's case file, including Medical Records, other documents and records, and any new or additional evidence considered, relied upon, or generated by the Contractor, or at the direction of the Contractor, in connection with the Appeal of the Adverse Benefit Determination. This information shall be provided, upon request, free of charge and sufficiently in advance of the resolution timeframe for Appeals as specified in 42 C.F.R. 438.408(b) and (c);	✓

Take into account all comments, documents, records, and other information submitted by the Enrollee or their representative without regard to whether such information was submitted or considered in the initial Adverse Benefit Determination;	✓
B. Consider the Enrollee, the Enrollee's representative, or the legal representative of the Enrollee's estate as parties to the Appeal;	✓
C. A process for evaluating patterns of grievances for impact on the formulation of policy and procedures, access and utilization;	✓
D. Procedures for maintenance of records of grievances separate from medical case records and in a manner which protects the confidentiality of Enrollees who file a grievance or Appeal;	✓
E. Ensure that a grievance or an Appeal is disposed of and notice given as expeditiously as the Enrollee's health condition requires but not to exceed thirty (30) Days from its initiation. If the Contractor extends the timeline for an Appeal not at the request of the Enrollee, the Contractor shall make reasonable efforts to give the Enrollee prompt oral notice of the delay and shall give the Enrollee written notice, within two (2) Days, of the reason for the decision to extend the timeframe and inform the Enrollee of the right to file another grievance if he or she disagrees with that decision. Additionally, if the Contractor fails to resolve an Appeal within this thirty (30) Day timeframe, the Enrollee is deemed to have exhausted the Contractor's internal Appeal process and may initiate a State Fair Hearing;	✓
Ensure individuals and subordinates of individuals who make decisions on grievances and Appeals were not involved in any prior level of review;	✓
F. If the grievance or Appeal involves a Medical Necessity determination, Denial or expedited resolution or clinical issue, ensure that the grievance and Appeal is heard by health care professionals who have the appropriate clinical expertise;	✓
G. Process for informing Enrollees, orally and/or in writing, about the Contractor's Grievance and Appeal Process by making information readily available at the Contractor's office, by distributing copies to Enrollees upon Enrollment; and by providing it to all Subcontractors at the time of contract or whenever changes are made to the Grievance and Appeal Process;	✓
H. Provide assistance to Enrollees in filing a grievance if requested or needed including, but not limited to, auxiliary aids and services upon request, such as providing interpreter services and toll-free numbers that have adequate TTY-TTD and interpreter capability;	✓
I. Include assurance that there will be no discrimination against an Enrollee solely on the basis of the Enrollee filing a grievance or Appeal;	✓
J. Include notification to Enrollees in the Enrollee Handbook regarding how to access the Cabinet's ombudsmen's office regarding grievances, Appeals and hearings;	✓
K. Provide oral or written notice of the resolution of the grievance in a manner to ensure ease of understanding;	✓

L. Provide for an Appeal of a grievance decision if the Enrollee is not satisfied with that decision;	✓
M. Provide for continuation of services, in accordance with 42 C.F.R. 438.420, while the Appeal is pending;	✓
N. Provide expedited Appeals relating to matters which could seriously jeopardize the Enrollee's life, physical or mental health, or ability to attain, maintain or regain maximum function;	✓
O. Provide that oral inquiries seeking to appeal an Adverse Benefit Determination are treated as Appeals to establish the earliest possible filing date for the Appeal and must be confirmed in writing;	✓
P. Not require an Enrollee or an Enrollee's representative to follow an oral request for an expedited Appeal with a written request;	✓
Inform the Enrollee of the limited time to present evidence and allegations of fact or law in the case of an expedited Appeal;	✓
Q. Acknowledge receipt of each grievance and Appeal;	✓
R. Provide written notice of the Appeal decision in a format and language that, at a minimum, meet the standards described in 42 C.F.R. 438.10 and for notice of an expedited resolution, the Contractor shall also make reasonable efforts to provide oral notice;	✓
S. Provide for the right to request a hearing under KRS Chapter 13B;	✓
T. Allows a Provider or a representative to file a grievance or Appeal on the Enrollee's behalf as provided in 907 KAR 17.010; and	✓
U. Notifies the Enrollee that if a Service Authorization Request is denied and the Enrollee proceeds to receive the service and Appeal the Denial, if the Appeal is in the Contractor's favor, that the Enrollee may be liable for the cost as allowed by 42 C.F.R. 438.420(d).	✓
If the Contractor continues or reinstates the Enrollee's benefits while the Appeal is pending, the benefits must be continued until one of the following occurs:	✓
A. The Enrollee withdraws the Appeal or request for a State Fair Hearing;	✓
B. The Enrollee does not request a State Fair Hearing with continuation of benefits within ten	✓
C. A State Fair Hearing decision adverse to the Enrollee is made.	✓
All grievance or Appeal files shall be maintained in a secure and designated area and be accessible to the Department, its designee, or CMS upon request, for review. Grievance or Appeal files shall be retained for ten (10) years following the final decision by the Contractor, HSD, an administrative law judge, judicial appeal, or closure of a file, whichever occurs later.	✓
The Contractor shall have procedures for assuring that files contain sufficient information, as outlined at 42 C.F.R. 438.416, to identify the grievance or Appeal, the date it was received, the nature of the grievance or Appeal, notice to the Enrollee of receipt of the grievance or Appeal, all	✓

correspondence between the Contractor and the Enrollee, the date the grievance or Appeal is resolved, the resolution, the notices of final decision to the Enrollee, and all other pertinent information. Documentation regarding the grievance shall be made available to the Enrollee, if requested.	
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### 24.3 State Fair Hearings for Enrollees

Contract Requirement	Agree to Comply
An Enrollee shall exhaust the internal Appeal process with the Contractor prior to requesting a State Fair Hearing. The Contractor, the Enrollee, or the Enrollee's representative or legal representative of the Enrollee's estate shall be parties to the hearing as provided in 907 KAR 17:010(5). An Enrollee may request a State Fair Hearing if he or she is dissatisfied with an Adverse Benefit Determination that has been taken by the Contractor within one hundred and twenty (120) Days of the final appeal decision by the Contractor as provided for in 42 C.F.R. 438.408. An Enrollee may request a State Fair Hearing for an Adverse Benefit Determination taken by the Contractor that denies or limits an authorization of a requested service or reduces, suspends, or terminates a previously authorized service. The standard timeframe for reaching a decision in a State Fair Hearing is found in KRS Chapter 13B.	✓
Failure of the Contractor to comply with the State Fair Hearing requirements of the Commonwealth and federal Medicaid law in regard to an Adverse Benefit Determination made by the Contractor or to appear and present evidence shall result in an automatic ruling in favor of the Enrollee.	✓
The Contractor shall authorize or provide the disputed services promptly and as expeditiously as the Enrollee's health condition requires, but not later than seventy-two (72) hours from the date the Contractor receives notice reversing the determination, if the services were not furnished while the Appeal was pending and the State Fair Hearing results in a decision to reverse the Contractor's decision to deny, limit, or delay services. The Contractor shall pay for disputed services received by the Enrollee while the Appeal was pending and the State Fair Hearing reverses a decision to deny authorization of the services.	✓
The Department shall provide for an expedited State Fair Hearing within three (3) Days of a request for an Appeal that meets the requirements of an expedited appeal after a Denial by the Contractor.	✓

## 25.0 MARKETING

### 25.1 Marketing Activities

Contract Requirement	Agree to Comply
The Contractor shall submit any Marketing plans and all Marketing materials related to the Medicaid managed care program to the Department and shall obtain the written approval of the Department prior to implementing any Marketing plan or arranging for the distribution of any Marketing materials to potential Enrollees. The Contractor shall abide by the requirements in 42 C.F.R. 438.104 regarding Marketing activities. The Contractor shall establish and at all times maintain a system of control over the content, form, and method of dissemination of its Marketing and information materials or any Marketing and information materials disseminated on its behalf or through its Subcontractors. The Contractor shall provide Marketing materials in English, Spanish, and each Prevalent Non-English Language. The Marketing plan shall include methods and procedures to log and	✓

resolve Marketing Grievances. The Contractor shall conduct mass media advertising directed to Enrollees in the entire state pursuant to the Marketing plan.	
Marketing by mail, mass media advertising and community oriented Marketing directed at potential Enrollees shall be allowed, subject to the Department's prior approval. The Contractor shall be responsible for all costs of mailing, including labor costs.	✓
Any Marketing materials referring to the Contractor must be approved in writing by the Department prior to dissemination, including mailings sent only to Enrollees. The Contractor shall engage only in Marketing activities that are pre-approved in writing by the Department. The Contractor shall require its Subcontractors to submit any Marketing or information materials which relates to this Contract prior to disseminating same. The Contractor shall be responsible for submitting such Marketing or information materials to the Department for approval. The Department shall have the same approval authority over such Subcontractor materials as over Contractor materials. The Contractor shall correct problems and errors subsequently identified by the Department after notification by the Department. Any approval required by <b>Section 25.1 "Marketing Activities"</b> shall be subject to <b>Section 4.4 "Approval of Department."</b>	✓
The Contractor is responsible for ensuring any Enrollee gift card or value added benefit meets the requirements of Social Security Act §1128A, the Contract and any other applicable federal and state laws. Approval of these benefits by the Department shall not be construed as superseding federal or state law.	✓

## 25.2 Marketing Rules

Contract Requirement	Agree to Comply
The Contractor shall abide by the requirements in 42 C.F.R. Section 438.104 regarding Marketing activities. Face to face Marketing by the Contractor directed at Enrollees or potential Enrollees is strictly prohibited. In developing Marketing materials such as written brochures, fact sheets, and posters, the Contractor shall abide by the following rules:	✓
<b>No Marketing materials shall be disseminated through the Contractor's Provider network. If the Contractor supplies branded health education materials to its Provider network, distribution shall be limited to the Contractor's Enrollees and not available to those visiting the Provider's facility. Such branded health education materials shall not provide Enrollment or Disenrollment information. Any violation of this section shall be subject to the maximum sanction contained in Section 39.4 "Penalties for Failure to Correct;"</b>	✓
A. No fraudulent, misleading, or misrepresentative information shall be used in the Marketing materials;	✓
No offers of material or financial gain shall be made to potential Enrollees as an inducement to select a particular provider or use a product;	✓
No offers of material or financial gain shall be made to any person for the purpose of soliciting, referring or otherwise facilitating the Enrollment of any Enrollee;	✓

B. No direct or indirect door-to-door, telephone, email, texting or other cold-call Marketing activities;	✓
C. All Marketing materials comply with information requirements of 42 C.F.R. 438.10; and	✓
D. No materials shall contain any assertion or statement (whether written or oral) that CMS, the federal government, the Commonwealth, or any other similar entity endorses the Contractor.	✓
The following are inappropriate Marketing activities, and the Contractor shall not:	✓
A. Provide cash to Enrollees or potential Enrollees, except for stipends, in an amount approved by the Department and reimbursement of expenses provided to Enrollees for participation on committees or advisory groups;	✓
B. Provide gifts or incentives to Enrollees or potential Enrollees unless such gifts or incentives: are also provided to the general public; (1) do not exceed ten dollars per individual gift or incentive; and (2) have been pre-approved by the Department;	✓
C. Provide gifts or incentives to Enrollees unless such gifts or incentives: (1) are provided conditionally based on the Enrollee receiving preventive care or other Covered Services; (2) are not in the form of cash or an instrument that may be converted easily to cash; and (3) have been pre-approved by the Department;	✓
D. Seek to influence a potential Enrollee's Enrollment with the Contractor in conjunction with the sale of any private insurance;	✓
E. Induce providers or employees of the Department to reveal confidential information regarding Enrollees or otherwise use such confidential information in a fraudulent manner; or	✓
F. Threaten, coerce or make untruthful or misleading statements to potential Enrollees or Enrollees regarding the merits of Enrollment with the Contractor or any other plan.	✓

## 26.0 ENROLLEE ELIGIBILITY, ENROLLMENT AND DISENROLLMENT

### 26.1 Eligibility Determination

Contract Requirement	Agree to Comply
The Department shall have the exclusive right to determine an individual's eligibility for the Medicaid Program and eligibility to become an Enrollee of the Contractor. Such determination shall be final and is not subject to review or Appeal by the Contractor. Nothing in this section prevents the Contractor from providing the Department with information the Contractor believes indicates that the Enrollee's eligibility has changed.	✓

### 26.2 Assignments of New Enrollees and Transition of MCOs

Contract Requirement	Agree to Comply
An MCO currently contracting with the Commonwealth in the Managed Care Program that remains with the Managed Care Program shall not have its current membership reassigned effective January 1, 2021, with the exception Enrollees who are required to be enrolled in the Kentucky SKY	✓



program. If an MCO currently contracting with the Managed Care Program does not continue with the Managed Care Program, its membership shall be reassigned as indicated below:	
-Any new MCO will be assigned 100,000 Enrollees or an even distribution of membership eligible to be reassigned (whichever is less)	✓
-After assigning 100,000 Enrollees to each new MCO, the remaining Enrollees will be assigned to all contracted MCOs using the Department's defined auto assignment process	✓
-MCOs above maximum threshold of 33% of total MCO membership do not receive Enrollees through the Department's auto assignment process	✓
-There will be an Open Enrollment period after all membership reassignment has occurred allowing freedom of choice to the Enrollee.	✓
-All State and Federal statutes and regulation will apply	
Due consideration shall be given to the following when making auto assignments for Enrollees who do not select an MCO when enrolling:	✓
A. Keeping the family together - Assign Enrollees of a family to the same MCO;	✓
B. Continuity of Care - Preserve the family's pre-established relationship with providers to the extent possible;	✓
C. Robust MCO Competition - equitable distribution of the participants among the MCOs.	✓

### 26.3 General Enrollment Provisions

Contract Requirement	Agree to Comply
The Department shall notify the Contractor of the Enrollees to be enrolled with the Contractor. The Contractor shall provide for a continuous open enrollment period throughout the term of the Contract for newly eligible Enrollees. The Contractor shall not discriminate against potential Enrollees on the basis of an individual's health status, need for health services, race, color, religion, sex, sexual orientation, gender identity, disability or national origin, and shall not use any policy or practice that has the effect of discriminating on the basis of an Enrollee's health status, need for health services, race, color, religion, sex, sexual orientation, gender identity, disability or national origin.	✓
The Department shall be responsible for the Enrollment. The Department shall develop an Enrollment packet to be sent to potential Enrollees. The Contractor shall have an opportunity to review and comment on the information to be included in the Enrollment packet, and may be asked to provide material for the Enrollment packet.	✓
Enrollees, during the first ninety (90) Days after the effective date of initial Enrollment, whether the Enrollee selected the Contractor or was assigned through an automatic process, the Enrollee shall have the opportunity to change their Contractor and once a year thereafter in accordance with 42 C.F.R. 438.	✓

**26.4 Enrollment Procedures**

<b>Contract Requirement</b>	<b>Agree to Comply</b>
Each Enrollee shall be provided a Kentucky Medicaid Enrollee Identification Card by the Contractor.	✓
Within five (5) Business Days after receipt of notification of new Enrollee Enrollment, the Contractor shall send a confirmation letter to the Enrollee by a method that shall not take more than three (3) Days to reach the Enrollee. The confirmation letter shall include at least the following information: the effective date of Enrollment; Site and PCP contact information; how to obtain referrals; the role of the Contractor; the benefits of preventive health care; an overview of the Population Health Management (PHM) Program; Enrollee identification card; copy of the Enrollee Handbook; and list of Covered Services. The identification card may be sent separately from the confirmation letter as long as it is sent within five (5) Business Days after receipt of notification of new Enrollee enrollment.	✓

**26.5 Enrollment Levels**

<b>Contract Requirement</b>	<b>Agree to Comply</b>
The Contractor shall accept all Enrollees, regardless of overall plan enrollment. Enrollment shall be without restriction and shall be in the order in which potential Enrollees apply or are assigned. The Contractor shall maintain staffing and service delivery network necessary to adhere to minimum standards for Covered Services.	✓
Enrollees may voluntarily choose a Contractor. Enrollees who do not select a Contractor shall be assigned to a Contractor by the Department. The Department reserves the right to re-evaluate and modify the Auto-Assignment algorithm anytime for any reason, provided however, the Department shall provide written notice to Contractor of any modification of the Auto-Assignment algorithm before the implementation of such modification.	✓
The Department may develop specific limitations regarding Enrollee enrollment with the Contractor to take into consideration quality, cost, competition and adverse selection.	✓

**26.6 Enrollment Period**

<b>Contract Requirement</b>	<b>Agree to Comply</b>
Enrollment begins at 12:01 a.m. on the first day of the first (1 <sup>st</sup> ) calendar month for which eligibility is indicated on the eligibility file (HIPAA 834) transmitted to the Contractor, and shall remain until the Enrollee is disenrolled in accordance with Disenrollment provisions of this Contract. Applicable state and federal law determines Membership for newborns. Membership begins on day of application for Enrollees who are presumptive eligible.	✓
The Contractor shall be responsible for the provision and costs of all Covered Services beginning on or after the beginning date of Enrollment. In the event an Enrollee entering is receiving Medically Necessary Covered Services the day before Enrollment, the Contractor shall be responsible for the costs of continuation of such Medically Necessary Covered Services, without any form of prior approval and without regard to whether such	✓

services are being provided within or outside the Contractor's Network until such time as the Contractor can reasonably transfer the Enrollee to a service and/or Network Provider without impeding service delivery that might be harmful to the Enrollee's health.	
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**26.7 Enrollee Eligibility File (HIPAA 834)**

<b>Contract Requirement</b>	<b>Agree to Comply</b>
The Department shall electronically transmit to the Contractor a HIPAA 834 transaction file daily to indicate new, terminated and changed Enrollees and a monthly listing of all Contractor's Enrollees. The Department shall submit with the monthly HIPAA 834 transaction file, a reconciliation of Enrollment information pursuant to policies and procedures determined by the Department. The Department shall send the first Enrollment data to Contractor in HIPAA 834 format.	✓
All Enrollments and Disenrollments shall become effective on the dates specified on the HIPAA 834 transaction files and shall serve as the basis for Capitated Payments to the Contractor.	✓
The Contractor shall be responsible for promptly notifying the Department of Enrollees of whom it has knowledge were not included on the HIPAA 834 transaction file and shall have been enrolled with the Contractor. Should the Contractor become aware of any changes in demographic information the Contractor shall advise the Enrollee of the need to report information to the appropriate source, i.e. the DCBS office or the Social Security Administration. The Contractor shall not attempt to report these types of changes on behalf of the Enrollee, but shall monitor the HIPAA 834 for appropriate changes. In the event that the change does not appear on the HIPAA 834 within sixty (60) Days, Contractor shall report the conflicting information to the Department. The Department shall evaluate and address the inconsistencies as appropriate.	✓

**26.8 Persons Eligible for Enrollment and Retroactivity**

<b>Contract Requirement</b>	<b>Agree to Comply</b>
To be enrolled with a Contractor, the individual shall be eligible to receive Medicaid assistance under one of the aid categories defined below:	✓
Eligible Enrollee Categories	✓
Temporary Assistance to Needy Families (TANF);	✓
A. Children and family related;	✓
B. Aged, blind, and disabled Medicaid only;	✓
Pass through;	✓
C. Poverty level pregnant women and children, including Presumptive Eligibility;	✓

D. Aged, blind, and disabled receiving State Supplementation;	✓
E. Aged, blind, and disabled receiving Supplemental Security Income (SSI);	✓
F. Under the age of twenty-one (21) years and in an inpatient psychiatric facility;	✓
G. Children under the age of eighteen (18) who are receiving adoption assistance and have special needs;	✓
H. Dual eligibles;	✓
I. Disabled Children;	✓
Foster Care Children;	✓
J. Adults ages nineteen (19) to sixty-four (64) with income under one hundred thirty eight percent (138%) of the Federal Poverty Level; or	✓
K. Former Foster Care Children up to age twenty-six (26).	✓
Enrollees eligible to enroll with the Contractor will be enrolled beginning with the first day of the application month with the exception of (1) newborns who are enrolled beginning with their date of birth and (2) presumptively eligible (PE) Enrollees who are eligible on their day of eligibility determination and (3) unemployed parent program Enrollees who are enrolled beginning with the date the definition of unemployment or underemployment in accordance with 45 C.F.R. 233.100 is met. Presumptively Eligible Enrollees will be added to the Contractor's Enrollee Listing Report with an Enrollment date equal to the eligibility date described in (2) above.	✓
The Contractor shall also be responsible for providing coverage to individuals who are retroactively determined eligible for Medicaid. Retroactive Medicaid coverage is defined as a period of time up to three (3) months prior to the application month. The Contractor shall cover all Medically Necessary services provided the Enrollee during the retroactive coverage without a Prior Authorization. The Contractor shall allow a provider to submit a Claim outside of the timely filing period when the provider is notified after the end of the Contractor's timely filing period of a retroactive change in MCO by receipt of a recoupment letter, and the Contractor shall not deny the Claim based on timely filing.	✓
The Contractor is not responsible for retroactive coverage for SSI Enrollees who are newly enrolled. The Department shall be responsible for previous months or years in situations where an individual appealed a SSI Denial, and were subsequently approved as of the original application date and was not already assigned to the Contractor.	✓

**26.9 Newborn Infants**

Contract Requirement	Agree to Comply
Newborn infants of non-presumptive eligible Enrollees shall be deemed eligible for Medicaid and automatically enrolled with the Contractor as individual Enrollees for sixty (60) Days. The hospital shall request	✓

Enrollment of a newborn at the time of birth, as set forth by the Department. Deemed eligible newborns are auto enrolled in Medicaid and Enrollment is coordinated within the Cabinet. The delivery hospital is required to enter the birth record in the birth record system called KY CHILD (Kentucky's Certificate of Live Birth, Hearing, Immunization, and Lab Data). That information is used to auto enroll the deemed eligible newborn within twenty-four (24) hours of birth. The Contractor is required to use the newborn's Medicaid ID for any costs associated with child.	
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**26.10 Dual Eligibles**

Contract Requirement	Agree to Comply
The Contractor shall utilize the HIPAA 834 to identify Enrollees who are Dual Eligible within the MMIS. The Contractor and Medicare Providers shall work together to coordinate the care for such Enrollees in order to reduce over utilization and duplication of services and cost.	✓

**26.11 Persons Ineligible for Enrollment**

Contract Requirement	Agree to Comply
Enrollees who are not eligible to enroll in the Managed Care Program are defined below:	✓
INELIGIBLE ENROLLEE CATEGORIES	✓
A. Individuals who shall spend down to meet eligibility income criteria;	✓
B. Individuals currently Medicaid eligible and have been in a nursing facility for more than thirty (30) Days*;	✓
C. Individuals determined eligible for Medicaid due to a nursing facility admission including those individuals eligible for institutionalized hospice;	✓
D. Individuals served under the Supports for Community Living, Michele P, home and community-based, or other 1915(c) Medicaid waivers;	✓
E. Qualified Medicare Beneficiaries (QMBs), specified low income Medicare beneficiaries (SLMBs) or Qualified Disabled Working Individuals (QDWIs);	✓
F. Timed limited coverage for illegal aliens for Emergency Medical Conditions;	✓
G. Working Disabled Program;	✓
H. Individuals in an intermediate care facility for individuals with intellectual disabilities (ICF-IID);	✓
I. Individuals who are eligible for the Breast or Cervical Cancer Treatment Program; and	✓
J. Individuals otherwise eligible while incarcerated in a correction facility.	✓

* The Contractor shall not be responsible for an Enrollee's nursing facility costs during the first thirty (30) Days; however, if an Enrollee is admitted to a nursing facility, the Contractor shall be responsible for covering the costs of health services, exclusive of nursing facility costs, provided to the Enrollee while in the nursing facility until the Enrollee is either discharged from the nursing facility or disenrolled from the Contractor (effective as is administratively feasible). Contractor costs may include those of physicians, physician assistants, APRNs, or any other medical services that are not included in the nursing home facility per diem rate. In no event shall Contractor be responsible for covering the costs of such health services after the Enrollee's thirtieth (30th) Day in the nursing facility, and the monthly Capitation Payment for such an Enrollee shall be prorated based upon the days of eligibility. This also applies to an Enrollee receiving hospice services who is transferred into a nursing facility.	✓
The Contractor shall not be responsible for 1915(c) Waiver Services furnished to its Enrollees.	✓

**26.12 Reenrollment**

Contract Requirement	Agree to Comply
An Enrollee whose eligibility is terminated because the Enrollee no longer qualifies for medical assistance under one of the aid categories listed in Section 26.8 "Persons Eligible for Enrollment and Retroactivity" or otherwise becomes ineligible may apply for reenrollment in the same manner as an initial Enrollment.	✓
An Enrollee previously enrolled with the Contractor shall be automatically reenrolled with the Contractor if eligibility for medical assistance is re-established within two (2) months of losing eligibility. The Contractor shall be given a new Enrollment date once an Enrollee has been reinstated.	✓
Reenrollment that is more than two (2) months after losing eligibility shall be treated as a new Enrollment for all purposes.	✓
The Contractor shall provide reasonable modifications to the annual redetermination process to beneficiaries with disabilities protected by the Americans with Disabilities Act of 1990 (Public Law 101-336), 42 USC 12101, and applicable Federal regulations relating thereto prohibiting discrimination against otherwise qualified disabled individuals under any program or activity; Section 504 of the Rehabilitation Act. The Contractor shall provide reasonable modifications to the obligation to report a change in circumstance for any beneficiary with a disability.	✓

**26.13 Enrollee Request for Disenrollment**

Contract Requirement	Agree to Comply
An Enrollee may request Disenrollment only with cause pursuant to 42 C.F.R. 438.56.	✓
The Enrollee shall submit a written or oral request to request Disenrollment to either the Contractor or the Department giving the reason(s) for the request. If submitted to the Contractor, the Contractor shall transmit the Enrollee's request to the Contract Compliance Officer of the Department. If the Disenrollment request is not granted, the Enrollee may request a State Fair Hearing. The Department shall notify all Enrollees of their Disenrollment rights at least annually no less than sixty (60) Days before the start of each Enrollment period.	✓

**26.14 Contractor Request for Disenrollment**

<b>Contract Requirement</b>	<b>Agree to Comply</b>
The Contractor shall recommend to the Department Disenrollment of an Enrollee when the Enrollee pursuant to 42 C.F.R. 438.56:	✓
A. Is found guilty of Fraud in a court of law or administratively determined to have committed Fraud related to the Medicaid Program;	✓
B. Is abusive or threatening as defined by and reported in Guidelines for Preventing Workplace Violence for Health Care and Social Service Workers to either Contractor, Contractor's agents, or providers;	✓
C. Is admitted to a nursing facility for more than thirty-one (31) Days;	✓
D. Is incarcerated in a correctional facility;	✓
E. No longer qualifies for Medical Assistance under one of the aid categories listed in Section 26.8 "Persons Eligible for Enrollment or Retroactivity;" or	✓
F. Cannot be located.	✓
All requests by the Contractor for the Department to disenroll an Enrollee shall be in writing and shall specify the basis for the request. If applicable, the Contractor's request shall document that reasonable steps were taken to educate the Enrollee regarding proper behavior, and that the Enrollee refused to comply. The Contractor may not request Disenrollment of an Enrollee based on an adverse change in the Enrollee's health, or because of the Enrollee's utilization of medical services, diminished mental capacity, or uncooperative or disruptive behavior resulting from his or her special needs, except when his or her continued enrollment with the Contractor seriously impairs the Contractor's ability to furnish services to either this particular Enrollee or other Enrollees.	✓

**26.15 Effective Date of Disenrollment**

<b>Contract Requirement</b>	<b>Agree to Comply</b>
Disenrollment shall be effective on the first day of the calendar month for which the Disenrollment appears on the HIPAA 834 transaction file. Requested Disenrollment shall be effective no later than the first (1st) day of the second (2nd) month following the month the Enrollee or the Contractor files the request. If the Department fails to make a determination within the timeframes the Disenrollment shall be considered approved.	✓

**26.16 Continuity of Care upon Disenrollment**

<b>Contract Requirement</b>	<b>Agree to Comply</b>
The Contractor shall take all reasonable and appropriate actions necessary to ensure the continuity of an Enrollee's care upon Disenrollment. Such actions shall include: assisting in the selection of a new Primary Care Provider, cooperating with the new Primary Care Provider in transitioning the Enrollee's care, and making the Enrollee's Medical Record available to	✓

the new the Primary Care Provider, in accordance with applicable state and federal law. The Contractor shall be responsible for following the Transition/Coordination of Care Plan contained in <b>Appendix J “Transition/Coordination of Care Plan”</b> whenever an Enrollee is transferred to another MCO.	
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**26.17 Death Notification**

Contract Requirement	Agree to Comply
The Contractor shall notify the Department or Social Security Administration in the appropriate county, within five (5) Business Days of receiving notice of the death of any Enrollee.	✓

**26.18 Enrollee Address Verification**

Contract Requirement	Agree to Comply
The Department reserves the right to disenroll an Enrollee from the Medicaid program if the Department is unable to contact the Enrollee by first class mail and after the Contractor has been notified and is unable to provide the Department with a valid address. The Enrollee shall remain disenrolled until either the Department or the Contractor locates the Enrollee and eligibility is reestablished.	✓

**27.0 PROVIDER SERVICES****27.1 Required Functions**

Contract Requirement	Agree to Comply
The Contractor shall maintain a Provider Services function that is responsible for the following services and tasks:	✓
A. Enrolling, credentialing and recredentialing of Providers and coordination of these responsibilities with the Department's Credentialing Verification Organization(s) (CVOs) when contracted;	✓
B. Providing Provider Service representatives who respond to provider requests and inquiries within two (2) Business Days of a request;	✓
C. Performance review of Providers;	✓
D. Establishing and operating a Provider Call Center;	✓
E. Assisting Providers with:	✓
1. Enrollee Enrollment status questions;	✓
2. Prior Authorization and referral procedures, including consulting with a requesting Provider on authorization decisions, when appropriate;	✓
3. Claims submissions and payments;	✓



4. Coordination of care for child and adult Enrollees with complex and/or chronic conditions.	✓
F. Handling, recording and tracking Provider Grievances and Appeals properly and timely while ensuring no punitive action is taken against a Provider who either requests an expedited resolution or supports an Enrollee's Appeal;	✓
G. Developing, distributing, and maintaining a Provider manual;	✓
H. Developing and maintaining provider services webpages within the Contractor's website;	✓
I. Developing, conducting, and assuring Provider orientation and ongoing education;	✓
J. Encouraging and coordinating the enrollment of Primary Care Providers in the Department for Public Health and the Department for Medicaid Services Vaccines for Children Program. This program offers certain vaccines free of charge to Medicaid Enrollees under the age of twenty- one (21) years. The Contractor is responsible for reimbursement of the administration fee associated with vaccines provided through the program; and	✓
K. Providing necessary technical support to Providers who experience unique problems with certain Enrollees in their provision of services.	✓

## 27.2 Provider Services Call Center

Contract Requirement	Agree to Comply
The Contractor shall operate a toll-free provider call center that meets standards as determined by the Department. The Contractor may decide to use this toll-free line or operate separate toll-free lines for Claims resolution and Utilization Management and Prior Authorization calls; however, staffing shall be adequate to ensure qualified and timely responses. Additionally, the Contractor shall operate phone lines as defined in this Contract for pharmacy and Behavioral Health Services.	✓
Provider Services shall be staffed, at a minimum, Monday through Friday 8:00 am – 6:00 pm Eastern Standard Time, including federal holidays. Staff members shall be available to speak with providers any time during open hours. The Contractor shall have an automated system during non-business hours with sufficient capacity for all callers to leave messages. All messages shall be returned on the next Business Day.	✓
The Contractor shall have policies and procedures for operation of the provider call center that address staffing requirements and ratios, orientation and education of call center staff, hours of operation, performance standards, and methods the Contractor will implement to monitor calls and comply with standards. For common topics, the Contractor shall develop scripts for use by call center staff in providing consistent responses to provider inquiries.	✓
The Contractor's call center systems shall have the capability to track and report call management metrics. The Contractor shall meet the following performance standards as measured by monthly averages for the Provider Services and pharmacy call centers:	✓

A. Call abandonment rate of less than five percent (5%);	✓
B. Eighty percent (80%) of calls are answered by a live voice within thirty (30) seconds, and the remaining twenty percent (20%) are answered by a representative with an additional thirty (30) seconds. "Answer" is defined as response to each caller who requests to speak to a live representative;	✓
C. Blocked call rate, or a call that was not allowed into the system, that does not exceed one percent (1%);	✓
D. Accurate response to call center phone inquiries by call center representatives is ninety percent (90%) or higher; and	✓
E. One hundred (100) percent of call center open inquiries are resolved within seventy-two (72) hours.	✓
Additionally, the Contractor shall ensure that voice messages left during non-business hours are returned within one (1) Business Day.	✓
Provider Services staff shall be instructed to follow all contractually-required provider relation functions including, policies, procedures and scope of services.	✓

### 27.3 Provider Services Website

Contract Requirement	Agree to Comply
The Contractor shall provide and maintain a website that includes webpages specifically for providers to use to access current program information and provider specific information. The website shall have an interactive function that allows for the following:	✓
A. Capabilities for providers to submit inquiries and receive responses within one (1) Business Day of receipt; and	✓
B. Capabilities for Providers to file grievances, Appeals, and supporting documentation electronically in an encrypted format which complies with Federal and State law and allows a Medicaid provider to review the current status of a matter relating to a grievance or an Appeal filed concerning a submitted Claim; and	✓
C. Other portals, as determined by the Vendor (e.g., for processing Claims).	✓
The Contractor shall refer any inquiries to the Department that are not within the Contractor's scope of services.	✓
The Contractor shall provide the following information on its Provider Services webpages, at a minimum:	✓
A. Contact information for Contractor call center(s) and hotline(s);	✓
B. Searchable Provider Manual;	✓
C. Searchable Provider Directory;	✓

D. Current and clearly defined Prior Authorization requirements.	✓
E. Pharmacy Preferred Drug List (PDL) and pharmacy conditions for coverage and utilization limits;	✓
F. Enrollee rights and responsibilities;	✓
G. Information about KHIE;	✓
H. What's New updates; and	✓
I. Links to other websites such as CHFS, DMS, and the CVO(s).	✓
The Contractor shall review and update its website monthly or more frequently as needed to ensure information is accurate and up to date. The Contractor shall submit to the Department for prior approval all materials that it will post on its website and screenshots for any webpage changes unless otherwise agreed to in writing by both parties. Excluding upgrades which support the ordinary operation, administration, and maintenance of the website and as otherwise agreed upon by both parties, the Contractor shall not modify the website prior to receipt of Department approval.	✓

#### 27.4 Provider Manual and Communications

Contract Requirement	Agree to Comply
The Contractor shall prepare and issue a Provider Manual(s), including any necessary specialty manuals (e.g., Behavioral Health) to all network Providers. For newly contracted Providers, the Contractor shall issue copies of the Provider Manual(s) within five (5) Business Days from inclusion of the Provider in the network or provide online access to the Provider Manual and any changes or updates. All Provider Manuals shall be available in hard copy format upon request of the Provider and/or online.	✓
The Contractor shall submit to the Department for approval the Provider Manual, including any provided by a Subcontractor for direct services, and any updates to the Provider Manual, prior to publication and distribution to Providers. Such approval is subject to Section 4.4 "Approval of Department."	✓
The Provider Manual and updates shall serve as a source of information to Providers regarding the following and other topics as identified by the Contractor:	✓
A. Provider rights and responsibilities;	✓
B. Covered Services;	✓
C. Enrollee rights and responsibilities and cost-sharing requirements;	✓
D. Information for PCPs about Advance Medical Directives and their responsibilities for informing Enrollees;	✓

E. Contractor's Policies and Procedures;	✓
F. Information for accessing the Contractor and program materials through the Contractor's call center(s), toll-free hotlines, and website;	✓
G. Provider credentialing and recredentialing;	✓
H. Provider and Enrollee Grievances and Appeals process;	✓
I. Claims submission process and requirements;	✓
J. Provider Program Integrity requirements and reporting suspected Fraud and Abuse;	✓
K. Utilization Management and Prior Authorization procedures;	✓
L. Medicaid federal and state laws and regulations;	✓
M. Overview of the QAPI program;	✓
N. Overview of value-based payment (VBP) models, when implemented; and	✓
O. Standards for preventive health services.	✓
The Contractor shall prepare and issue provider communications as necessary to inform providers about Contractor's policies, initiatives or other information. The Department shall approve prior to distribution provider communications only if they change or amend the way the Contractor conducts business with the provider or when there are material changes to the Medicaid managed care program (e.g., changes to federal and state laws, provider notification of a rate change). Such approval is subject to <b>Section 4.4 "Approval of Department."</b>	✓

### 27.5 Provider Orientation and Education

Contract Requirement	Agree to Comply
The Contractor shall conduct initial orientation for all Providers within thirty (30) Days after the Contractor places a newly contracted Provider on an active status. The Contractor shall ensure that all Providers receive initial and ongoing orientation to operate in full compliance with the Contract and all applicable Federal and Commonwealth requirements. The Contractor shall use reasonable efforts to ensure that all Providers receive targeted education for specific issues identified by the Contractor and/or the Department.	✓
The Contractor shall develop and submit to the Department a Provider orientation and education plan that includes orientation and education methods, topics, and dates for completion of activities and educational workshops or other types of training sessions. The Contractor shall submit the plan to the Department within sixty (60) Days of contract execution, when material changes are made, and annually.	✓

The Contractor shall ensure that Provider education includes:	✓
A. Contractor coverage requirements for Medicaid services, including information about Prior Authorization requirements, EPSDT preventive health screening services and EPSDT special services;	✓
B. Contractor policies and procedures, Contractor administrative clinical practices, and updated information when modifications to existing services occur;	✓
C. Medicaid policies and procedures, including state and federal mandates and any new policies and procedures;	✓
D. How to report suspected Fraud and Abuse, and annually addressing Fraud, Waste, and Abuse with Providers;	✓
E. Medicaid populations and eligibility;	✓
F. Standards for preventive health services;	✓
G. Telehealth services;	✓
<b>Special needs of Enrollees in general that affect access to and delivery of services, including those Enrollees set forth in Section 42.0 "Kentucky SKY Program", if applicable;"</b>	✓
H. Advance Medical Directives;	✓
I. Claims submission and payment requirements;	✓
J. Special health/care management programs in which Enrollees may enroll;	✓
K. Provider role in Population Health Management (PHM) program;	✓
L. Cultural sensitivity;	✓
M. Responding to needs of Enrollees with SUD or behavioral health, developmental, intellectual and physical disabilities;	✓
N. Integrated healthcare, addressing Social Determinants of Health, and population health management initiatives;	✓
O. Reporting of communicable disease;	✓
P. The Contractor's QAPI program, the EQRO, and the Provider's role in impacting quality and healthcare outcomes, including ongoing education about QAPI program findings and interpretation of data when deemed necessary by the Contractor or Department;	✓
Q. Medical records review; and;	✓
R. Value-based payment.	✓

The Contractor shall develop, implement, and conduct ongoing educational programs for the Kentucky Medicaid Pharmacy Provider community. These educational initiatives shall include, but not be limited to:	✓
A. Provider letters and bulletins;	✓
B. PDL drug changes and distribution;	✓
POS messaging;	✓
Training sessions, webinars, quarterly newsletters, and other training activities as requested by the Department;	✓
C. Billing instructions and Claim resolution;	✓
D. Website postings of the PDL; and	✓
E. PA processes and procedures.	✓
The Contractor shall maintain and make available upon request enrollment or attendance rosters dated and signed by each attendee or other written or electronic evidence of training of each Provider and their staff.	✓

**27.6 Provider Educational Forums**

Contract Requirement	Agree to Comply
The Contractor shall participate in any Medicaid Provider Educational Forums designated by the Department to be held throughout the State as enhanced education efforts related to Medicaid managed care. The Contractor shall remit to the Department Twenty Thousand (\$20,000) Dollars at the start of each fiscal year under this Contract to support this outreach effort.	✓

**27.7 Provider Credentialing and Recredentialing**

Contract Requirement	Agree to Comply
The Contractor shall conduct Credentialing and Recredentialing in compliance with National Committee for Quality Assurance standards (NCQA), KRS 205.560(12), 907 KAR 1:672 or other applicable state regulations and federal law until such time that the Department contracts with a Credentialing Verification Organization (CVO) to perform such services. The Contractor shall document the procedure it will implement, which shall comply with the Department's current policies and procedures, for credentialing and recredentialing of providers with whom it contracts or employs to treat Enrollees. Detailed documentation and scope of the Credentialing and Recredentialing process is contained in Appendix J "Credentialing Process."	✓
The Contractor shall complete the Credentialing or Recredentialing of a Provider within ninety (90) Days of receipt of all relative information from the Provider, or within forty-five (45) Days if the Provider is providing substance use disorder services. The status of pending requests for credentialing or	✓

recredentialing shall be submitted as required in Appendix J K "Credentialing Process."	
If the Contractor accepts the Medicaid enrollment application on behalf of the provider, the Contractor shall use the format provided in Appendix J K "Credentialing Process" to transmit the listed provider enrollment data elements to the Department. The Contractor shall generate and electronically submit a Provider Enrollment Coversheet for each provider to the Department.	✓
The Contractor shall establish ongoing monitoring of provider sanctions, complaints and quality issues between recredentialing cycles, and take appropriate action.	✓
The Contractor shall provide a credentialing process whereby the Provider is only required to complete one credentialing process that applies to the Contractor and any or all of its Subcontractors, if one credentialing process meets NCQA requirements.	✓

### 27.8 Transition to a Credentialing Verification Organization (CVO)

Contract Requirement	Agree to Comply
In compliance with KRS 205.532, the Department will contract with one or more CVOs to conduct enrollment, credentialing, and recredentialing services for the Medicaid managed care program. This section sets forth requirements the Contractor must meet at such time that the CVO contract(s) are effective and operational.	✓
Each provider seeking to be enrolled in Medicaid and credentialed with the Department and the Contractor shall submit a single credentialing application to the designated CVO or organization meeting the requirements of KRS 205.532(1)(c)2, if applicable. The Contractor shall comply with and take all necessary actions to implement the requirements of 2018 Ky. Acts Ch. 69 and all other applicable Federal and State laws.	✓
The Contractor shall work with any identified CVO designated by the Department. The Contractor shall have a documented process that addresses the following at a minimum:	✓
A. Referral of providers to the CVO to complete credentialing prior to contracting with the Contractor, and to provide information to Network Providers about the re-credentialing process.	✓
B. Methods for receiving verified credentialing packets from the CVO;	✓
C. Determining whether the Contractor will contract with the provider within thirty (30) Days of receipt of the verified credentialing packet from the CVO;	✓
D. Within ten (10) Days of an executed contract with a provider, ensuring that any of the Contractor's internal processing systems are updated to include the accepted provider contractor and the provider as a participating provider;	✓
E. Notifying the provider if additional time beyond the required ten (10) Days is needed to load and configure the provider contract, which time shall not exceed an additional fifteen (15) Days;	✓
F. Working with the CVO as needed when a re-evaluation of provider documentation is determined as necessary to maintain participation status.	✓
G. Meeting with the Department and/or the CVO monthly during implementation activities, quarterly during ongoing operations, or	✓

at a different frequency as requested by the Department, Contractor, or CVO about the credentialing process.	
The Contractor shall accept provider credentialing and verified information from the Department, or the Department's contracted CVO, and shall not request a provider to submit additional credentialing information without the Department's written prior approval. The Contractor is not prohibited from collecting additional information to inform the Contractor's contracting process.	✓
Nothing in this section requires the Contractor to contract with a provider if the Contractor and provider do not agree on the terms and conditions for participation.	✓
A provider's Claims become eligible for payment as of the date of the provider's Credentialing Application Date. The Contractor shall not require a provider to Appeal or resubmit any Clean Claim submitted during the time period between the provider's Credentialing Application Date and the Contractor's completion of its credentialing process.	✓
A university hospital, as defined in KRS 205.639, may perform the activities of a CVO for its employed physicians, residents, and mid-level practitioners where such activities are delineated in the hospital's contract with the Contractor. The provisions of KRS 205.532 (3), (4), (5), and (6) with regard to payment and timely action on a credentialing application shall apply to a credentialing application that has been verified through a university hospital.	✓

### 27.9 Provider Maintenance of Medical Records

Contract Requirement	Agree to Comply
The Contractor shall require Providers to maintain Enrollee Medical Records on paper or in an electronic format. Enrollee Medical Records shall be maintained timely, legible, current, detailed and organized to permit effective and confidential patient care and quality review. Complete Medical Records include, but are not limited to, medical charts, prescription files, hospital records, provider specialist reports, consultant and other health care professionals' findings, appointment records, and other documentation sufficient to disclose the quantity, quality, appropriateness, and timeliness of services provided under the Contract. The Medical Record shall be signed by the provider of service.	✓
The Enrollee's Medical Record is the property of the Provider who generates the record. However, the Contractor shall require that each Enrollee or his/her representative is entitled to one free copy of his/her Medical Record. Additional copies shall be made available to Enrollees at cost. Medical records shall generally be preserved and maintained by the Provider for a minimum of five (5) years unless federal requirements mandate a longer retention period (i.e., immunization and tuberculosis records are required to be kept for a person's lifetime).	✓
The Contractor shall ensure that the PCP maintains a primary Medical Record for each Enrollee, which contains sufficient medical information from all providers involved in the Enrollee's care, to ensure continuity of care. The medical chart organization and documentation shall, at a minimum, require the following:	✓
A. Enrollee/patient identification information, on each page;	✓
B. Personal/biographical data, including date of birth, age, gender, marital status, race or ethnicity, mailing address, home and work addresses and telephone numbers, employer, school, name and	✓



telephone numbers (if no phone contact name and number) of emergency contacts, consent forms, identify language spoken and guardianship information;	
C. Date of data entry and date of Encounter;	✓
D. Provider identification by name;	✓
E. Allergies, adverse reactions and any known allergies shall be noted in a prominent location;	✓
F. Past medical history, including serious accidents, operations, illnesses. For children, past medical history includes prenatal care and birth information, operations, and childhood illnesses (i.e., documentation of chickenpox);	✓
G. Identification of current problems;	✓
H. The consultation, laboratory, and radiology reports filed in the Medical Record shall contain the ordering provider's initials or other documentation indicating review;	✓
I. Documentation of immunizations pursuant to 902 KAR 2:060;	✓
J. Identification and history of nicotine, alcohol use or substance abuse;	✓
K. Documentation of reportable diseases and conditions to the local health department serving the jurisdiction in which the patient resides or Department for Public Health pursuant to 902 KAR 2:020;	✓
L. Follow-up visits provided secondary to reports of emergency room care;	✓
M. Hospital discharge summaries;	✓
N. Advanced Medical Directives, for adults;	✓
O. All written Denials of service and the reason for the Denial; and	✓
P. Record legibility to at least a peer of the writer. Any record judged illegible by one reviewer shall be evaluated by another reviewer.	✓
An Enrollee's Medical Record shall include the following minimal detail for individual clinical Encounters:	✓
A. History and physical examination for presenting complaints containing relevant psychological and social conditions affecting the patient's medical/behavioral health, including mental health, and substance abuse status;	✓
B. Unresolved problems, referrals and results from diagnostic tests including results and/or status of preventive screening services (EPSDT) are addressed from previous visits;	✓
C. Plan of treatment including:	✓

1. Medication history, medications prescribed, including the strength, amount, directions for use and refills;	✓
2. Therapies and other prescribed regimen; and	✓
3. Follow-up plans including consultation, referrals and directions, including time to return.	✓
An Enrollee's Medical Record shall include at a minimum for hospitals and mental hospitals:	✓
A. Identification of the Enrollee;	✓
B. Physician name;	✓
C. Date of admission and dates of application for and authorization of Medicaid benefits if application is made after admission; the plan of care (as required under 42 C.F.R. 456.172 (mental hospitals) or 42 C.F.R. 456.70 (hospitals);	✓
D. Initial and subsequent continued stay review dates (described under 42 C.F.R. 456.233 and 42 C.F.R. 465.234 (for mental hospitals) and 42 C.F.R. 456.128 and 42 C.F.R. 456.133 (for hospitals);	✓
E. Reasons and plan for continued stay if applicable;	✓
F. Other supporting material appropriate to include;	✓
G. For non-mental hospitals only:	✓
1. Date of operating room reservation; and	✓
2. Justification of emergency admission if applicable.	✓

#### 27.10 Provider Grievances and Appeals

Contract Requirement	Agree to Comply
The Contractor shall have in place a provider grievance and appeals process, distinct from that offered to Enrollees. The Contractor shall process provider grievances and appeals promptly, consistently, fairly, and in compliance with state and federal law and Department requirements. The Contractor shall submit its Provider Grievances and Appeals Policy and Procedures to the Department for review ninety (90) Days after Contract execution. The Contractor shall submit changes to the Policy and Procedures to the Department for review prior to implementation of such changes.	✓
The Contractor shall allow for Providers to have the right to file an internal appeal with the Contractor regarding Denial of the following:	✓
A. A health care service;	✓

B. Claim for reimbursement;	✓
C. Provider payment;	✓
D. Contractual issues.	✓
Appeals received from Providers that are on the Enrollee's behalf for denied services with requisite consent of the Enrollee are deemed Enrollee appeals and not subject to this Section. See <b>Section 24.0 "Enrollee Grievances and Appeals"</b> for requirements for Enrollee appeals.	✓
The Contractor's Provider Grievance and Appeals Policy and Procedures shall include the following, at a minimum:	✓
A. A grievance process for providers to submit complaints or disputes for which remedial action is not requested to the Contractor and that requires use of a standard Department provided Provider Grievance Form by the Contractor to initiate its Provider grievance process;	✓
B. An appeals process for providers to raise challenges to specific Contractor decisions that includes:	
1. A committee to review and make decisions on provider appeals. The committee must consist of at least three (3) qualified individuals who were not involved in the original decision, action, or inaction giving rise to the right to appeal;	✓
2. Written notification to the Provider regarding a Denial;	✓
3. Right to request an external third party review of Contractor decisions after the internal process has been exhausted.	✓
C. Requirements for recording all grievances and appeals filed by a provider to include the date filed, type of issue, identification and contact of the individual filing the grievance or appeal, identification of the individual recording the grievance or appeal, disposition of the grievance or appeal, corrective action required and date resolved;	✓
D. Requirements that any form of correspondence with the provider about the appeal be directed to the designee who filed the appeal.	✓
E. Process for ongoing review and monitoring of types of grievances and appeals submitted and their resolutions for use in determining if additional provider education or changes to MCO operations is necessary to address trends;	✓
The Contractor shall resolve Provider grievances or appeals and provide written notification of the resolution that is received by the Provider within thirty (30) Days. If the grievance or appeal is not resolved within thirty (30) Days, the Contractor shall request a fourteen (14) Day extension from the Provider. If the Provider requests the extension, the extension shall be approved by the Contractor. The Contractor shall ensure that there is no discrimination against a Provider solely on the grounds that the Provider filed an Appeal or is making an informal Grievance. The Contractor shall submit Provider Grievances and Appeals reports as required in <b>Appendix D "Reporting Requirements and Reporting Deliverables."</b>	✓

A Provider who has exhausted the Contractor's internal appeal process shall have a right to a final Denial, in whole or in part, by the Contractor to an external independent third party in accordance with applicable state laws and regulations including Denials, in whole or in part, involving Emergency Services. The Contractor shall provide written notification to the Provider of its right to file an appeal. A Provider shall have a right to Appeal a final decision by an external independent third party to the Cabinet for Health and Family Services Division of Administrative Hearings for a hearing in accordance with applicable state laws and regulation. If the Provider prevails, in whole or in part, the Contractor shall comply with any Final Order within sixty (60) Days unless the Final Order designates a different timeframe	✓
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### 27.11 Other Related Processes

Contract Requirement	Agree to Comply
The Contractor shall provide information specified in 42 C.F.R. 438.10(g)(2)(XI) about the Enrollee Grievance and Appeal System to all service providers and Subcontractors at the time they enter into a contract.	✓

### 27.12 Release for Ethical Reasons

Contract Requirement	Agree to Comply
The Contractor shall not require Providers to perform any treatment or procedure that is contrary to the Provider's conscience, religious beliefs, or ethical principles in accordance with 42 C.F.R. 438.102.	✓
The Contractor shall have a referral process in place for situations where a Provider declines to perform a service because of ethical reasons. The Enrollee shall be referred to another Provider licensed, certified or accredited to provide care for the individual service, or assigned to another PCP licensed, certified or accredited to provide care appropriate to the Enrollee's medical condition.	✓
A release for ethical reasons only applies to Contractor's Network Providers; it does not apply to the Contractor.	✓
The Contractor shall not prohibit or restrict a Provider from advising an Enrollee about his or her health status, medical care or treatment, regardless of whether benefits for such care are provided under the Contract, if the Provider is acting within the lawful scope of practice.	✓

## 28.0 PROVIDER NETWORK

### 28.1 General Provisions

Contract Requirement	Agree to Comply
The Contractor shall develop a robust Provider Network that is adequate to deliver Covered Services as described in this Contract to meet the healthcare needs of all Enrollees. The Contractor shall demonstrate that its Provider Network meets the Department's availability and access requirements set forth in <b>Section 28.0 "Provider Network,"</b> to ensure adequate and appropriate provision of services to Enrollees in urban and non-urban areas and which may include the use of telehealth when appropriate to the condition and needs of the Enrollee. The Contractor shall also demonstrate the extent to which it has included Network Providers who have traditionally provided a significant level of care to Medicaid Enrollees.	✓

The Contractor's Provider Network shall support the Department's quality and health outcomes goals and requirements. The Department may request information about value-based payment arrangements the Contractor includes in its provider contracts. The Contractor shall have Network Providers of sufficient types, numbers, specialties, and sub-specialties to ensure quality and access to health care services.	✓
The Contractor shall develop a Provider Network that complies with KRS 304.17A-515, 42 C.F.R. 438.206 and other state and federal regulations as applicable. When establishing and maintaining a Provider Network, the Contractor shall consider the anticipated Medicaid enrollment; the expected utilization of services given the characteristics and health care needs of the specific Medicaid populations enrolled with the Contractor; the numbers and types (their training, experience, and specialization) of Providers required to provide the necessary Medicaid services; the numbers of Network Providers who are not accepting new Medicaid patients; and the geographic location of Network Providers and its Enrollees, considering distance, travel time, the means of transportation ordinarily used by its Enrollees, and whether the location provides physical access for its Enrollees with disabilities.	✓

## 28.2 Network Providers to Be Contracted

Contract Requirement	Agree to Comply
The Contractor shall develop and maintain a Provider Network that includes providers from throughout the Kentucky provider community and may include providers in bordering states as described in this subsection. The Contractor shall comply with the any willing provider statute as described in 907 KAR 1:672 or as amended and KRS 304.17A-270.	✓
The Contractor shall contract with providers who are willing to meet the terms and conditions for participation established by the Contractor, including, but not limited to the following provider types:	✓
A. Hospitals and ambulatory surgical centers	✓
B. Physicians, advanced practice registered nurses, physician assistants, and family planning providers	✓
C. Free standing birthing centers, primary care centers, local health departments, home health agencies, Federally Qualified Health Centers (FQHCs), Rural Health Clinics (RHC), and private duty nursing agencies	✓
D. Behavioral health and substance abuse providers	✓
E. Opticians, optometrists, audiologists, hearing aid vendors, and speech language pathologists	✓
F. Physical therapists, occupational therapists, and chiropractors	✓
G. Dentists	✓
H. Pharmacies and durable medical equipment suppliers	✓

I. Podiatrists	✓
J. Renal dialysis clinics	✓
K. Transportation providers	✓
L. Laboratory and radiology providers	✓
M. Individuals and clinics providing Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) services and EPSDT Special Services	✓
The Contractor may also contract with other providers that meet the credentialing requirements to the extent necessary to provide Covered Services to Enrollees. Enrollment forms shall include those used by the Kentucky Medicaid Program as pertains to the provider type. The Contractor shall use such enrollment forms as required by the Department. When the Department's contracted CVO(s) are operational, the Contractor shall also coordinate with the CVO(s), as determined appropriate, to conduct this process.	✓

#### 28.2.1 Hospitals

Contract Requirement	Agree to Comply
The Contractor shall have a comprehensive network of hospitals such that they are available and geographically accessible to all Enrollees. This includes, but is not limited to acute care, rehabilitation, psychiatric, and tertiary care facilities, as well as facilities with neo-natal, intensive care, burn, and trauma units. The Contractor shall also include in its Network all Critical Access Hospitals (CAHs). The Contractor shall contract with at least one (1) Teaching Hospital	✓

#### 28.2.2 Primary Care Providers

Contract Requirement	Agree to Comply
The Contractor shall have an adequate number of accessible Primary Care Providers (PCPs) in its network, including family practice and general practice physicians, internists, obstetricians and gynecologists, and pediatricians. Primary care physician residents may function as PCPs. The PCP shall serve as the Enrollee's initial and most important point of contact with the Contractor. This role requires a responsibility to both the Contractor and the Enrollee. Although PCPs are given this responsibility, the Contractor shall retain the ultimate responsibility for monitoring PCP actions to ensure they comply with the Contractor and Department policies.	✓
Specialty providers may serve as PCPs under certain circumstances, depending on the Enrollee's needs, including for an Enrollee who has a gynecological or obstetrical health care need, a disability, or chronic illness. The decision to utilize a specialist as the PCP shall be based on agreement among the Enrollee or family, the specialist, and the Contractor's medical director. The Enrollee has the right to Appeal such a decision in the formal Appeals process.	✓

The Contractor shall monitor a PCP's actions to ensure he/she complies with the Contractor's and Department's policies including but not limited to the following:	✓
A. Maintaining continuity of the Enrollee's health care	✓
B. Making referrals for Specialty Care and other Medically Necessary services, both in and out of network, if such services are not available within the Contractor's Network	✓
C. Maintaining a current Medical Record for the Enrollee, including documentation of all PCP and Specialty Care services;	✓
D. Discussing Advance Medical Directives with all Enrollees as appropriate;	✓
E. Providing primary and preventative care, recommending or arranging for all necessary preventive health care, including EPSDT for persons under the age of twenty-one (21) years;	✓
F. Documenting all care rendered in a complete and accurate Medical Record that meets or exceeds the Department's specifications;	✓
G. Arranging and referring Enrollees when clinically appropriate, to behavioral health providers; and	✓
H. Maintaining formalized relationships with other PCPs to refer their Enrollees for after-hours care, during certain days, for certain services, or other reasons to extend the hours of service of their practice. The PCP remains solely responsible for the PCP functions (A) through (G) above.	✓
The Contractor shall ensure that the following acceptable after-hours phone arrangements are implemented by PCPs in the Contractor's Network and that the unacceptable arrangements are not implemented:	✓
A. Acceptable: <ol style="list-style-type: none"> <li>1. Office phone is answered after hours by an answering service that can contact the PCP or another designated medical practitioner and the PCP or designee is available to return the call within a maximum of thirty (30) minutes;</li> <li>2. Office phone is answered after hours by a recording directing the Enrollee to call another number to reach the PCP or another medical practitioner whom the Provider has designated to return the call within a maximum of thirty (30) minutes; and</li> <li>3. Office phone is transferred after office hours to another location where someone shall answer the phone and be able to contact the PCP or another designated medical practitioner within a maximum of thirty (30) minutes.</li> </ol>	✓
B. Unacceptable: <ol style="list-style-type: none"> <li>1. Office phone is only answered during office hours;</li> <li>2. Office phone is answered after hours by a recording that tells Enrollees to leave a message;</li> <li>3. Office phone is answered after hours by a recording that directs Enrollees to go to the emergency room for any services needed; and</li> <li>4. Returning after-hours calls outside of thirty (30) minutes</li> </ol>	✓

**28.2.3 Federally Qualified Health Centers (FQHCs) and Rural Health Clinics (RHCs)**

Contract Requirement	Agree to Comply
The Contractor shall contract with at least one (1) FQHC and one (1) RHC for each Medicaid Region where available.	✓
If the Contractor is not able to reach agreement on terms and conditions with these providers, it shall submit to the Department, for approval, documentation which supports that adequate services and service sites as required in this Contract shall be provided to meet the needs of its Enrollees without contracting with these specified providers. Such approval is subject to <b>Section 4.4</b> "Approval of Department."	✓

**28.2.4 Department for Public Health**

Contract Requirement	Agree to Comply
The Department for Public Health contracts with the local health departments and serves an important role in promoting population health and the provision of safety net services in the Commonwealth. The Contractor shall offer a participation agreement to the Department for Public Health for local health department services. Such participation agreement shall include, but not be limited to, the following provisions:	✓
A. Coverage of the Preventive Health Package pursuant to 907 KAR 1:360; and	✓
B. Provide reimbursement at rates commensurate with those provided under Medicare.	✓
If the Contractor is not able to reach agreement on terms and conditions with these specified providers, it shall submit to the Department for approval, documentation which describes the good faith contracting attempts and supports that adequate services and service sites as required in this Contract shall be provided to meet the needs of its Enrollees without contracting with these specified providers. Such approval is subject to <b>Section 4.4</b> "Approval of Department."	✓

**28.2.5 Family Planning Services**

Contract Requirement	Agree to Comply
The Contractor shall contract with Network Providers who are qualified by experience and training to provide Family Planning Services.	✓

**28.2.6 Behavioral Health and Substance Use Disorders**

Contract Requirement	Agree to Comply
The Contractor shall maintain a comprehensive network of behavioral health and substance abuse providers to provide out-patient (including intensive home services), intensive out-patient, substance abuse residential, Case Management, mobile crisis, residential crisis stabilization, assertive community treatment, and peer support services, including:	✓
A. Psychiatrists, Psychologists, and Licensed Clinical Social Workers;	✓



B. Licensed Professional Clinical Counselors, Licensed Marriage and Family Therapists, Licensed Psychological Practitioners, and Licensed Clinical Alcohol and Drug Counselors;	✓
C. Targeted Case Managers and Certified Family, Youth and Peer Support Providers;	✓
Behavioral Health Multi-Specialty Groups and Behavioral Health Services Organizations;	✓
D. Chemical Dependency Treatment Centers;	✓
Psychiatric Residential Treatment Facilities (PRTFs) and Residential Crisis Stabilization Units;	✓
E. Community Mental Health Centers (CMHCs);	✓
F. Multi-Therapy Agencies providing physical, speech and occupational therapies, which include Comprehensive Outpatient Rehabilitation Facilities, Special Health Clinics, Mobile Health Services, Rehabilitation Agencies and Adult Day Health Centers; and	✓
G. Other independently licensed behavioral health professionals.	✓

**28.2.7 Dental Providers**

Contract Requirement	Agree to Comply
The Contractor shall enroll providers of dental services in accordance with 907 KAR 1:026.	✓

**28.2.8 Clinical Laboratory Improvement Amendments (CLIA) Requirements**

Contract Requirement	Agree to Comply
The Contractor shall maintain a comprehensive network of independent and other laboratories that ensures laboratories are accessible to all Enrollees.	✓
Providers performing laboratory tests are required to be certified under the CLIA. The Department will continue to update the provider file with CLIA information from the CASPER/QIES file provided by CMS for all appropriate providers. This will make laboratory certification information available to the Contractor on the Medicaid provider file.	✓

**28.2.9 Pharmacies**

Contract Requirement	Agree to Comply
The Contractor shall maintain a comprehensive network of pharmacies that ensures pharmacies are available and geographically accessible to all Enrollees.	✓

**28.2.10 Telehealth**

Contract Requirement	Agree to Comply
The Contractor may use telehealth as a tool for facilitating access to needed services in a clinically appropriate manner that are not available within the Contractor's Provider Network and in accordance with KRS 205.559 and KRS 205.5591.	✓
Telehealth providers must be licensed in Kentucky to receive reimbursement for telehealth services under Medicaid.	✓
The Contractor shall not:	✓
A. Require a Medicaid provider to be physically present with an Enrollee, unless the provider determines that it is Medically Necessary to perform those services in person;	✓
B. Require a Medicaid provider to be employed by another provider or agency to provide telehealth services that would not be required if that service were provided in person;	✓
C. Require a Provider to be part of a telehealth network.	✓
The Contractor shall have and implement policies and procedures that follow all federal and state security and procedure guidelines. The policies and procedures shall incorporate the Department's policies and procedures for the proper use and security for telehealth, including but not limited to confidentiality and data integrity, privacy and security, informed consent, privileging and credentialing, reimbursement, and technology.	✓
The Contractor may leverage telehealth in its Request for Exception to the Department's network adequacy standards, as appropriate and approved by the Department. The Contractor may not consider access to telehealth providers for meeting network adequacy standards, unless approved by the Department as part of an exception to network requirements.	✓

**28.2.11 Transportation Services**

Contract Requirement	Agree to Comply
The Department contracts with the Kentucky Transportation Cabinet, Office of Transportation Delivery to provide non-emergency medical transportation (NEMT) services to select Medicaid Enrollees. NEMT services do not include emergency ambulance and non-emergency ambulance stretcher services. The Contractor shall contract with providers of transportation of an emergency nature, including emergency ambulance and ambulance stretcher services.	✓

**28.2.12 Charitable Providers**

Contract Requirement	Agree to Comply
The Contractor may include any charitable providers that serve Enrollees within a Medicaid Region, provided that such providers meet credentialing standards.	✓

**28.2.13 Bordering State Providers**

Contract Requirement	Agree to Comply
The Contractor may include providers located within fifty (50) Miles of the Kentucky border. Border providers may be in Missouri, Illinois, Indiana, Ohio, West Virginia, Virginia, and Tennessee. Border providers that the Contractor includes in its network must be enrolled in Kentucky Medicaid and have a signed agreement with the Contractor. The Contractor shall follow all Kentucky Medicaid enrollment rules when contracting bordering state providers.	✓

**28.2.14 Out-of-Network Providers**

Contract Requirement	Agree to Comply
If the Contractor is unable to provide within its network necessary Covered Services, it shall timely and adequately cover these services out of network for the Enrollee for as long as Contractor is unable to provide the services in accordance with 42 C.F.R. 438.206.	✓
The Department will provide the Contractor with an expedited enrollment process to assign provider numbers for providers not already enrolled in Medicaid for emergency situations only.	✓

**28.3 Additional Network Providers Requirements**

Contract Requirement	Agree to Comply
The Contractor shall attempt to contract with the following providers:	✓
A. Teaching Hospitals;	✓
B. The Office for Children with Special Health Care Needs;	✓
C. Community Mental Health Centers; and	✓
D. Pediatric Prescribed Extended Care Providers.	✓
If the Contractor is not able to reach agreement on terms and conditions with these specified providers, it shall submit to the Department for approval, documentation which describes the good faith contracting attempts and supports that adequate services and service sites as required in this Contract shall be provided to meet the needs of its Enrollees without contracting with these specified providers. Such approval is subject to <b>Section 4.4 "Approval of Department."</b>	✓
The Contractor must offer participation agreements with currently enrolled Medicaid providers who have received electronic health record incentive funds who are willing to meet the terms and conditions for participation established by the Contractor.	✓

**28.4 Provider Network Access and Adequacy**

<b>Contract Requirement</b>	<b>Agree to Comply</b>
The Contractor shall meet the Provider Network access and adequacy standards consistent with KRS 304.17A-515 and established by the Department as described in this section, unless otherwise approved by the Department in accordance with the requirements set forth in <b>Section 28.0 "Provider Network."</b> Any exceptions shall be justified and documented by the Contractor in accordance with <b>Section 28.9 "Exceptions to Provider Network."</b> Significant changes in Contractor's Network composition that reduce Enrollee access to services may be grounds for Contract termination.	✓
The Department may amend these standards as deemed appropriate throughout the Contract Term. The Contractor shall comply with modified standards as directed, but with no less than a ninety (90) Day prior notice unless other timing is required by federal or state regulation.	✓
The Contractor shall make available and accessible facilities, Service Locations, and personnel sufficient to provide Covered Services consistent with the requirements specified in this subsection.	✓
Consistent with KRS 304.17A-515, the Contractor shall have a Provider Network that meets the following accessibility requirements:	✓
A. For urban areas, a Provider Network that is available to all Enrollees within thirty (30) Miles or thirty (30) minutes of each Enrollee's place of residence or work, to the extent that services are available;	✓
B. For areas other than urban areas, a Provider Network that makes available PCP services, hospital services, and pharmacy services within thirty (30) minutes or thirty (30) Miles of each Enrollee's place of residence or work, to the extent those services are available. All other providers shall be available to all Enrollees within fifty (50) minutes or fifty (50) Miles of each Enrollee's place of residence or work, to the extent those services are available.	✓
In addition, the Contractor shall meet the following as required by the Department:	✓
A. Enrollee to PCPs ratios shall not exceed 1500:1 FTE Provider for children under twenty-one (21) and adults;	✓
B. Specific to voluntary family planning, counseling and medical services as soon as possible within a maximum of thirty (30) Days. If not possible to provide complete medical services to Enrollees less than eighteen (18) years of age on short notice, counseling and a medical appointment as immediately as possible and within ten (10) Days;	✓
C. Appointment and wait times shall not exceed thirty (30) Days from date of an Enrollee's request for routine and preventive services and forty-eight (48) hours for Urgent Care: <ol style="list-style-type: none"> <li>1. PCPs for both adults and pediatrics;</li> <li>2. Specialists designated by the Department including sufficient adult specialists to meet the needs of Enrollees twenty-one (21) years of age and older and pediatric specialists to meet the needs of Enrollees under age twenty-one (21);</li> <li>3. General and pediatric dental services;</li> <li>4. General vision services; and</li> <li>5. Laboratory and radiology services.</li> </ol>	✓

D. If either the Contractor or a Provider (including Behavioral Health) requires a referral before making an appointment for Specialty Care, any such appointment shall be made within thirty (30) Days for routine care or forty-eight (48) hours for Urgent Care;	✓
E. Emergency medical and Behavioral Health Services shall be made available and accessible to Enrollees twenty-four (24) hours a day, seven (7) days a week. Urgent care services by any provider in the Contractor's Network shall be made available and accessible within forty-eight (48) hours of request; and	✓
F. Immediate treatment for any Emergency Medical or Behavioral Health Services by a health provider that is most suitable for the type of injury, illness, or condition, regardless of whether the facility is in Contractor's Network.	✓
The Contractor shall monitor usage of Emergency Rooms in each Medicaid Region by Enrollees for non-emergent visits, and provide sufficient alternate sites for twenty-four (24) hour care and appropriate incentives to Enrollees to reduce unnecessary Emergency Room visits.	✓
The Contractor shall develop and provide GeoAccess reports to the Department in accordance with <b>Appendix D "Reporting Requirements and Reporting Deliverables"</b> and as directed by the Department. The Contractor shall utilize the most recent GeoAccess program versions available and update periodically and on a timeline defined by the Department. The Contractor shall use GeoCoder software along with the GeoAccess application package.	✓
The Contractor shall only include in its Geographic Access data reports those Providers that operate a Full-Time Provider location. For purposes of this requirement, a Full-Time Provider location is defined as a location operating for sixteen (16) or more hours in an office location each week. For Providers who have more than one (1) office, the Contractor must indicate each location by a separate record in the Provider file and divide the capacity of the Provider by the number of locations. For example, if the Provider capacity is one hundred fifty (150), and the Provider has two (2) offices, each office would have a capacity of seventy five (75). The "individual capacity" option should be used when reporting PCPs.	✓
For calculating distance (Miles), the Contractor shall use the maximums for the amount of time it takes an Enrollee using usual travel means in a direct route to travel from place of residence or work to the Provider's location. The Department recognizes that when using NEMT services, transportation may not always follow direct routes due to multiple passengers.	✓

### 28.5 Provider Network Plan

Contract Requirement	Agree to Comply
The Contractor shall develop and submit to the Department a Provider Network Plan that demonstrates the Contractor's capacity to serve its anticipated enrollment in consideration of all required provider types and in accordance with <b>Section 28.4 "Provider Network Access and Adequacy,"</b> Commonwealth and federal law, and the terms of the Contract. The Contractor shall submit to the Department for approval the Provider Network Plan with ongoing updates as follows:	✓
A. Thirty (30) Days after Contract Execution;	✓


B. Annually;	✓
C. Within thirty (30) Days of a significant change in the Contractor's Provider network that impacts network adequacy or the ability to provide services in a Medicaid Region (e.g., addition or loss of a large provider group); and	✓
D. At other times as requested by the Department during Readiness Review and throughout the Contract Term.	✓
The Provider Network Plan shall address the following at a minimum:	✓
<p>A. Overall approach, including:</p> <p><b>Activities to establish and maintain a Provider Network that meets the standards set forth in Section 28.4 "Provider Network Access and Adequacy," including a description of the Provider Network and factors and criteria the Contractor used to select Providers and build the Provider Network (e.g., objective quality standards);</b></p> <ol style="list-style-type: none"> <li>1. Process and methodology to understand the distribution of Enrollee health care needs against available Providers and Provider capacity to serve those needs;</li> <li>2. Methods to ensure that the Provider Network addresses the needs of all Enrollees, including those with limited English proficiency or illiteracy;</li> <li>3. Methods to ensure that Network Providers provide physical access, reasonable accommodations, and accessible equipment for Enrollees with physical or mental disabilities;</li> <li>4. Methods to support and sustain Network Providers, including hospitals, in Non-urban and other traditionally underserved areas;</li> <li>5. A quantifiable and measurable process for monitoring and assuring the sufficiency of the Provider Network to meet the health care needs of all Enrollees on an ongoing basis;</li> <li>6. Methods the Contractor will implement when it or its Network Providers fail to comply with Section 28.4 "Provider Network Access and Adequacy;" and</li> <li>7. Methods the Contractor will use to analyze access to specific provider types upon request of the Department</li> </ol>	✓
B. Quality assurance standards, consistent with the Department's Quality Strategy and requirements, which must be adequate to identify, evaluate, and remedy problems relating to access, continuing care, and quality care;	✓
<p>C. Demonstration of level of compliance with the following:</p> <ol style="list-style-type: none"> <li>1. Appropriate range of preventive, primary care, and specialty services, that is adequate for the anticipated number of Enrollees by Medicaid Region;</li> <li>2. A Provider Network that is sufficient in number, mix, and geographic distribution to meet the needs of the anticipated number of Medicaid Enrollees in the Medicaid Region.</li> </ol>	✓
D. Documentation to support information in the Provider Network Plan (e.g., GeoAccess reports showing geographical location by provider type in relationship to Enrollees' locations and other data as agreed upon with the Department).	✓

## 28.6 Provider Contracting



Contract Requirement	Agree to Comply
The Contractor shall offer to contract with providers in writing. All Network Provider contracts shall include the standard provisions set forth in <b>Appendix C “Required Standard Provisions for Network Provider Contracts.”</b> Neither the Contractor nor its Subcontractors shall require a Provider to participate exclusively with its network to provide Covered Services under this Contract as such would violate the requirement of 42 C.F.R. Part 438 to provide Enrollees with continuity of care and choice.	✓
The Contractor shall ensure that all Network Providers have knowingly and willfully agreed to participate in the Contractor’s Network. The Contractor shall not acquire established networks without contacting each individual provider to ensure knowledge of the requirements of this Contract and the provider’s complete understanding and agreement to fulfill all terms of the Provider Network Contract. The Department reserves the right to confirm and validate, through both the collection of information and documentation from the Contractor and onsite visits to Providers, the existence of a direct relationship between the Contractor and the Providers.	✓
The Contractor shall not require practitioners, as a condition of contracting, to agree to participate or accept other products offered by the Contractor nor shall the Contractor automatically enroll the provider in any other product offered by the Contractor.	✓
Providers shall meet the credentialing standards described in <b>Section 27.7 “Provider Credentialing and Recredentialing”</b> of this Contract and be eligible to enroll with the Kentucky Medicaid Program. A provider joining the Contractor’s Network shall meet the Medicaid provider enrollment requirements set forth in the Kentucky Administrative Regulations and in the Medicaid policy and procedures manual for fee-for-service providers of the appropriate provider type. The Contractor is responsible for confirming all Network Providers are credentialed and enrolled in the Kentucky Medicaid Program. The Contractor may include Providers in its Provider Network who do not provide services to the Medicaid fee-for-service population; however, such Providers must be enrolled with the Kentucky Medicaid program.	✓
The Contractor shall have written policies and procedures regarding the selection and retention of the Contractor’s Provider Network. The policies and procedures shall not discriminate against Providers who service high-risk populations or who specialize in conditions that require costly treatment or based upon that Provider’s licensure or certification. The Contractor shall ensure that no incentive is provided, monetary or otherwise, to Providers for withholding Medically Necessary services from Enrollees.	✓
The Contractor shall also make reasonable efforts to recruit providers based on Enrollee requests. When Enrollees ask to receive services from a provider not currently enrolled in the Contractor’s Network, the Contractor shall contact that provider to determine an interest in enrolling and willingness to meet the Contractor’s terms and conditions.	✓
The Contractor shall send all newly contracted Providers a written network participation welcome letter that includes a contract effective date for which Providers are approved to begin providing medical services to Enrollees. The welcome letter shall also provide orientation information as set forth in <b>Section 27.5 “Provider Orientation and Education.”</b>	✓
The Contractor shall provide written notice to providers not accepted into the Provider Network along with the reasons for the non-acceptance. A provider cannot enroll or continue participation in the Contractor’s Provider Network if the provider has active sanctions imposed by Medicare, Medicaid or SCHIP, if required licenses and certifications are not current, if money is owed to the Medicaid Program,	✓

<p>or if the Office of the Attorney General has an active Fraud investigation involving the provider or the provider otherwise fails to satisfactorily complete the credentialing process. The Contractor shall obtain access to the National Practitioner Database as part of its credentialing process to verify the Provider's eligibility for network participation. Federal Financial Participation is not available for amounts expended for providers excluded by Medicare, Medicaid, or SCHIP, except for Emergency Medical Services.</p>	
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**28.7 Medicaid Providers Files**

<b>Contract Requirement</b>	<b>Agree to Comply</b>
<p>The Department will provide the Contractor with access to the Department's Medicaid provider master file either by direct on-line inquiry access, by electronic file transfer, or by means of an extract developed by the Department. The Contractor shall use the Medicaid provider master file to obtain the ten (10)-digit provider number assigned to a medical provider by the Kentucky Medicaid Program, the provider's status with the Medicaid program, CLIA certification, and other information. The Contractor shall use the Medicaid provider number as the provider identifier when transmitting information or communicating about any provider to the Department or its Fiscal Agent. The Contractor shall transmit a file of provider data specified in this Contract for all credentialed Network Providers on a monthly basis and when any information changes.</p>	

**28.8 Providers Not Participating in Medicaid Fee-for-Service**

<b>Contract Requirement</b>	<b>Agree to Comply</b>
<p>A provider is not required to participate in the Kentucky Medicaid Fee-for-Service Program as a condition of participation with the Contractor's Provider Network but must be enrolled in the Kentucky Medicaid Program. If a potential provider has not had a Medicaid number assigned, the provider shall apply for enrollment with the Department and meet the Medicaid provider enrollment requirements set forth in the Kentucky Administrative Regulations and in the Medicaid policy and procedures manual for fee-for-service providers of the appropriate provider type. Upon request of a provider, the Contractor shall provide support to the provider in submission of required materials to the Department for processing of the enrollment. When the Contractor has submitted the required data in the transmission of the provider file indicating inclusion in the Contractor's Network, The Department will enter the provider number on the master provider file and the transmitted data will be loaded to the provider file. The Contractor will receive a report within two (2) weeks of transactions being accepted, suspended or denied.</p>	
<p>All documentation regarding a provider's qualifications and services provided shall be available for review by the Department or its agents when needed for the enrollment process at the Contractor's offices during business hours upon reasonable advance notice.</p>	



## 28.9 Exceptions to Provider Network Requirements

Contract Requirement	Agree to Comply
Network adequacy measures the Contractor's ability to deliver the Covered Services required under the terms of the Contract by providing reasonable access to a sufficient number of primary care, specialty, and other types of providers. Recognizing conditions exist in the Commonwealth that may create challenges in meeting network adequacy requirements (e.g., workforce shortages for specific provider types in specific counties, not all counties in Kentucky have a PCP or hospital, etc.), the Department will permit the Contractor to request exceptions to Provider Network requirements.	✓
The Department will grant exceptions based on the evidence presented by the Contractor and exceptions granted will generally be time limited. The Contractor shall partner with the Department and other contracted MCOs to understand the health needs of Kentucky and to develop innovative solutions to develop or foster provider capacity or otherwise meet the healthcare needs of Enrollees and the requirements of this Contract.	✓
In accordance with 42 CFR 438.68(d)(1), the Contractor may request Department approval for an exception to meeting Provider Network adequacy standards in a specific Region for a specific provider type. Requests must be made in writing and include the following:	✓
A. Description of the Region(s) and specific provider type(s) for which the exception is being made;	✓
B. Justification for the exception request;	✓
C. Description of the Contractor's efforts to negotiate with providers in good faith, including detailed information about providers who have been contacted, challenges in contracting, and ongoing efforts to contract;	✓
D. Description of how the Contractor will provide adequate services to meet the needs of Medicaid Enrollees for the specific Region and provider type; and	✓
E. A detailed plan to address Enrollees' needs and to remedy the Provider Network deficiency, including an estimated timeline to close the network gap.	✓
The Department will review the exception request and respond as set forth in <b>Section 4.4 "Approval of Department."</b> The Department's response will request additional information or issue a decision of approval or Denial based on the evidence presented by the Contractor and other information as identified by the Department. If approved, the Department will include in its notice to the Contractor a specified timeframe for which the approval is granted. The Contractor shall provide updates on implementation of its plan to remedy the network deficiency on a frequency and in the detail required by the Department in the approval notice.	✓
Forty-five (45) Days before an exception is set to expire, the Contractor shall submit a new request for the exception or inform the Department the exception is no longer needed. Should the Department receive information at any time to question the exception, the Department may deem the Contractor to be out of compliance.	✓

**28.10 Termination of Network Providers**

Contract Requirement	Agree to Comply
<p>A. The Contractor shall terminate from participation any Provider who (i) engages in an activity that violates any law or regulation and results in suspension, termination, or exclusion from the Medicare, Medicaid, or KCHIP program; (ii) has a license, certification, or accreditation terminated, revoked or suspended; (iii) has medical staff privileges at any hospital terminated, revoked or suspended; or (iv) engages in behavior that is a danger to the health, safety or welfare of Enrollees.</p> <p>The Department reserves the right to direct the Contractor to terminate or modify any Provider agreement when the Department determines it to be in the best interest of the Commonwealth. The Department shall notify the Contractor of suspension, termination, and exclusion actions taken against Medicaid providers by the Kentucky Medicaid program within three (3) Business Days via e-mail. The Contractor shall terminate the Provider effective upon receipt of notice by the Department.</p>	✓
<p>B. The Contractor shall notify the Department via e-mail of a Provider termination from the Contractor's Network within three (3) Business Days for any of the following reasons:</p> <ol style="list-style-type: none"> <li>1. Adverse Medicare Action;</li> <li>2. Adverse Action on Professional License;</li> <li>3. Deceased;</li> </ol> <p>Professional License Surrender; or</p> <ol style="list-style-type: none"> <li>4. Other State Medicaid Adverse Action.</li> </ol>	✓
<p>C. The Contractor may terminate from participation any Provider who materially breaches the Provider Agreement with the Contractor and fails to timely and adequately cure such breach in accordance with the terms of the Provider Agreement. The Contractor shall notify the Department via e-mail of such a Provider termination within three (3) Business Days.</p>	✓
<p>D. When a Provider elects to terminate its contract with the Contractor, the Contractor shall notify the Department via e-mail of such a Provider termination within three (3) Business Days of the contract termination date.</p>	✓
<p>E. The Contractor shall survey all Providers who choose to exit the network and use results of Provider exit surveys to improve Provider retention and recruitment. The Contractor shall provide the Department with the Provider exit survey template for review and approval prior to use and for any subsequent changes. The Contractor shall provide the Department with survey results upon request.</p>	✓
<p>Contractor notifications to the Department about a Provider termination shall contain the reason, a brief description of the Provider's actions and/or applicable information leading to termination, the NPI, Medicaid ID, Entity Name, Provider Type (two digit) and complete mailing address. The Contractor shall send the e-mail notification to the DMS Commissioner's Office, Division of Program Quality and Outcomes, and the Division of Program Integrity, and any applicable designee(s). The Contractor notification to the Department shall provide assurances of how the Contractor will maintain network adequacy and access to care despite the Provider termination.</p>	✓
<p>For any terminations, the Contractor shall notify Enrollees who have received a service from the terminating Provider within the previous six (6) months. Such notice shall be mailed within fifteen</p>	✓

(15) Days of the action taken if it is a PCP and within thirty (30) Days for any other Provider. As applicable, the notice shall include:	
A. If the terminated provider was a contracted PCP, information about selecting or being Auto- Assigned to a new PCP and how the Contractor will assist the Enrollee to transition care to the newly assigned PCP;	✓
B. If the terminated provider was a specialist, information about how the Contractor will assist the Enrollee to transition care to another specialist.	✓

#### 28.11 Provider Electronic Transmission of Data

Contract Requirement	Agree to Comply
The Contractor shall submit information, including any additions or changes to the Provider Network, to demonstrate that the Contractor has an adequate network that meets the Department's standards as set forth in <b>Section 28.4 "Provider Network Access and Adequacy."</b> Appendix L "MCO Provider Network File Layout" contains the file layouts, data element definitions, and other information relevant to maintenance of the provider file by Contractor. The Contractor shall work collaboratively with the Department to ensure that the Contractor's file and submitted data complies with the requirements of this Contract. Additionally, the Contractor shall notify the Department, in writing, of any anticipated network changes that may impact Provider Network standards as defined herein.	✓
The Contractor shall update this information to reflect changes in the Contractor's Provider Network monthly. Unless the request is as a result of a determination under <b>Section 28.13 "Monitoring Compliance with Network Adequacy and Access Requirements"</b> that the Contractor is not in compliance with the access standards, the Contractor shall have thirty (30) Days to produce documentation on changes to its Network.	✓
Encounter Records containing provider numbers that are not on the Medicaid master provider file will not be accepted.	✓

#### 28.12 Maintaining Current Provider Network Information for Enrollees

Contract Requirement	Agree to Comply
In addition to providing changes to the Provider Network to the Department, the Contractor shall ensure that all changes to the Provider Network, including updates to the Provider Directory maintained on the Contractor's website, are communicated to Enrollees within fifteen (15) Days of the change if it is a PCP and within thirty (30) Days of the change for any other Provider. The Contractor shall update a paper Provider Directory at least monthly.	✓
In accordance with 42 C.F.R. 438.10(h), the Provider Directory shall include the following for physicians, hospitals, pharmacies, and behavioral health providers:	✓
Provider's name and any group affiliation; A. Street address(es); Telephone number(s); B. Website URL, as appropriate; C. Specialty(ies), as appropriate; D. Whether the Provider is accepting new Enrollees;	✓

<p>E. Provider's cultural and linguistic capabilities including languages (including American Sign Language) offered by the Provider or a skilled medical interpreter at the Provider's office, and whether the Provider has completed cultural competence training; and</p> <p>F. Whether the Provider's office/facility has accommodations for people with physical disabilities including offices, exam rooms, and equipment.</p> <p>G. Information for Providers with telehealth capabilities and presentation sites.</p>	
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### 28.13 Monitoring Compliance with Network Adequacy and Access Requirements

Contract Requirement	Agree to Comply
The Contractor shall monitor Provider compliance with access requirements, including but not limited to appointment and wait time standards set forth in <b>Section 28.4 "Provider Network Access and Adequacy"</b> and take corrective action for failure to comply. The Contractor shall conduct monitoring such as surveys and office visits to monitor compliance with appointment waiting time standards and shall report findings and corrective actions to the Department in accordance with <b>Section 37.0 "Contractor Reporting Requirements."</b>	✓
The Department will monitor the Contractor's compliance with Provider Network requirements and standards on an ongoing basis. The Department will use data from the Contractor's monthly provider file, Geographic Access data reports, enrollment data, and other required Contractor reporting to verify compliance with the Provider Network requirements. The Department will monitor that the Contractor has a sufficient number and distribution of Providers for each provider type. The Department or its Agent may also periodically phone Providers to confirm the Provider is contracted with the Contractor. The Department will also monitor data such as provider satisfaction survey findings, complaints and appeals data for indications that problems exist with access to Providers. Providers in the Contractor's Network who are not accepting Enrollees shall not be included in assessment of network adequacy and access.	✓
If at any time, the Contractor or the Department determine that the Contractor's Provider Network is not adequate to comply with the standards specified in <b>Section 28.4 "Provider Network Access and Adequacy"</b> for ninety-five percent (95%) of its Enrollees, the Contractor or Department shall notify the other and within fifteen (15) Business Days the Contractor shall submit a corrective action plan to remedy the deficiency.	✓
Corrective action plans for lack of network adequacy shall include, at a minimum, the following:	✓
A. A summary of the deficiency, including provider type, number of additional full-time equivalent (FTE) providers needed to resolve the deficiency, and the Medicaid Region(s) in which the deficiency exists;	✓
B. Specific actions and a timeline by which the Contractor anticipates addressing the deficiency;	✓
C. A list of providers with name, location, and expected date of provider agreement execution with whom the Contractor is currently negotiating a provider agreement and, the number of FTEs that will be addressed by contracting with the provider;	✓

D. If the Contractor is not in negotiations with providers to help resolve the deficiency, a detailed account of attempts to secure an agreement with each provider that would resolve the deficiency. This shall include the provider name(s), address(es), date(s) contacted, and a detailed explanation as to why the Contractor is unable to secure an agreement (e.g., lack of provider willingness to participate in the Medicaid program, provider prefers to limit access to practice, rate requests, etc.);	✓
E. A listing of Out-of-Network Providers, including name and location, who are being used to provide the deficient specialty provider services and the rates the Contractor is currently paying these Out-of-Network Providers;	✓
F. Documentation of how these arrangements are communicated to the Enrollee; and	✓
G. Documentation of how these arrangements are communicated to the PCPs.	✓
The Contractor shall also develop and maintain a contingency plan in the event that a large Provider of services collapses or is otherwise unable to provide needed services.	✓
The Department will review all corrective action plans and contingency plans and determine, based on the actions proposed by the Contractor, available data, and the supply of providers available to Medicaid Enrollees, whether the plan will be accepted. See <b>Section 39.3 "Requirement of Corrective Action."</b>	✓

## 29.0 PROVIDER PAYMENT PROVISIONS

### 29.1 Claims Payments

Contract Requirement	Agree to Comply
The Contractor shall accept only the uniform Claim forms submitted from providers that have been approved by the Department and completed according to Department guidelines. The Contractor shall accept Claims submitted directly to the Contractor by the Provider. The Contractor shall ensure that payments are made to the appropriate provider.	✓

### 29.2 Prompt Payment of Claims

Contract Requirement	Agree to Comply
In accordance with 42 C.F.R. 447.46, the Contractor shall comply with the timely Claims payment requirements of 42 C.F.R. 447.45. The Contractor shall consider timely claims filing to be within three-hundred sixty five (365) Days of the date of service. The Contractor shall implement Claims payment procedures that ensure ninety percent (90%) of all Provider Claims, including to I/T/Us, for which no further written information or substantiation is required in order to make payment are paid or denied within thirty (30) Days of the date of receipt of such Claims and that ninety-nine percent (99%) of all Claims are processed within ninety (90) Days of the date of receipt of such Claims. In addition, the Contractor shall comply with the Prompt-Pay statute, codified within KRS 304.17A-700-730, as may be amended, and KRS 205.593, and KRS 304.14-135 and KRS 304.99- 123, as may be amended. The Contractor shall provide to each Medicaid Provider the opportunity for an in-person meeting with a representative of the Contractor on any Clean Claim that remains unpaid in violation of KRS	✓

304.17A-700 to 304.17A-730; and on any Claim that remains unpaid for forty-five (45) Days or more after the date on which the Claim is received by the Contractor and that individually, or in the aggregate, exceeds twenty five hundred dollars (\$2,500.00).	
The Contractor shall reprocess Claims that are incorrectly paid or denied in error, in compliance with KRS 304.17A-708. The Contractor shall not require a Medicaid Provider to rebill or resubmit such a Claim to obtain correct payment, and no Claim shall be denied for timely filing if the Claim was timely submitted.	✓
The date of receipt is the date the MCO receives the Claim, as indicated by its date stamp on the Claim or other notation as appropriate to the medium used to file a Claim and the date of payment is the date of the check or other form of payment.	✓
The Contractor shall notify the requesting provider of any decision to deny a Claim or to authorize a service in an amount, duration, or scope that is less than requested. Notifications shall include reason for the Denial, and contact information for submission of Claims denied because a Subcontractor should have been billed. This information shall also be provided in the denying entity is a Subcontractor.	✓
Any conflict between federal law and Commonwealth law will default to the federal law unless the Commonwealth requirements are stricter.	✓

### 29.3 Payment to Out-of-Network Providers

Contract Requirement	Agree to Comply
The Contractor shall reimburse Out-of-Network Providers in accordance with <b>Section 29.1 "Claims Payments"</b> for the following Covered Services:	✓
A. Specialty care for which the Contractor has approved an authorization for the Enrollee to receive services from an Out-of-Network Provider;	✓
B. Emergency Care that could not be provided by the Contractor's Network Provider because the time to reach the Contractor's Network Provider would have resulted in risk of serious damage to the Enrollee's health;	✓
C. Services provided for family planning;	✓
D. Services for children in Foster Care, if applicable; and	✓
E. Pharmacy services.	✓
The above listed Covered Services shall be reimbursed at no more than one hundred percent (100%) of the Medicaid fee schedule/rate unless the Covered Service falls under the EPSDT benefit.	✓

### 29.4 Payment to Providers for Serving Dual Eligible Enrollees

Contract Requirement	Agree to Comply
The Contractor shall coordinate benefits for Dual Eligible Enrollees by paying the lesser amount of:	✓

A. The Contractor's allowed amount minus the Medicare payment, or	✓
B. The Medicare co-insurance and deductible up to Contractor's allowed amount.	✓
In the event that Medicaid does not have a price for codes included on a crossover Claim then the entire Medicare coinsurance and deductible shall be paid by the Contractor. The Contractor shall further assist Dual Eligible Enrollees in coordination of benefits required under <b>Section 4.3 "Delegations of Authority."</b>	✓

### 29.5 Payment of Federally Qualified Health Centers ("FQHC") and Rural Health Clinics ("RHC")

Contract Requirement	Agree to Comply
The Contractor is responsible to reimburse, by making payments directly to FQHCs and RHCs, no less than the amount established under Kentucky's prospective payment system (PPS) rate for the federally certified facilities.	✓
The Contractor shall report to the Department within forty-five (45) Days of the end of each quarter the total amount paid to each FQHC and RHC per month. The report shall include the provider number, name, total number of paid Claims per month, total amount paid by Contractor, and any adjustments. If the Contractor fails to submit the information within the required timeframe, there shall be a penalty of five hundred dollars (\$500) per day until the information is received.	✓

### 29.6 Office for Children with Special Health Care Needs

Contract Requirement	Agree to Comply
The Care Management and Care Coordination needs of the medically complex children serviced by the Office for Children with Special Health Care Needs, here after referred to as "the Office", must be recognized by the Contractor in that a special payment rate shall be developed for the Office by a process of negotiation between the Contractor and the Office. The rate to be established shall be not less than seventy-eight percent (78%) of the Medicaid allowable cost based on the most recent available cost report of the Office and shall be subject to negotiation at annual intervals.	✓

### 29.7 Payment of Teaching Hospitals

Contract Requirement	Agree to Comply
In establishing payments for Teaching Hospitals in the Contractor's Network, the Contractor shall recognize total costs for graduate medical education at state owned or operated Teaching Hospitals, including adjustments required by KRS 205.565.	✓

### 29.8 Intensity Operating Allowance

Contract Requirement	Agree to Comply
The Department and the Contractor acknowledge and agree that Contractor is subject to the legislatively mandated intensity operating allowance and	✓

hospital rate increase. The Contractor shall receive Capitation Payments that reflect these mandated items. (See 907 KAR 10:830)	
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**29.9 Urban Trauma**

Contract Requirement	Agree to Comply
The Contractor shall agree that payment for Urban Trauma Center amount is contingent upon the Commonwealth's receipt of the necessary state matching funds from the Urban Trauma Provider to support such payment and shall so do in a manner necessary to meet all federal requirements governing such transactions. (See 907 KAR 10:830)	✓

**29.10 Critical Access Hospitals**

Contract Requirement	Agree to Comply
The Contractor shall reimburse Critical Access Hospitals at rates that are at least equal to those established by CMS for Medicare reimbursement to a Critical Access Hospital in accordance with 907 KAR 10:815.	✓

**29.11 Supplemental Payments including State Directed Payments**

Contract Requirement	Agree to Comply
The Department and Contractor recognize the Department's desire to provide enhanced reimbursement to provider entities through supplemental payments in order to preserve the ability of the provider entities to provide essential services to Commonwealth residents.	✓
Supplemental payments in addition to adjudicated Claims payments are made to a number of specified provider entities. Those categories of providers receiving supplemental payments are as follows:	✓
A. Intensity Operating Allowance for Pediatric Teaching hospitals;	✓
B. A State Designated Urban Trauma Center;	✓
C. State Owned or Operated University Teaching Hospital Faculty; and	✓
D. Psychiatric Access Supplement to a Designated Psychiatric Hospital.	✓
Descriptions of these payments are found in other sections of the Contract. State owned or operated university Teaching Hospitals include a hospital operated by a related party organization as defined in 42 C.F.R. 413.17, which is operated as part of an approved School of Medicine or Dentistry.	✓
Supplemental payments will be made in accordance with 42 C.F.R. 438.6(d). The Department will make payments to the Contractor, through the monthly Capitation Payment in accordance with <b>Appendix A "Capitation Payment Rates"</b> for the supplemental payments the Contractor shall pay the specified providers. The Department will notify the Contractor of the amount of the monthly supplemental payment. Contractor shall make monthly supplemental payments to the specified providers on or before the last Business Day of the month of service for which Capitation is paid. Six (6) months following the end of this Contract, the Department or its designee will reconcile the supplemental payments between the	✓



Department and the Contractor based on Total Enrollee Months during the Contract period. The Department will make a final supplemental payment or recoup payments from the Contractor as determined by the reconciliation. The Contractor shall pay any additional funds due the specified providers or recoup from the providers based on the Department's determination.	
The Contractor agrees, upon the request of the Department, to submit to the Department Claims- level cost data for payment verification purposes. Contractor will work with the Department to ensure that information is provided to allow for provider entities to remit the state matching portion of the payments to the Department, as applicable.	✓
The Contractor agrees upon the request of the Department to participate in other State Directed Payment programs as defined in 42 CFR 438.6(c) as they are implemented.	✓

### 29.12 Independence of Provider Reimbursement Rates and Methodologies

Contract Requirement	Agree to Comply
Unless explicitly stated elsewhere in this Contract, the Department does not direct the Contractor's expenditures for services provided under this Contract, and reimbursement rates and methodologies for services provided under this Contract are at the sole discretion of the Contractor.	✓

### 29.13 Notice to Providers on Change of Reimbursement

Contract Requirement	Agree to Comply
The Contractor shall give at least thirty (30) Days written notice to Providers prior to any change in payment structure or reimbursement amount. The written notice must contain clear and detailed information about the change. The changes shall not be retroactive.	✓

## 30.0 COVERED SERVICES

### 30.1 Medicaid Covered Services

Contract Requirement	Agree to Comply
The Contractor shall provide Covered Services in an amount, duration, and scope that is no less than the amount, duration, and scope furnished Medicaid recipients under fee-for-service program, and for Enrollees under the age of twenty-one (21) as set forth in 42 C.F.R. 441 Subpart B; that are reasonably expected to achieve the purpose for which the services are furnished; enables the Enrollee to achieve age-appropriate growth and development; and enables the Enrollee to attain, maintain, or regain functional capacity. The Contractor shall not arbitrarily deny or reduce the amount, duration, or scope of a required service solely because of the diagnosis, type of illness, or condition.	✓
The Contractor shall provide, or arrange for the provision of Covered Services to Enrollees in accordance with the state Medicaid plan, state regulations, and policies and procedures applicable to each category of Covered Services.	✓
The Contractor shall ensure that the care of new Enrollees is not disrupted or interrupted. The Contractor shall ensure continuity of care for new Enrollees receiving health care under fee for service prior to Enrollment in the Plan. <b>Appendix I "Covered Services"</b> shall serve as a summary of currently Covered Services that the Contractor shall be responsible for	✓

providing to Enrollees. However, it is not intended, nor shall it serve as a substitute for the more detailed information relating to Covered Services which is contained in the State Medicaid Plan, applicable administrative regulations governing Kentucky Medicaid services and individual Medicaid program services manuals incorporated by reference in the administrative regulations.	
After the Execution Date, to the extent a new or expanded Covered Service is added by the Department to Contractor's responsibilities under this Contract, ("New Covered Service") the financial impact of such New Covered Service will be evaluated from an actuarial perspective by the Department, and Capitation Rates to be paid to Contractor hereunder will be adjusted, if necessary, accordingly to <b>Sections 11.2 "Rate Adjustments" and 40.3 "Amendments"</b> The determination that a Covered Service is a New Covered Service is at the discretion of the Department. At least ninety (90) Days before the effective date of the addition of a New Covered Service, the Department will provide written notice to Contractor of any such New Covered Service and any adjustment to the Capitation Rates herein as a result of such New Covered Service. This notice shall include: (i) an explanation of the New Covered Service; (ii) the amount of any adjustment to Capitation Rates herein as a result of such New Covered Service; and (iii) the methodology for any such adjustment.	✓
The Contractor may provide, or arrange to provide, services in addition to the services described above provided quality and access are not diminished, the services are Medically Necessary health services and cost-effective. The cost for these additional services shall not be included in the Capitation Rate. The Contractor shall notify and obtain approval from Department for any new services prior to implementation. The Contractor shall notify the Department by submitting a proposed plan for additional services and specify the level of services in the proposal.	✓
For any Medicaid service provided by the Contractor that requires the completion of a specific form (e.g., hospice, sterilization, hysterectomy, or abortion), the form shall be completed according to the appropriate Kentucky Administrative Regulation (KAR). The Contractor shall require its Subcontractor or Provider to retain the form in the event of audit and a copy shall be submitted to the Department upon request.	✓
The Contractor shall not prohibit or restrict a Provider from advising an Enrollee about his or her health status, medical care, or treatment, regardless of whether benefits for such care are provided under the Contract, if the Provider is acting within the lawful scope of practice.	✓
If the Contractor is unable to provide within its network necessary Covered Services, it shall timely and adequately cover these services out of network for the Enrollee for as long as Contractor is unable to provide the services in accordance with 42 C.F.R. 438.206. The Contractor shall coordinate with Out-of-Network Providers with respect to payment. The Contractor will ensure that cost to the Enrollee is no greater than it would be if the services were provided within the Contractor's Network.	✓
An Enrollee who has received Prior Authorization from the Contractor for referral to a specialist physician or for inpatient care shall be allowed to choose from among all the available specialists and hospitals within the Contractor's Network, to the extent reasonable and appropriate.	✓

**30.2 Direct Access Services**

<b>Contract Requirement</b>	<b>Agree to Comply</b>
The Contractor shall make Covered Services available and accessible to Enrollees as specified in this Contract. The Contractor shall routinely evaluate Out-of-Network utilization and shall contact high volume providers to determine if they are qualified and interested in enrolling in the Contractor's Network. If so, the Contractor shall enroll the provider as soon as the necessary procedures have been completed. When an Enrollee wishes to receive a direct access service or receives a direct access service from an Out-of-Network Provider, the Contractor shall contact the provider to determine if it is qualified and interested in enrolling in the network. If so, the Contractor shall enroll the provider as soon as the necessary enrollment procedures have been completed.	✓
The Contractor shall ensure direct access and may not restrict the choice of a qualified provider by an Enrollee for the following services within the Contractor's Network:	✓
A. Primary care vision services, including the fitting of eye-glasses, provided by ophthalmologists, optometrists and opticians;	✓
B. Primary care dental and oral surgery services and evaluations by orthodontists and prosthodontists;	✓
C. Voluntary family planning in accordance with federal and state laws and judicial opinion;	✓
D. Maternity care for Enrollees under eighteen (18) years of age;	✓
Immunizations to Enrollees under twenty-one (21) years of age;	✓
E. Sexually transmitted disease screening, evaluation and treatment;	✓
F. Tuberculosis screening, evaluation and treatment	✓
G. Testing for Human Immunodeficiency Virus (HIV), HIV-related conditions, and other communicable diseases as defined by 902 KAR 2:020;	✓
H. Chiropractic services	✓
I. For Enrollees with special health care needs determined through an assessment to need a course of treatment or regular care monitoring, allow Enrollees to directly access a specialist as appropriate for the Enrollee's condition and identified needs; and	✓
J. Women's health specialists.	✓
The Contractor shall ensure direct access and may not restrict the Enrollee's access to services in accordance with 42 C.F.R. 438 and applicable state statutes and regulations.	✓

**30.3 Second Opinions**

Contract Requirement	Agree to Comply
At the Enrollee's request, the Contractor shall provide for a second opinion related to surgical procedures and diagnosis and treatment of complex and/or chronic conditions, within the Contractor's Network, or arrange for the Enrollee to obtain a second opinion outside the network without cost to the Enrollee. The Contractor shall inform the Enrollee, in writing, at the time of Enrollment of the Enrollee's right to request a second opinion.	✓

**30.4 Telehealth**

Contract Requirement	Agree to Comply
Covered Services shall be delivered via telehealth according to Kentucky regulations and statutes.	✓

**30.5 Billing Enrollees for Covered Services**

Contract Requirement	Agree to Comply
The Contractor and its Providers and Subcontractors shall not bill an Enrollee for Medically Necessary Covered Services with the exception of applicable co-pays or other cost sharing requirements provided under this Contract. Any Provider who knowingly and willfully bills an Enrollee for a Medicaid Covered Service shall be guilty of a felony and upon conviction shall be fined, imprisoned, or both, as defined in Section 1128B(d)(1) 42 U.S.C. 1320a-7b of the Social Security Act. This provision shall remain in effect even if the Contractor becomes insolvent.	✓
However, if an Enrollee agrees in advance in writing to pay for a Non-Medicaid covered service, then the Contractor, the Contractor's Provider, or Contractor's Subcontractor may bill the Enrollee. The standard release form signed by the Enrollee at the time of services does not relieve the Contractor, Providers and Subcontractors from the prohibition against billing a Medicaid Enrollee in the absence of a knowing assumption of liability for a Non-Medicaid Covered Service. The form or other type of acknowledgement relevant to Medicaid Enrollee liability must specifically state the services or procedures that are not covered by Medicaid.	✓

**30.6 Referrals for Services Not Covered by Contractor**

Contract Requirement	Agree to Comply
When it is necessary for an Enrollee to receive a Medicaid service that is outside the scope of the Covered Services provided by the Contractor, the Contractor shall refer the Enrollee to a provider enrolled in the Medicaid fee-for-service program. The Contractor shall have written policies and procedures for the referral of Enrollees for Non-Covered Services that shall provide for the transition to a qualified health care provider and, where necessary, assistance to Enrollees in obtaining a new Primary Care Provider. The Contractor shall submit any desired changes to the established written referral policies and procedures to the Department for review and approval subject to <b>Section 4.4 "Approval of Department."</b>	✓

**30.7 Interface with State Behavioral Health Agency**

<b>Contract Requirement</b>	<b>Agree to Comply</b>
<p>A. The Contractor's Behavioral Health Director or designee shall meet with the Department and DBHDID no less than quarterly to discuss State Mental Health Authority and Single State (substance abuse) Agency (SSA) protocols, rules and regulations including but not limited to:</p> <ol style="list-style-type: none"> <li>1. Serious Mental Illness (SMI) and Serious Emotional Disturbance (SED) operating definitions;</li> <li>2. Other priority populations;</li> <li>3. Targeted Case Management, Community Support Associate, and Peer Support provider certification training and process;</li> <li>4. Satisfaction survey requirements;</li> <li>5. Priority training topics (e.g., trauma-informed care, suicide prevention, co-occurring disorders, evidence-based practices);</li> <li>6. Behavioral health Services hotline; and</li> <li>7. Behavioral health crisis services (referrals; emergency, urgent and routine care).</li> </ol>	✓
<p>B. The Contractor shall coordinate:</p> <ol style="list-style-type: none"> <li>1. Enrollee education process for individuals with Serious Mental Illnesses (SMI) and children and youth with serious emotional disturbances (SED) with the Department. Contractor will provide the Department and DBHDID with proposed materials and protocols.</li> <li>2. With the Department, DBHDID and CMHCs a process for integrating Behavioral Health Services' hotlines with processes planned by the Contractor to meet system requirements.</li> <li>3. With the Department on establishing collaborative agreements with state operated or state contracted psychiatric hospitals, as well as with other Department facilities that individuals with co-occurring behavioral health and developmental and intellectual disabilities (DID) use.</li> </ol>	✓

**30.8 Provider-Preventable Diseases**

<b>Contract Requirement</b>	<b>Agree to Comply</b>
The Contractor shall not pay a Provider for provider-preventable conditions that meet the following criteria:	✓
A. Is identified in the State Medicaid plan;	✓
B. Has been found by the Department, based upon a review of medical literature by qualified professionals, to be reasonably preventable through the application of procedures supported by evidence-based guidelines;	✓
C. Has a negative consequence for the Enrollee;	✓
D. Is auditable; and	✓

E. Includes, at a minimum, wrong surgical or other invasive procedure performed on a patient; surgical or other invasive procedure performed on the wrong body part; surgical or other invasive procedure performed on the wrong patient	✓
The Contractor shall require all Providers to report provider-preventable conditions associated with Claims for payment or Enrollee treatments for which payment would otherwise be made. The Contractor shall report all identified provider-preventable conditions in a form or frequency as specified by the Department.	✓

**30.9 Mental Health Parity**

Contract Requirement	Agree to Comply
The Contractor and its providers must comply with the Mental Health Parity and Addiction Equity Act of 2008 and 42 C.F.R. 438 Subpart K, including the requirements that treatment limitations applicable to mental health or substance use disorder benefits are no more restrictive than the predominant treatment limitations applied to substantially all medical and surgical benefits covered by the Contractor and there are no separate treatment limitations that are applicable only with respect to mental health or substance use disorder benefits.	✓

**30.10 Institutions for Mental Disease (IMD) Expansion**

Contract Requirement	Agree to Comply
In accordance with 42 C.F.R. 438.3(e)(2), the Contractor may cover services or settings in lieu of services or settings covered under the State Plan, including an inpatient stay in an IMD for psychiatric or substance use disorder, for Enrollees aged twenty-one (21) through sixty-four (64) for a short term stay up to the number of days permitted by CMS.	✓
A. The services and settings will be reimbursable and subject to the requirements of 42 C.F.R. Part 438.	✓
B. Per 42 C.F.R. 438.3(e)(2)(ii), the Contractor may not require an Enrollee to receive services in an IMD.	✓
C. The Contractor shall track the number of days of the Enrollee's stay in an IMD during a calendar month. If the Enrollee's stay exceeds fifteen (15) Days in a given month, the Contractor shall notify the Department within five (5) Business Days.	✓
D. The Enrollee will remain in the Contractor's plan. For months when the Enrollee's stay exceeds fifteen (15) Days, the Contractor will receive a pro-rated Capitation Payment for the days the Enrollee is not in the IMD. The rate to be paid for the days in the IMD shall be at the Contractor's negotiated rate between the Contractor and the provider.	✓

**31. PHARMACY BENEFITS**

Contract Requirement	Agree to Comply
This section provides requirements specifically related to the Contractor's administration of pharmacy benefits and related pharmacy services including but not limited to Claims processing, pharmacy provider payments, Preferred Drug List (PDL) development, Prior Authorization	✓

reviews and appeals, maximum allowable cost schedule development, Prospective Drug Utilization Reviews, Retrospective Drug Utilization Reviews, physician administered drug list, and provision of pharmacy utilization data and reports.	
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### 31.1 Pharmacy General Requirements

Contract Requirement	Agree to Comply
The Contractor shall administer pharmacy benefits and related pharmacy services either directly or through a pharmacy benefit manager or administrator or the like Subcontractor in accordance with this section, other requirements specified in this Contract, and in accordance with all applicable State and Federal laws and regulations.	✓

### 31.2 Covered Outpatient Drugs

Contract Requirement	Agree to Comply
A. The Contractor shall ensure access to all Medically Necessary covered outpatient drugs consistent with Section 1927 of the SSA and as amended regardless of the Contractor's PDL status of the covered outpatient drug.	✓
B. The Contractor may only exclude drug categories permitted under Section 1927(d) of the SSA.	✓
C. The Contractor's PDL cannot be more restrictive than the FFS coverage of outpatient drugs	✓
D. Only drugs included in the Medicaid Drug Rebate Program (MDRP) shall be considered by the Department during the capitation rate setting process.	✓

### 31.3 Physician Administered Drugs

Contract Requirement	Agree to Comply
A. The Contractor shall develop and maintain the physician administered drug list.	✓
B. The Contractor shall be responsible for reimbursement of physician administered drugs and biologics	✓
C. Claims for drug products obtained and/or administered in an office/clinic or other non- institutional setting and processed via Contractor's medical benefit shall contain a valid eleven (11)-digit National Drug Code (NDC) and other necessary information such as a Healthcare Common Procedure Coding System (HCPCS) codes and appropriate billable units for the actual drug and quantity administered.	✓

**31.4 Preferred Drug List**

<b>Contract Requirement</b>	<b>Agree to Comply</b>
The Contractor is permitted to maintain a PDL and the Contractor may utilize Prior Authorization and other appropriate Utilization Management mechanisms in a manner set forth in the Act, the Code of Federal Regulations, and this Contract. The Contractor's PDL shall follow the general and minimum requirements herein:	✓
A. The PDL shall: <ol style="list-style-type: none"> <li>1. Only exclude coverage of drugs or drug categories as permitted under Section 1927(d) of the SSA as amended.</li> <li>2. Be developed under the advisement of a Pharmacy and Therapeutics Committee.</li> <li>3. Not be constructed for the sole purpose to deny coverage of any Medicaid covered outpatient drug.</li> <li>4. Be reviewed such that all represented therapeutic classes are reviewed at a minimum on an annual basis.</li> <li>5. Drugs and/or drug formulations that are new to market must be reviewed within seventy- five (75) days of market availability.</li> </ol>	✓
B. If the PDL prefers generic equivalents, Contractor shall provide a brand name exception process for prescribers to pursue when brand name products are requested by the prescriber due to Medical Necessity.	✓
C. The Contractor shall publish and make available the PDL as follows: <ol style="list-style-type: none"> <li>1. Provide a hard copy of the PDL upon the request of an Enrollee or a Provider.</li> <li>2. Provide an electronic copy to Providers and Enrollees on the Contractor's web site in a format as specified in 42 C.F.R. 438.10. It shall include the PDL status (preferred, non-preferred), an indication if Prior Authorization is required, and information necessary to initiate a request for Prior Authorization or access to a non-preferred drug.</li> <li>3. Update the PDL no less than quarterly throughout the year and shall reflect changes such as, new drugs, the status of a drug (preferred/non-preferred) and an indicator if Prior Authorization is required</li> </ol>	✓
D. If DMS, at any point through the duration of this contract, elects to move to a single uniform PDL for all Medicaid beneficiaries, the Contractor must abide by the discretion of DMS to the extent of the PDL and its implementation to its members.	✓

**31.5 Alignment of Clinical Criteria and Pharmacy Based Programs and Initiatives**

<b>Contract Requirement</b>	<b>Agree to Comply</b>
The Contractor shall, when and as directed by the Department, align with Department sponsored clinical criteria, pharmacy based programs and other initiatives.	✓
A. The Contractor shall align its criteria and processes and comply with such requirements no later than thirty (30) Days after written notification is sent to the Contractor from the Department	✓
B. Any systems or policy and process changes required to implement new alignment requirements shall be made at no cost to the Department.	✓



**31.6 Reimbursement Rates and Dispensing Fees**

<b>Contract Requirement</b>	<b>Agree to Comply</b>
A. The Department shall have the ability to set, create, or approve, and may change at any time for any reason, reimbursement rates between the Contractor or a pharmacy benefit manager or administrator or the like Subcontractor and a pharmacy Provider, or an entity which contracts on behalf of a pharmacy.	✓
B. Reimbursement rates shall include dispensing fees which take into account applicable CMS guidance and any DMS requirements.	✓
C. The Contractor shall require its pharmacy benefit manager or administrator or the like subcontracted by the Contractor to notify the Department directly or through the Contractor no less than thirty (30) Days in advance of any proposed change of over five percent (5%) in the product reimbursement rates for a pharmacy Provider licensed in the state.	✓
D. The Department may disallow such a change by notifying the Contractor at any time prior to the implementation date of the change. If the Department disallows the proposed change, the Contractor shall require its subcontracted pharmacy benefit manager or administrator or the like to reprocess all affected Claims without undue delay at the old reimbursement rate.	✓
E. Beginning on the Effective Date of this Contract and pursuant to 18 RS HB 200, Medicaid Benefits, section (16), the Contractor shall comply and ensure that any Subcontractor engaged to reimburse for drug products through POS/retail Claims complies with all dispensing fee requirements set by this Contract. The Contractor shall or shall cause and ensure its subcontracted agent or entity to pay an additional dispensing fee of two dollars (\$2.00) without reduction of any kind or for any reason. This additional dispensing fee amount shall be in addition to the dispensing fee remitted to pharmacies for POS/retail Claims as calculated or determined by contractual provisions negotiated directly with the dispensing pharmacy or any entity who contracts on behalf of the dispensing pharmacy whether negotiated by the Contractor, any subcontracted pharmacy benefit manager or administrator or the like.	✓

**31.7 Pharmacy and Therapeutics Committee**

<b>Contract Requirement</b>	<b>Agree to Comply</b>
The Contractor shall utilize a P&T committee that as part of its composition includes at least one (1) Kentucky licensed physician and one (1) Kentucky licensed pharmacist who currently provides services to Kentucky Medicaid recipients. The P&T shall meet at least quarterly and make recommendations to the Contractor for changes to the PDL.	✓

**31.8 Pharmacy Claims Payment Administration**

Contract Requirement	Agree to Comply
The Contractor shall:	✓
<p>A. Ensure the Point of Sale (POS) system satisfies the following functional and informational requirements:</p> <ol style="list-style-type: none"> <li>1. Provide POS function for Claims submissions by pharmacies twenty-four (24) hours per day, seven (7) Days per week, except for Department-approved, scheduled downtime.</li> <li>2. Provide the ability to apply an Internal Control Number (ICN) to each Claim and its supporting documentation, regardless of submission format, to tracking Claims, conduct research, perform reconciliations, and for audit purposes.</li> <li>3. Ensure the system is capable of adding, changing, or removing Claim adjudication processing rules to accommodate State and Federal required changes to the pharmacy program within thirty (30) Days, unless otherwise approved.</li> </ol>	✓
<p>B. Process, adjudicate, and pay pharmacy Claims, including voids and full or partial adjustments, via an online, real-time POS system by:</p> <ol style="list-style-type: none"> <li>1. Using the specified current National Council for Prescription Drug Program (NCPDP) format. Required updates to this format shall be implemented at no cost to the Department;</li> <li>2. Identifying and denying Claims that contain invalid Provider numbers including where the Taxonomy/National Provider Identifier (NPI) or Provider number is missing or is invalid.</li> <li>3. Identifying any liable third party, and ensuring that Medicaid is the appropriate payer of last resort. The term "pay" means either send the Provider cash or cash equivalent in full satisfaction of the clean Claim, or give the Provider a credit against any outstanding balance owed by that Provider to the Contractor.</li> <li>4. The term "clean Claim" means a properly completed paper or electronic Claim submitted in compliance with NCPDP standards and approved for payment.</li> <li>5. Resubmission of a Claim with further information and/or documentation shall constitute a new Claim for purposes of establishing the time frame for Claims processing.</li> <li>6. Contractor shall pay the Claim or advise the Provider that the Claim submitted is denied and specify all reasons for the Denial</li> </ol>	✓
<p>C. The Contractor shall provide the ability to process Claims on batch electronic media and paper Claims submitted directly for processing. Paper Claims may include, but not limited to, those submitted in situations when an Enrollee has to visit an out-of-network pharmacy in an emergency. Paper Claims shall be submitted on the NCPDP Universal Claim Form version The Contractor shall:</p> <ol style="list-style-type: none"> <li>1. Process and adjudicate paper Claims within ten (10) Days of receipt;</li> <li>2. Assign ICNs to all batch Claims within twenty-four (24) hours of receipt;</li> </ol>	✓

<p>3. Maintain electronic backup of batch Claims for the duration of the Contract; and</p> <p>4. Adjudicate electronic batch Claims through the same processing logic as the POS Claims.</p>	
<p>D. The Contractor shall notify the Department in writing no later than one (1) Day from discovery of any POS processing and/or Claims adjudication issue that is or has the potential to significantly impact processing time for Claims submissions, Claims adjudication, Claims adjudication accuracy, and/or continuity of Enrollee drug therapy. A significant impact means for this purpose a threshold of one hundred (100) or more Enrollees' Claims are impacted by the issue. Notification shall be followed by a written explanation of the root cause and corrective and future preventive action.</p>	✓
<p>E. The Contractor shall establish a unique Medicaid-specific Processor Identification (BIN)/Issuer Identification Number (IIN), Processor Control Number (PCN), and Group Number combination for POS pharmacy Claims processing, to ensure Medicaid Claims are not the same as Contractor's commercial and/or Medicare Part D business lines. The BIN/IIN and PCN number shall appear on all Enrollees' identification cards along with the toll free phone number for pharmacy provider assistance as well as Enrollee assistance.</p>	✓

### 31.9 Drug Utilization Review (DUR) Program

Contract Requirement	Agree to Comply
The Contractor shall operate a drug utilization review (DUR) program that complies with the requirements described in Section 1927(g) of the Social Security Act and 42 C.F.R. Part 456, Subpart K.	✓
As part of its DUR activities, the Contractor shall work collaboratively with the Department on related pharmacy initiatives such as the universal policy implementations, the pharmacy lock-in program, buprenorphine provider programs, and other initiatives as identified by DMS.	✓
The Contractor shall provide a detailed description of its drug utilization review program activities to the Department on an annual basis. The actual date shall be determined by the Department and in sufficient time to gather the information necessary to comply with and time submit the CMS Annual DUR report. The Contractor shall provide all data necessary for appropriate CMS Annual DUR Report submissions including, but not limited to, completing the Contractor's portion of the actual annual report template furnished by CMS and within the requested timeframe. At the request of DMS, quarterly written reports of DUR activities shall be provided to the Department.	✓
All Managed Care Organizations (MCOs) contracted with the Kentucky Department for Medicaid Services will have drug utilization review provisions as outlined in Section 1004 of the Substance Use-Disorder Prevention that Promotes Opioid Recovery and Treatment (SUPPORT) for Patients and Communities Act. These provisions will include utilizing safety edits related to duplicate and early fills, quantity limits, dosage limits, and morphine milligram equivalents (MME). All MCOs will utilize safety edits for concurrent prescribing of opioids and benzodiazepines and opioids and antipsychotics. Additionally, all MCOs must have a program in place to monitor antipsychotic medications by children and document the appropriate actions taken based on the program. All MCOs must have in	✓

place a process that identifies fraud or abuse of controlled substances by individuals enrolled, health care providers prescribing drugs to individuals so enrolled, and pharmacies dispensing drugs to individuals so enrolled.	
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**31.10 Pharmacy Drug Rebate Administration**

Contract Requirement	Agree to Comply
Pursuant to the Affordable Care Act and 42 C.F.R. 438.3(s), CMS requires States to collect CMS level rebates on all Medicaid MCO utilization.	✓
A. The Contractor shall be required to report timely drug utilization data that is necessary for the Department to bill manufacturers for rebates in accordance with section 1927 (b) (1) (A) of the SSA and any Kentucky supplemental rebate program no later than forty-five (45) Days or as required by the Department after the end of each quarterly rebate period. The Contractor shall transmit a file according to Department specifications, and shall fully cooperate with Department and Department's contractors to ensure file transmissions are complete, accurate and delivered by the specified deadlines.	✓
B. Covered outpatient or prescribed drugs adjudicated by the Contractor, including but not limited to diabetic testing supplies, insulin, and those drug products administered by network Providers in an office/clinic or other non-institutional setting, are subject to the same manufacturer rebate requirements as Kentucky Medicaid FFS outpatient drugs. The Contractor must provide utilization information as required by DMS which includes but may not be limited to: the total number of units of each dosage form dispensed or administered, strength, date of service (date dispensed or administered), paid date (actual date Claim was paid), and NDC of the covered outpatient drug, and amount paid by the Contractor's plan.	✓
C. The Contractor shall submit this NDC level information on drugs, biologics, and other Provider administered products as directed by DMS, including, but not limited to drug codes (e.g., J- Code/Q-Code/A-Code), units and conversions consistent with federal and Department requirements.	✓
D. The Contractor shall assist and provide detailed Claim information requested by the Department or Department contractors to support rebate dispute and resolution activities. The Department or its designated contractor shall provide Contractor's Claim-level detail to manufacturers to assist in dispute resolutions. However, the Contractor shall assist the Department fully in resolving drug rebate disputes with the manufacturer upon the request of the Department.	✓

**31.11 340B Transactions**

Contract Requirement	Agree to Comply
A. The Contractor shall submit all drug Encounters including physician administered drugs, with the exception of in-patient hospital drug Encounters, to the Department pursuant to the requirements of this Contract.	✓

The Contractor shall maintain the systems capability and methodology to appropriately identify 340B Claims in real time, prospectively, and retrospectively.	✓
The Contractor shall support all Department-based efforts and initiatives for 340B Claim identification at a Claim-level of detail, including the utilization of the NCPDP field(s) designed for this purpose.	✓
B. The Contractor shall require pharmacy Providers or processing vendors to identify 340B purchased drugs on Claims in accordance with Department requirements.	✓
C. The Contractor shall not reimburse a 340B entity for pharmacy-dispensed drugs at a rate lower than that paid for the same drug to pharmacies similar in prescription volume that are not 340B entities, and shall not assess any fee, charge-back, or other adjustment upon the 340B entity on the basis that the 340B entity participates in the program set forth in 42 U.S.C. §256b.	✓
D. For Enrollees eligible to receive drugs subject to an agreement under 42 U.S.C. § 256b, the Contractor shall not discriminate against a 340B entity in a manner that prevents or interferes with the Enrollee's choice to receive such drugs from the 340B entity.	✓
The Department shall deliver notice of billing guide changes to Contractor as necessary and with implementation deadlines. If program changes occur, these shall be at no cost to the Department.	✓

### 31.12 Pharmacy Prior Authorizations

Contract Requirement	Agree to Comply
The Contractor shall conduct a Prior Authorization (PA) program that complies with the requirements of section 1927(d)(5) of the SSA and with Department requirements, as if such requirements apply to the Contractor instead of the Department.	✓
The Contractor's PA program shall ensure there is no undue disruption of an Enrollee's access to care; shall prevent penalization of the Provider or Enrollee, financially or otherwise, for such PA requests or approvals; and shall incorporate the minimum requirements described herein:	✓
A. Clinical PA review criteria shall be evidence-based, and follow best clinical practice standards, and/or other national standards.	✓
B. Pharmacy Prior Authorization Denials must be made by a registered pharmacist or physician.	✓
C. A physician peer review shall be available upon a physician's request for any Denial made at a pharmacist review level.	✓
D. PA determinations including those from escalated reviews shall be made and communicated to the requesting Provider within twenty-four (24) hours from the initial request including weekends in compliance with the provisions of OBRA 1990 mandate, Section 1927 of the Social Security Act, and other federal regulations.	✓
E. All PA activities and decisions shall be documented in Contractor's online pharmacy case management system. This information shall	✓

be available for immediate review at the Department's request or other timeframe as specified by the Department.	
F. In the event a prescription is for a drug awaiting PA and the Contractor cannot reach the prescribing physician, and when the dispensing pharmacist, using reasonable clinical judgment, deems it necessary to avoid imminent harm or injury to the Enrollee, a seventy-two (72) hour emergency supply shall be permitted. If the physician prescribed an amount of drug that is more than a seventy-two (72) hour supply but is packaged so that it must be dispensed intact, the pharmacist may dispense the packaged drug, and Contractor shall pay for this quantity even if it exceeds a calculated seventy-two (72) hour supply.	✓
<b>Contractor's PA process shall include procedures for Enrollee appeals and grievances submitted by the Enrollee or the prescriber authorized to act on behalf of the Enrollee related to PAs denied after the final escalated review. Contractor's procedures for PA related appeals and grievances shall be in accordance with "Section 24.2 Enrollee Grievance and Appeal Policies and Procedures" and "Section 27.10 Provider Grievances and Appeals" of this Contract.</b>	✓
The Department shall provide a universal Prior Authorization form for the Contractor to utilize for a Provider to initiate the pharmacy Prior Authorization process. The Contractor shall give the Provider the option to use the designated Kentucky Medicaid pharmacy universal form or a DMS approved Contractor specific form. Although the Contractor may seek additional information before making determination on a particular Prior Authorization request, all such information shall be requested from the Provider by way of a supplemental Prior Authorization information sheet that does not duplicate information found on the Kentucky Medicaid universal pharmacy Prior Authorization form. The Contractor shall not deny a Prior Authorization request submitted on the designated universal pharmacy Prior Authorization form and require the provider to submit the Contractor specific form but rather shall suspend the request while awaiting a supplemental information sheet.	✓

**31.13 Maximum Allowable Cost**

Contract Requirement	Agree to Comply
The Contractor shall establish and maintain a generic drug Maximum Allowable Cost (MAC) program to promote generic utilization and cost containment. However, the Contractor and any pharmacy benefit manager or administrator or like Subcontractor shall comply with all maximum allowable cost laws and administrative regulations promulgated by DOI, the Department, or otherwise promulgated by State or federal law.	✓

**31.14 PBM Pricing Transparency**

Contract Requirement	Agree to Comply
The Contractor shall:	✓
A. Disclose all contract terms it has with its contracted PBM;	✓

B. Utilize a pass-through pricing model in which there is no difference in the PBM to pharmacy and MCO to PBM reported payment amounts;	✓
C. Provide any and all Claims -level detail that provides the basis for comparing the actual amount paid to pharmacies to the amount that the PBM charged the MCO for the transaction; and	✓
D. No additional direct or indirect remuneration fees or any membership fees or the like may be imposed on a pharmacy as a condition of Claims payment or network inclusion. No additional retrospective remuneration models including Generic Effective Rates (GERs) shall be permitted. However, nothing shall preclude the reprocessing of Claims due to Claims adjudication errors of the Contractor or its agent.	✓

**31.15 Pharmacy Call Center Services**

Contract Requirement	Agree to Comply
In addition to any other Provider Services required herein, the Contractor shall operate a toll-free pharmacy call center twenty-four (24) hours a day, seven (7) days per week for access by Providers.	✓
The Department may monitor the call center through review of statistical reports, telephone calls, or onsite visits. The Contractor shall have a tracking system that retains information collected on each call and that is retrievable using personal information for the individual from whom the call was received. The information shall be provided to the Department upon request.	✓
The Contractor shall provide a pharmacy call center quality assurance program subject to the Department's approval with monitoring results made available to the Department on a monthly basis.	✓

**31.16 Kentucky Pharmacy Director Workgroup**

Contract Requirement	Agree to Comply
Pursuant to <b>Section 9.3 "Monthly Meetings"</b> and as directed by the Department, Contractor's Pharmacy Director shall meet monthly with the Department and other Contractors' like personnel to discuss issues for the efficient and economical delivery of pharmacy services to Enrollees. This collaborative meeting of pharmacy directors shall be referred to as the Kentucky Medicaid Pharmacy Director Workgroup.	✓

**31.17 Pharmacy Benefit Manager or Administrator Reporting Requirements**

Contract Requirement	Agree to Comply
The Contractor shall comply with all pharmacy benefit reporting requirements and ad hoc requests for reports and data of this Contract, the Department and those set forth by applicable statutory or regulatory authority. At the request of the Department, the Contractor shall provide both summary and detailed reports. Detailed reports shall include Claim level details at the Department's request. If the Contractor Subcontracts any part of its pharmacy benefit administration to a pharmacy benefit manager or administrator or the like, then the Contractor shall ensure and be held responsible for such contracted entity's failure or non-compliance with any	✓

pharmacy benefit reporting requirements set forth by this Contract, the Department or applicable regulatory authority.	
The Contractor shall, at a minimum, deliver or cause to be delivered through its agent or contracted entity to the Department no later than August 15th of each contracting year, reports and information required through KRS 205.647 and additional reports and information requested by the Department.	✓

**31.18 High Cost Drug Stop Loss Program**

Contract Requirement	Agree to Comply						
The High Cost Drug Stop Loss Program (HCDSLP) is a stop-loss program provided by the Department to the Contractor for the partial reimbursement of certain covered high cost pharmaceuticals for the contract year. Under the HCDSLP, the Contractor shall be compensated for Costs above the Attachment Point for approved high costs drugs and conditions, subject to the Department’s review and approval.	✓						
Within 30 days of administration of the pharmaceutical, the Contractor shall provide an invoice documenting the amount paid to the provider. The documentation must include, at a minimum:	✓						
- The Medicaid member ID.	✓						
- The incurred date of the claim.	✓						
- The actual cost paid to the provider.	✓						
- The actual acquisition cost with the invoice amount from the manufacturer or buyer of the drug provided to the Contractor by the provider.	✓						
- The amount of any rebates received by the Contractor.	✓						
- The applicable NDC or J-Code identifying the drug.	✓						
- The quantity of the drug,	✓						
Documentation of any additional rebates the Contractor expects to receive in the future.	✓						
Upon review and approval of the documentation and the submitted encounter data, DMS will issue a payment according to the terms of the HCDSLP. The Attachment Point will be applicable on a per person, per SFY, and per condition basis. Each case will be carefully reviewed accounting for the time a member is with a Contractor, their history of treatment, and other factors.	✓						
The following drugs and conditions will be covered under the HCDSLP: Condition	✓						
<table><tr><td><u>Condition</u></td><td><u>Drugs</u></td><td><u>Attachment Point</u></td></tr><tr><td>Spinal Muscular Atrophy</td><td>Spinraza, Zolgensma</td><td>\$300,000</td></tr></table>	<u>Condition</u>	<u>Drugs</u>	<u>Attachment Point</u>	Spinal Muscular Atrophy	Spinraza, Zolgensma	\$300,000	✓
<u>Condition</u>	<u>Drugs</u>	<u>Attachment Point</u>					
Spinal Muscular Atrophy	Spinraza, Zolgensma	\$300,000					



The Department for Medicaid Services, at its discretion, may choose to carve-out certain drug therapies and/or therapeutic drug classes from managed care to be covered by the fee-for-service pharmacy benefit or the fee-for-service medical benefit. Products moving from managed care to fee-for-service will be notified in writing to the managed care organizations thirty (30) days prior to the change in coverage.	✓
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## 32.0 SPECIAL PROGRAM REQUIREMENTS

### 32.1 EPSDT Early and Periodic Screening, Diagnostic and Treatment

Contract Requirement	Agree to Comply
The Contractor shall provide all Enrollees under the age of twenty-one (21) years, except those eligible pursuant to 907 KAR 4:030, EPSDT services in compliance with the terms of this Contract and policy statements issued during the term of this Contract by the Department or CMS. The Contractor shall file EPSDT reports in the format and within the time-frames required by the terms of this Contract as indicated in <b>Appendix L “EPSDT.”</b> The Contractor shall comply with 907 KAR 11:034 that delineates the requirements of all EPSDT providers participating in the Medicaid program. Health care professionals who meet the standards established in the above-referenced regulation shall provide EPSDT services. Additionally, the Contractor shall:	✓
A. Provide, through direct employment with the Contractor or by Subcontract, accessible and fully trained EPSDT Providers who meet the requirements set forth under 907 KAR 1:034, and who are supported by adequately equipped offices to perform EPSDT services.	✓
B. Effectively communicate information (e.g. written notices, verbal explanations, face to face counseling or home visits when appropriate or necessary) with Enrollees and their families who are eligible for EPSDT services [(i.e. Medicaid eligible persons who are under the age of twenty-one (21))] regarding the value of preventive health care, benefits provided as part of EPSDT services, how to access these services, and the Enrollee's right to access these services. Enrollees and their families shall be informed about EPSDT and the right to Appeal any decision relating to Medicaid services, including EPSDT services, upon initial Enrollment and annually thereafter where Enrollees have not accessed services during the year.	✓
C. Provide EPSDT services to all eligible Enrollees in accordance with EPSDT guidelines issued by the Commonwealth and federal government and in conformance with the Department's approved periodicity schedule, a sample of which is included in <b>Appendix M “EPSDT.”</b>	✓
D. Provide all needed initial, periodic and inter-periodic health assessments in accordance with 907 KAR 1:034. The Primary Care Provider assigned to each eligible Enrollee shall be responsible for providing or arranging for complete assessments at the intervals specified by the Department's approved periodicity schedule and at other times when Medically Necessary.	✓
E. Provide all needed diagnosis and treatment for eligible Enrollees in accordance with 907 KAR 1:034. The Primary Care Provider and other Providers in the Contractor's Network shall provide diagnosis and treatment and or Out-of-network Providers shall provide	✓

treatment if the service is not available within the Contractor's Network.	
F. Provide EPSDT Special Services for eligible Enrollees, including identifying providers who can deliver the Medically Necessary services described in federal Medicaid law and developing procedures for authorization and payment for these services. Current requirements for EPSDT Special Services are included in <b>Appendix M "EPSDT."</b>	✓
G. Establish and maintain a tracking system to monitor acceptance and refusal of EPSDT services, whether eligible Enrollees are receiving the recommended health assessments and all necessary diagnosis and treatment, including EPSDT Special Services when needed.	✓
H. Establish and maintain an effective and ongoing Enrollee Services function for eligible Enrollees and their families to provide education and counseling with regard to Enrollee compliance with prescribed treatment programs and compliance with EPSDT appointments. This function shall assist eligible Enrollees or their families in obtaining sufficient information so they can make medically informed decisions about their health care, provide support services including transportation and scheduling assistance to EPSDT services, and follow up with eligible Enrollees and their families when recommended assessments and treatment are not received. This function should be aligned with the Contractor's Population Health Management (PHM) Program.	✓
I. Maintain a consolidated record for each eligible Enrollee, including reports of informing about EPSDT, information received from other providers and dates of contact regarding appointments and rescheduling when necessary for EPSDT screening, recommended diagnostic or treatment services and follow-up with referral compliance and reports from referral physicians or providers.	✓
J. Establish and maintain a protocol for coordination of physical health services and Behavioral Health Services for eligible Enrollees with behavioral health or developmentally disabling conditions. Coordination procedures shall be established for other services needed by eligible Enrollees that are outside the usual scope of Contractor services. Examples include early intervention services for infants and toddlers with disabilities, services for students with disabilities included in the child's Individual Education Plan at school, WIC, Head Start, DCBS, etc.	✓
K. Participate in any state or federally required chart audit or quality assurance study.	✓
L. Maintain an effective education/information program for health professionals on EPSDT compliance (including changes in state or federal requirements or guidelines). At a minimum, training shall be provided concerning the components of an EPSDT assessment, EPSDT Special Services, and emerging health status issues among Enrollees which should be addressed as part of EPSDT services to all appropriate staff and Providers, including medical residents and specialists delivering EPSDT services. In addition, training shall be provided concerning physical assessment procedures for nurse practitioners, registered nurses and physician assistants who provide EPSDT screening services.	✓

M. Submit Encounter Record for each EPSDT service provided according to requirements provided by the Department, including use of specified EPSDT procedure codes and referral codes. Submit quarterly and annual reports on EPSDT services including the current Form CMS-416.	✓
N. Provide an EPSDT Coordinator staff function with adequate staff or Subcontract personnel to serve the Contractor's enrollment or projected enrollment.	✓

### 32.2 Dental Services

Contract Requirement	Agree to Comply
The Contractor shall provide preventive and primary care dental services for oral health conditions and illness in a timely manner on an emergent, Urgent Care or non-urgent care basis in accordance with 42 C.F.R. 438. Covered dental services shall be provided in accordance with 907 KAR 1:026.	✓
The Contractor shall establish written policies and procedures to ensure the timely provision of services in an amount, duration, and scope that is no less than the amount, duration, and scope for the same services provided to fee-for-service Medicaid Enrollees. The Contractor shall assess the oral health of Enrollees and develop a plan for improving oral health in Enrollees, particularly in children and persons with special health care needs.	✓
The Contractor shall have ultimate responsibility for the provision of dental services and shall oversee and coordinate the delivery of or access to all Enrollee health information and other data relating to dental services, as requested by the Department.	✓
The Contractor will also provide for adherence to standards of care based on established clinical criteria and evidence based science.	✓
The Contractor shall determine the Medical Necessity criteria to be used in the provision of dental services which shall be submitted to the Department for approval in accordance with <b>Section 4.4 "Approval of Department."</b>	✓

### 32.3 Emergency Care, Urgent Care and Post Stabilization Care

Contract Requirement	Agree to Comply
Emergency Care as defined in 42 USC 1395dd and 42 C.F.R. 438.114 shall be available to Enrollees twenty-four (24) hours a day, seven (7) days a week. Urgent Care services shall be made available within forty-eight (48) hours of request. Urgent Care means care for a condition that is not likely to cause death or lasting harm but for which treatment should not wait for a normally scheduled appointment. Post Stabilization Care services are covered and reimbursed in accordance with 42 C.F.R. 422.113(c) and 438.114(e).	✓
The Contractor shall not limit what constitutes an Emergency Medical Condition on the basis of lists of diagnoses or symptoms. An Emergency Medical Services Provider shall have a minimum of ten (10) Days to notify the Contractor of the Enrollee's screening and treatment before refusing to cover the Emergency Services based on a failure to notify. An Enrollee who has an Emergency Medical Condition shall not be liable for payment of subsequent screening and treatment needed to diagnose or stabilize the specific condition. The Contractor is responsible for coverage and payment	✓

of services until the attending Provider determines that the Enrollee is sufficiently stabilized for transfer or discharge.	
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### 32.4 Out-of-Network Emergency Care

Contract Requirement	Agree to Comply
The Contractor shall provide, or arrange for the provision of Emergency Care, even though the services may be received outside the Contractor's Network in compliance with 42 C.F.R. 438.114.	✓
Payment for Emergency Services covered by a non-contracting provider shall not exceed the Medicaid Fee-For-Service rate as required by Section 6085 of the Deficit Reduction Act of 2005. For services provided by non-contracting hospitals, this amount must be less any payments for indirect costs of medical education and direct costs of graduate medical education that would have been included in Fee-For-Service payments.	✓

### 32.5 Maternity Care

Contract Requirement	Agree to Comply
When a woman has entered prenatal care before enrolling with the Contractor, the Contractor shall make every effort to allow her to continue with the same prenatal care provider throughout the entire pregnancy. Contractor shall also establish procedures to ensure either prompt initiation of prenatal care or continuation of care without interruption for women who are pregnant when they enroll. The Contractor shall provide maternity care that includes prenatal, delivery, and postpartum care as well as care for conditions that complicate pregnancies. All newborn Enrollees newborn screening shall be covered as specified in the Commonwealth of Kentucky metabolic screen.	✓

### 32.6 Voluntary Family Planning

Contract Requirement	Agree to Comply
The Contractor shall ensure direct access for any Enrollee to a Provider, qualified by experience and training, to provide Family Planning Services, as such services are described in <b>Appendix I "Covered Services"</b> to this Contract. The Contractor may not restrict an Enrollee's choice of his or her provider for Family Planning Services. The Contractor must ensure access to any qualified provider of Family Planning Services without requiring a referral from the PCP. See <b>Section 28.4 "Provider Network Access and Adequacy"</b> for allowable wait times for appointments.	✓
The Contractor shall maintain confidentiality for Family Planning Services in accordance with applicable federal and state laws and judicial opinions for Enrollees less than eighteen (18) years of age pursuant to Title X, 42 C.F.R. 59.11, and KRS 214.185. Situations under which confidentiality may not be guaranteed are described in KRS 620.030, KRS 209.010 et seq., KRS 202A, and KRS 214.185.	✓
All information shall be provided to the Enrollee in a confidential manner. Adolescents in particular shall be assured that Family Planning Services are confidential and that any necessary follow-up will ensure the Enrollee's privacy.	✓

**32.7 Nonemergency Medical Transportation**

Contract Requirement	Agree to Comply
The Department contracts with the Kentucky Transportation Cabinet, Office of Transportation Delivery to provide non-emergency medical transportation (NEMT) services to select Medicaid Enrollees. Through the NEMT program, certain eligible Enrollees receive safe and reliable transportation to Medicaid Covered Services. The Contractor shall provide educational materials regarding the availability of transportation services and refer Enrollees for NEMT. NEMT services do not include emergency ambulance and non-emergency ambulance stretcher services. Transportation of an emergency nature, including ambulance stretcher services is the responsibility of the Contractor.	✓

**32.8 Pediatric Interface**

Contract Requirement	Agree to Comply
School-Based Services provided by school personnel are excluded from Contractor coverage and are paid by the Department through fee-for-service Medicaid.	✓
Preventive and remedial care services as contained in 907 KAR 1:360 and the Kentucky State Medicaid Plan provided by the Department of Public Health through public health departments in schools by a Physician, Physician's Assistant, Advanced Registered Nurse Practitioner, Registered Nurse, or other appropriately supervised health care professional are included in Contractor coverage. Service provided under a child's IEP should not be duplicated. However, in situations where a child's course of treatment is interrupted due to school breaks, after school hours or during summer months, the Contractor is responsible for providing all Medically Necessary Covered Services to eligible Enrollees.	✓
Services provided under the Kentucky Health Access Nurturing Development Services (HANDS) shall be excluded from Contractor coverage.	✓
Pediatric Interface Services includes pediatric concurrent care as mandated by the ACA. The Contractor shall simultaneously provide palliative hospice services in conjunction with curative services and medications for pediatric patients diagnosed with life-threatening/terminal illnesses.	✓

**32.9 Pediatric Sexual Abuse Examination**

Contract Requirement	Agree to Comply
The Contractor shall have Providers in its network that have the capacity to perform a forensic pediatric sexual abuse examination. This examination must be conducted for Enrollees at the request of the DCBS.	✓

**32.10 Lock-In Program**

Contract Requirement	Agree to Comply
The Contractor shall develop a program to address and contain Enrollee over utilization of services, for pharmacy and non-emergent care provided in an emergency setting. The program shall include:	✓

A. Criteria for identification and enrollment of an Enrollee in the lock-in program;	✓
B. Methods the Contractor will implement to support Enrollees to understand and access appropriate utilization of services, such as Care Coordination, care management and education;	✓
C. Methods the Contractor will implement to address Enrollees who refuse to participate in the lock-in program or to engage with the Contractor on identified support methods;	✓
D. Length of enrollment in the program and ongoing assessment process;	✓
E. Approach to tracking outcomes of the program and using findings to adjust the program and Enrollee supports as needed	✓
The Contractor shall submit its lock-in program description to the Department for approval subject to <b>Section 4.4 “Approval of Department.</b>	✓

### 33.0 BEHAVIORAL HEALTH SERVICES

#### 33.1 Department for Behavioral Health, Developmental and Intellectual Disabilities (DBHDID) Responsibilities

Contract Requirement	Agree to Comply
The Department works collaboratively with Department for Behavioral Health, Developmental and Intellectual Disabilities (DBHDID) to ensure that Medicaid Enrollees receive quality Behavioral Health Services.	✓
The Contractor shall use evidence-based practices (EBPs) that meet the standards of national models in all behavior health services. The Contractor shall comply with standards identified in the “Interoperability Standards Advisory—Best Available Standards and Implementation Specifications” (ISA) and 45 CFR 170 Subpart B in complying with the Commonwealth’s behavioral health policies.	✓

#### 33.2 Requirements for Behavioral Health Services

Contract Requirement	Agree to Comply
The Contractor shall engage in behavioral health promotion efforts, psychotropic medication management, suicide prevention and overall person centered treatment approaches, to lower morbidity among Enrollees with SMI and SED, including Enrollees with co-occurring developmental disabilities, substance use disorders and smoking cessation.	✓
The Contractor in its design and operation of Behavioral Health Services shall incorporate these core values for Medicaid Enrollees:	✓
A. Enrollees have the right to retain the fullest control possible over their behavior health treatment. Behavioral Health Services shall be responsive, coherently organized, and accessible to those who require behavioral healthcare.	✓
B. The Contractor shall provide the most normative care in the least restrictive setting and serve Enrollees in the community to the greatest extent possible.	✓

C. The Contractor shall measure Enrollees' satisfaction with the services they receive.	✓
D. The Contractor's Behavioral Health Services shall be trauma-informed, recovery and resiliency focused.	✓

### 33.3 Covered Behavioral Health Services

Contract Requirement	Agree to Comply
The Contractor shall ensure the provision of all Medically Necessary Behavioral Health Services for Enrollees. These services are described in <b>Appendix I "Covered Services."</b> All Behavioral Health Services shall be provided in conformance with the access standards established by the Department. When assessing Enrollees for Behavioral Health Services, the Contractor and its providers shall use the most current version of DSM classification. The Contractor may require use of other diagnostic and assessment instrument/outcome measures in addition to the most current version of DSM. Providers shall document DSM diagnosis and assessment/outcome information in the Enrollee's Medical Record.	✓

### 33.4 Behavioral Health Provider Network

Contract Requirement	Agree to Comply
The Contractor shall provide access to Psychiatrists, Psychologists, and other Behavioral Health Service providers. Community Mental Health Centers (CMHCs) shall be offered participation in the Contractor provider network. Other eligible providers of Behavioral Health Services include Licensed Professional Clinical Counselors, Licensed Marriage and Family Therapists, Licensed Psychological Practitioners, Behavioral Health Multi-Specialty Groups, Behavior Health Services Organizations, Licensed Clinical Social Workers, and other independently licensed behavioral health professions. To the extent that non-psychiatrists and other providers of Behavioral Health Services may also be provided as a component of FQHC and RHC services, these facilities shall be offered the opportunity to participate in the Behavioral Health network. FQHC and RHC providers can continue to provide the same services they currently provide under their licenses.	✓

### 33.5 Enrollee Access to Behavioral Health Services

Contract Requirement	Agree to Comply
The Contractor shall ensure accessibility and availability of qualified providers to all Enrollees. The Contractor shall maintain an adequate network that provides continuum of care to ensure the Enrollee has access to care at the appropriate level. The Contractor shall ensure that upon decertifying an Enrollee at a certain level of care, there is access to Providers for continued care at a lower level, if such care is determined Medically Necessary. The Contractor shall coordinate and collaborate with Providers on discharge plans and criteria.	✓
The Contractor shall maintain an Enrollee education process to help Enrollees know where and how to obtain Behavioral Health Services. The	✓

Enrollee Manual shall contain information for Enrollees on how to direct their behavioral health care, as appropriate.	
The Contractor shall permit Enrollees to participate in the selection of the appropriate behavioral health individual practitioner(s) who will serve them and shall provide the Enrollee with information on accessible in-network Providers with relevant experience.	✓

### 33.6 Behavioral Health Services Hotline

Contract Requirement	Agree to Comply
The Contractor shall have an emergency and crisis Behavioral Health Services Hotline staffed by trained personnel twenty-four (24) hours a day, seven (7) days a week, three hundred sixty-five (365) Days a year, toll-free throughout the Commonwealth. Crisis hotline staff must include or have access to qualified Behavioral Health Services professionals to assess, triage and address specific behavioral health emergencies. Emergency and crisis Behavioral Health Services may be arranged through mobile crisis teams. Face-to-face Emergency Services shall be available twenty- four (24) hours a day, seven (7) Days a week. The Behavioral Health Services Hotline shall not be answered by any automated means.	✓
The Contractor shall ensure that the toll-free Behavioral Health Services Hotline meets the following minimum performance requirements for all Contractor Programs:	✓
A. Ninety-nine percent (99%) of calls are answered by the fourth ring;	✓
B. No incoming calls receive a busy signal;	✓
C. The call abandonment rate is seven percent (7%) or less; and	✓
D. The system can immediately connect to the local Suicide Hotline's telephone number and	✓
The Contractor shall operate one hotline to handle emergency and crisis calls. The Contractor cannot impose maximum call duration limits and shall allow calls to be of sufficient length to ensure adequate information is provided to the Enrollee. Hotline services shall meet Cultural Competency requirements and provide linguistic access to all Enrollees, including the interpretive services required for effective communication.	✓
The Contractor shall operate one hotline to handle emergency and crisis calls. The Contractor cannot impose maximum call duration limits and shall allow calls to be of sufficient length to ensure adequate information is provided to the Enrollee. Hotline services shall meet Cultural Competency requirements and provide linguistic access to all Enrollees, including the interpretive services required for effective communication.	✓
The Behavioral Health Services Hotline may serve multiple Contractor Programs if the Hotline staff is knowledgeable about all of the Contractor Programs.	✓
The Contractor shall conduct ongoing quality assurance to ensure these standards are met.	✓



The Contractor shall conduct ongoing quality assurance to ensure these standards are met.	✓
The Contractor shall monitor its performance against the Behavioral Health Services Hotline standards and submit performance reports summarizing call center performance as indicated.	✓
If the Department determines that it is necessary to conduct onsite monitoring of the Contractor's Behavioral Health Services Hotline functions, the Contractor is responsible for all reasonable costs incurred by the Department or its authorized agent(s) relating to such monitoring.	✓
The Contractor shall also contribute to a statewide emergency Behavioral Health hotline in an amount equal to their proportional share of Medicaid Enrollees per Contract year.	✓

### 33.7 Coordination between the Behavioral Health Provider and the PCP

Contract Requirement	Agree to Comply
The Contractor shall require, through contract provisions, that PCPs have screening and evaluation procedures for the detection and treatment of, or referral for, any known or suspected behavioral health problems and disorders. PCPs may provide any clinically appropriate Behavioral Health Services within the scope of their practice. Such contract provisions and screening and evaluation procedures shall be submitted to the Department for approval. Such approval is subject to <b>Section 4.4 "Approval of Department."</b>	✓
The Contractor shall provide training to network PCPs on how to screen for and identify behavioral health disorders, the Contractor's referral process for Behavioral Health Services and clinical coordination requirements for such services. The Contractor shall include training on coordination and quality of care such as behavioral health screening techniques for PCPs and new models of behavioral health interventions.	✓
The Contractor shall develop policies and procedures and provide to the Department for approval regarding clinical coordination between Behavioral Health Service Providers and PCPs. Such approval is subject to <b>Section 4.4 "Approval of Department."</b> The Contractor shall require that Behavioral Health Service Providers refer Enrollees with known or suspected and untreated physical health problems or disorders to their PCP for examination and treatment, with the Enrollee's or the Enrollee's legal guardian's consent. Behavioral Health Providers may only provide physical health care services if they are licensed to do so. This requirement shall be specified in all Provider Manuals.	✓
The Contractor shall require that behavioral health Providers send initial and quarterly (or more frequently if clinically indicated) summary reports of an Enrollees' behavioral health status to the PCP, with the Enrollee's or the Enrollee's legal guardian's consent. This requirement shall be specified in all Provider Manuals.	✓

**33.8 Follow-up after Hospitalization for Behavioral Health Services**

Contract Requirement	Agree to Comply
The Contractor shall require, through Provider contract provision, that all Enrollees receiving inpatient Behavioral Health Services are scheduled for outpatient follow-up and/or continuing treatment prior to discharge. The outpatient treatment must occur within seven (7) Days from the date of discharge. The Contractor shall ensure that Behavioral Health Service Providers contact Enrollees who have missed an appointment within twenty-four (24) hours to reschedule appointments.	✓

**33.9 Court-Ordered Psychiatric Services**

Contract Requirement	Agree to Comply
The Contractor must provide inpatient psychiatric services to Enrollees under the age of twenty- one (21) and over the age of sixty-five (65) who have been ordered to receive the services by a court of competent jurisdiction under the provisions of KRS 645, Kentucky Mental Health Act of The Unified Juvenile Code and KRS 202A, Kentucky Mental Health Hospitalization Act.	✓
The Contractor cannot deny, reduce or controvert the Medical Necessity of inpatient psychiatric services provided pursuant to a Court-Ordered Commitment for Enrollees under the age of twenty- one (21) or over the age of sixty-five (65). Any modification or termination of services must be presented to the court with jurisdiction over the matter for determination.	✓

**33.10 Continuity of Care Upon Discharge from a Psychiatric Hospital**

Contract Requirement	Agree to Comply
A. The Contractor shall coordinate with providers of Behavioral Health Services, and state operated or state contracted psychiatric hospitals and nursing facilities regarding admission and Discharge Planning, treatment objectives and projected length of stay for Enrollees committed by a court of law and/or voluntarily admitted to the state psychiatric hospital. The Contractor shall enter into a collaborative agreement with the state operated or state contracted psychiatric hospital assigned to their Medicaid Region in accordance with 908 KAR 3:040 and in accordance with federal Olmstead law. At a minimum the agreement shall include responsibilities of the Behavioral Health Service Provider to ensure continuity of care for successful transition back into community-based supports. In addition, the Contractor Behavioral Health Service Providers shall participate in quarterly Continuity of Care meetings hosted by the state operated or state contracted psychiatric hospital.	✓
B. The Contractor shall ensure Behavioral Health Service Providers assign a case manager prior to or on the date of discharge and provide basic, targeted or intensive Case Management services as Medically Necessary to Enrollees with SMI and co-occurring conditions who are discharged from a state operated or state contracted psychiatric facility or state operated nursing facility for Enrollees with SMI. The Case Manager and other identified Behavioral Health Service providers shall participate in Discharge Planning meetings to ensure compliance with federal Olmstead and other applicable laws. Appropriate Discharge	✓

Planning shall be focused on ensuring needed supports and services are available in the least restrictive environment to meet the Enrollee's behavioral and physical health needs, including psychosocial rehabilitation and health promotion. Appropriate follow up by the Behavioral Health Service Provider shall occur to ensure the community supports are meeting the needs of the Enrollee discharged from a state operated or state contracted psychiatric hospital. The Contractor shall ensure the Behavioral Health Service Providers assist Enrollees in accessing free or discounted medication through the Kentucky Prescription Assistance Program (KPAP) or other similar assistance programs	
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**33.11 Program and Standards**

Contract Requirement	Agree to Comply
Appropriate information sharing and careful monitoring of diagnosis, treatment, and follow-up and medication usage are especially important when Enrollees use physical and behavioral health systems simultaneously. The Contractor shall:	✓
A. Establish guidelines and procedures to ensure accessibility, availability, referral and triage to effective physical and behavioral health care, including Emergency Behavioral Health Services, (i.e., Suicide Prevention and community crisis stabilization);	✓
B. Facilitate the exchange of information among providers to reduce inappropriate or excessive use of psychopharmacological medications and adverse drug reactions;	✓
C. Identify a method to evaluate the continuity and coordination of care, including Enrollee- approved communications between behavioral health care providers and Primary Care Providers;	✓
D. Protect the confidentiality of Enrollee information and records; and	✓
E. Monitor and evaluate the above, which shall be a part of the Quality Improvement Plan	✓
The Department shall monitor referral patterns between physical and behavioral providers to evaluate coordination and continuity of care. Drug utilization patterns of psychopharmacological medications shall be closely monitored. The findings of these evaluations will be provided to the Contractor.	✓

**33.12 NCQA/MBHO Accreditation Requirements**

Contract Requirement	Agree to Comply
The Contractor shall demonstrate to the Department its compliance with NCQA/MBHO accreditation requirements by meeting the following standards:	✓
A. The availability of behavioral healthcare practitioners and providers within its network;	✓
B. The development of preventive behavioral health programs;	✓

C. The development of Self-Management Tools for Use by Enrollees;	✓
D. The establishment of a Complex Case Management Program that addresses the needs of adults with SMI, children with SED and other high risk groups with co-occurring conditions;	✓
E. The adoption of Clinical Practice Guidelines specific to the needs of behavioral health clients;	✓
F. The establishment of a process for Data Collection and Integration between the Contractor and the MBHO;	✓
G. Identify and report on critical Performance Measures that are specific to behavioral health Enrollees;	✓
H. Establish a written program description for the MBHO's Utilization Management Program; and	✓
I. Establish a process for collaboration between behavioral healthcare and medical care.	✓

### 33.13 Coordination and Collaboration with Behavioral Health Providers

Contract Requirement	Agree to Comply
The Contractor shall identify and develop community alternatives to inpatient hospitalization for those Enrollees who are currently receiving inpatient psychiatric facility services and could be discharged from the facility if an appropriate treatment alternative were made available in the community. In the event that the Contractor does not provide and cover an appropriate community alternative, the Contractor shall remain financially responsible for the continued inpatient care of these individuals until the Contractor ensures availability and access to an appropriate community provider.	✓

## 34.0 POPULATION HEALTH MANAGEMENT PROGRAM Population Health Management Program

### 34.1 Program Overview

Contract Requirement	Agree to Comply
The Department is working to transform the Medicaid program to drastically improve outcomes for a variety of healthcare conditions and to empower individuals to improve their health and engage in their healthcare. To support these goals, the Contractor shall implement an innovative Population Health Management (PHM) Program to improve the health of Enrollees through an innovative, person-centered approach that addresses medical and non-medical drivers of health while reducing inappropriate utilization and costs. Person-centered supports will focus on the whole person, addressing physical health, behavioral health, functional, and social needs.	✓
To drive improved outcomes for its Enrollees, the Contractor shall establish and operate an integrated Population Health Management (PHM) Program that incorporates components of NCQA's PHM Model. The Department may elect to require the Contractor to attain NCQA PHM Accreditation.	✓
The Contractor shall implement a PHM Program that supports Enrollees across the care continuum, promoting healthy behaviors and self-management as well as providing Care Coordination and Complex Care	✓

Management as needed and supported by evidence-based medicine and national best practices.	
The Contractor shall submit its written PHM Program Plan to the Department for review and approval within thirty (30) Days of Contract Execution, annually, and prior to implementing any material revisions. The PHM Program Plan must address all program elements set forth in this Section and others based on the specific components of the Contractor's Program. The Department encourages the Contractor to incorporate innovations into its PHM Program that will have the highest potential for success within the Kentucky healthcare landscape, therefore, the Contractor may also submit alternative approaches and innovations to the Department for review and approval.	✓
In alignment with NCQA's PHM Model, the Contractor shall implement a PHM Program that incorporates the below three risk levels, at a minimum, in the most cost-effective manner possible.	✓
<p>A. <b>Health Promotion and Wellness.</b> The Contractor shall provide wellness and prevention support to Enrollees with little or no risk factors. The Contractor shall provide services and supports to encourage Enrollees in becoming proactive participants in their health and well-being and that promote healthy lifestyles.</p> <p>The Contractor is encouraged to test and evaluate cost-effective Enrollee health promotion and wellness strategies, from high-touch, personal interactions to technology-based solutions. The Contractor shall collaborate with the Department and other entities such as the Department for Public Health on joint preventive health and wellness initiatives, as appropriate.</p>	✓
<p>B. <b>Management of Chronic Conditions.</b> The Contractor shall provide Care Coordination support to Enrollees who have been identified as having emerging risk factors and/or one (1) targeted chronic condition. The Contractor shall provide services to Enrollees that aim to reduce healthcare costs and improve quality of life for Enrollees who have a chronic condition through integrative care. Care Coordination should help Enrollees to address potential co-morbidities or other complications and help to avoid complications.</p>	✓
<p>C. <b>Complex Care Management</b> provides support to Enrollees with complex clinical, behavioral, functional and/or social needs, who have the highest risk factors such as multiple conditions, or multiple medications, served within multiple systems and often have the highest costs. Required interventions are more intensive.</p> <p>The Contractor shall develop strategies and interventions to help manage the needs of these Enrollees, such as development of a person-centered Care Plan, coordination of care to address all required needs and to support the Enrollee in obtaining the required care, and telephonic and face-to-face engagement with Enrollees as deemed necessary by the Care Plan. The Contractor shall assign care managers to these individuals to support implementation of the Care Plan and to facilitate receipt of necessary care and services.</p> <p>Enrollees will have the option to participate in the Contractor's PHM Program based on the Contractor's identification of each individual Enrollee's needs for support. While the Contractor may not mandate participation, the Contractor shall implement innovative strategies to attain high levels of Enrollee participation.</p>	✓

For all risk levels, the Contractor's PHM Program Plan shall provide information about the following at a minimum:	✓
A. Description of PHM Program tools the Contractor will use to identify Enrollees and their identified risk levels, as well as tools the Contractor will use to support services provided;	✓
B. Templates for PHM Program tools, where applicable (e.g., Health Risk Assessment, Enrollee Needs Assessment, Care Plans)	✓
C. Risk stratification methodology, including types of data used;	✓
D. Services and information available to Enrollees within the risk level, including service tiers if applicable;	✓
E. Description of the care planning process;	✓
F. Stakeholder engagement strategies, including those for Enrollees, Providers, community resources and social services agencies;	✓
G. Methods the Contractor will implement to engage Enrollees and encourage participation;	✓
H. Methods for information exchange, as applicable;	✓
I. Frequency of provision of services	✓
J. Priority areas (e.g., specific health risks, conditions, social determinants of health, etc.)	✓
K. Description of staffing, including qualifications;	✓
L. If applicable, value-based payment (VBP) or incentive models included in Provider agreements to support involvement in the PHM Program; and	✓
M. Methods for evaluating success of services provided.	✓

#### 34.2 Conditions and Populations

Contract Requirement	Agree to Comply
The Department has identified the below conditions and populations as priority for the PHM Program. The Contractor shall implement interventions that focus on Enrollees who have a priority condition identified by the Department, but should also identify additional conditions or populations of focus based on the Contractor's Enrollee population. The Department may also adjust this listing as needs are addressed, or as additional needs are identified.	✓
A. Population health condition priorities, include: <ol style="list-style-type: none"> <li>1. Asthma;</li> <li>2. Heart disease;</li> <li>3. Diabetes;</li> <li>4. Obesity;</li> </ol>	✓

5. Tobacco use; 6. Cancer; 7. Infant mortality; 8. Low birth weight 9. Behavioral health and substance use disorder; and 10. Others as determined by the Contractor and/or the Department.	
B. Population priorities, include: 1. Adults and Children with Special Health Care Needs, as set forth in <b>Section 35.0 “Enrollees with Special Health Care Needs”</b> 2. High-risk pregnant women as determined by providers 3. Other populations as determined by the Contractor and/or the Department.	✓

### 34.3 Population Health Management Program Tools

Contract Requirement	Agree to Comply
The Contractor shall use a variety of tools to support identification of and care for Enrollees for the PHM Program. The Contractor shall use the tools identified in this section, but is encouraged to use others as it deems appropriate to support implementation of its program to address Enrollee needs in a cost-effective manner.	✓
A. Risk Stratification and Service Tiers The Contractor shall implement a risk stratification methodology to determine risk of its overall population and to identify individual Enrollee risk levels. The Contractor's methodology should include use of integrated data to support identification of an Enrollee's need for specific services.  The Contractor may develop tiers of services within each risk level to address Enrollees with varying levels and intensity of care needs.  The Contractor shall conduct risk stratification on an ongoing basis on a schedule that is documented in the Contractor's PHM Program Plan.	✓
B. Health Risk Assessments (HRA) The Contractor shall utilize a standardized Health Risk Assessment (HRA) tool, as designated by the Department, to determine an Enrollee's general needs for participation in the PHM Program and to identify Enrollees who may require an Enrollee Needs Assessment. Information to be collected shall include demographic information, current physical health and behavioral health status. As part of the HRA process, the Contractor shall explain the purpose to Enrollees and available PHM Program services should they be determined in need of such services. The Contractor shall conduct HRAs as follows: 1. Initial HRAs, including mental health and substance use disorders screenings, of new Enrollees who have not been enrolled with the Contractor in the prior twelve (12) month period, for the purpose of assessing the Enrollees' health care needs within thirty (30) Days of Enrollment or earlier if the	✓

<p>Enrollee is identified via other information or self identifies as having specific health care or social needs.</p> <ol style="list-style-type: none"> <li>2. Within thirty (30) Days of Enrollment if the Contractor has a reasonable belief an Enrollee is pregnant. If determined pregnant, the Contractor shall refer the Enrollee for appropriate prenatal care.</li> <li>3. Annually to assess Enrollee's for any new health care or social needs.</li> <li>4. At other times as deemed appropriate by the Contractor or the Department.</li> </ol> <p>The Contractor shall make all reasonable efforts in accordance with this Contract to contact Enrollees in person, by telephone, email or by mail to complete the HRA. "Reasonable effort" is defined as making at least three (3) attempts to contact the Enrollee with at least one (1) of those attempts by telephone. The three attempts by the Contractor may not be within the same day. Should the Contractor not have a usable telephone number for an Enrollee, the Contractor shall contact the Enrollee's PCP or other health care providers, if applicable, to try to obtain a usable number.</p>	
<p>C. Enrollee Needs Assessments</p> <p>For Enrollees identified through HRA completion, referral, risk scoring and stratification, or other methods as determined by the Contractor as potentially in need of a higher level of PHM Program services, the Contractor shall conduct a comprehensive Enrollee Needs Assessment to determine the Enrollee's PHM Program service needs.</p> <p>The Enrollee Needs Assessment shall at a minimum assess the following:</p> <ol style="list-style-type: none"> <li>1. Enrollee's immediate, current and past health care, mental health and SUD needs;</li> <li>2. Psychosocial, functional, and cognitive needs;</li> <li>3. Social Determinants of Health, including employment and housing status;</li> <li>4. Ongoing conditions or needs that require treatment or care monitoring;</li> <li>5. Current care being receiving, including health care services or other care management;</li> <li>6. Current medications, prescribed and taken;</li> <li>7. Support network, including caregivers and other social supports; and</li> <li>8. Other areas as identified by the Contractor or Department.</li> </ol>	✓
<p>The Contractor shall complete the Enrollee Needs Assessment with the Enrollee and/or designated representative via telephone, in person at a location that meets the Enrollee's needs, or by other methodologies as the Contractor deems appropriate for differing Enrollee demographics or needs. The Contractor shall make all reasonable efforts in accordance with this Contract to complete the Enrollee Needs Assessment within thirty (30) Days of identifying an Enrollee in potential need of care management services, or within an earlier timeframe for Enrollees identified as having more immediate needs. "Reasonable effort" is defined as making at least three (3) attempts to contact the Enrollee with at least one (1) of those attempts by telephone. The three attempts by the Contractor may not be within</p>	✓



the same day. Should the Contractor not have a usable telephone number for an Enrollee, the Contractor shall contact the Enrollee's PCP or other health care providers, if applicable, to try to obtain a usable number.	
Based on the Contractor's findings, the Contractor shall make a determination as to the Enrollee's need for care management services, as well as the intensity of services required. The Contractor shall have a process for determining level, or tier, of services the Enrollee requires based on the Enrollee's level of risk.	✓
The Contractor shall share the findings of the Enrollee Needs Assessment with the Enrollee, the Enrollee's PCP or other referring provider, and other care management team members within fourteen (14) Days of completion and as consented to by the Enrollee to the extent required by law. Findings shall include the Contractor's recommendation for receipt of PHM Program services.	✓
If the Enrollee Needs Assessment findings indicate that services are not necessary for the Enrollee, the Contractor shall document the decision and basis for the decision.	✓
<p>The Contractor shall re-assess Enrollees identified as potentially needing PHM Program services as follows:</p> <ol style="list-style-type: none"> <li>1. When the Enrollee's circumstances or needs change (e.g., new diagnosis, inpatient admission, homelessness, etc.);</li> <li>2. At least annually;</li> <li>3. At the Enrollee's request; and</li> <li>4. Upon referral from a provider, care giver, or social services agency</li> </ol>	✓

#### 34.4 Care Planning

Contract Requirement	Agree to Comply
For Enrollees identified as needing Care Plans, the Contractor shall use a collaborative multidisciplinary team to develop an individualized and person-centered Care Plan with the Enrollee receiving care management services. The Contractor shall assign a care manager to the Enrollee who will facilitate development of the care team and Care Plan, which may include members such as the following based on the Enrollee's needs: the Enrollee and/or caretakers, the PCP, a behavioral health provider, specialists, nutritionists, and or pharmacy providers.	✓
The Contractor shall use innovative strategies and solutions to address person-centered goals and outcomes. The Care Plan shall be developed in accordance with 42 C.F.R. 438.208. An Enrollee's Care Plan, at a minimum, shall include:	✓
A. Appropriate medical, behavioral, and social services and be consistent with the PCP's medical diagnosis and clinical treatment plan;	✓
B. Person-centered goals, objectives and desired wellness, health, functional, and quality of life outcomes for the Enrollee and how services are intended to help achieve these goals;	✓
C. Description of Enrollee's psychosocial needs including any housing or financial assistance needs; how such needs will be addressed to ensure the Enrollee's ability to live safely in the community;	✓

D. Social, educational, and other services needed by the Enrollee;	✓
E. Enrollee risk factors and measures in place to minimize them; and	✓
F. Planned Interventions.	✓
The Contractor shall ensure each Care Plan is documented and made available to the Enrollee and the multi-disciplinary care team, including the Enrollee's PCP as appropriate. The care manager shall provide a copy of the completed Enrollee Needs Assessment and Care Plan to the Enrollee and any other providers authorized to deliver services to or for the benefit of the Enrollee and as documented in the Care Plan.	✓
A Care Plan will be routinely updated and incorporate input from the multidisciplinary care team and the Enrollee in accordance with the Contractor's policies and procedures.	✓

### 34.5 Coordination with Women, Infants and Children (WIC)

Contract Requirement	Agree to Comply
The Contractor shall comply with Section 1902(a)(11)(C) of the Social Security Act which requires coordination between Medicaid MCOs and WIC. This coordination includes the referral of potentially eligible women, infants and children to the WIC program and the provision of medical information by providers working within Medicaid managed Care Plans to the WIC program if requested by WIC agencies and if permitted by applicable law. Typical types of medical information requested by WIC agencies include information on nutrition-related metabolic disease, diabetes, low birth weight, failure to thrive, prematurity, infants of mothers with a SUD or other drug addiction, developmental disabilities or intellectual disabilities, AIDS, allergy or intolerance that affects nutritional status and anemia.	✓

### 34.6 Program Evaluation

Contract Requirement	Agree to Comply
The Contractor shall conduct ongoing review of its PHM Program and report to the Department on a monthly, quarterly, or annual basis based on agreed upon performance measures and targets and reporting requirements. The Contractor shall highlight status and progress of its PHM Program services in achieving improved outcomes, as well as lessons learned, challenges, and strategies the Contractor is implementing to address the challenges. The Department will make the final decision as to data and information to be reported to the Department by the Contractor. The Contractor and the Department shall use findings to identify additional opportunities for improvement to the model and need for modification of priorities, measures, and targets.	✓

**35.0 ENROLLEES WITH SPECIAL HEALTH CARE NEEDS****35.1 Individuals with Special Health Care Needs (ISHCN)**

<b>Contract Requirement</b>	<b>Agree to Comply</b>
Individuals with Special Health Care Needs (ISHCN) are persons who have or are at high risk for chronic physical, developmental, behavioral, neurological, or emotional condition and who may require a broad range of primary, specialized medical, behavioral health, and/or related services. ISCHN may have an increased need for healthcare or related services due to their respective conditions. The primary purpose of the definition is to identify these individuals so the Contractor can facilitate access to appropriate services.	✓
As per the requirement of 42 C.F.R. 438.208, the Department has defined the following categories of individuals who shall be identified as ISHCN. The Contractor shall have written policies and procedures in place which govern how Enrollees with these multiple and complex physical and behavioral health care needs are further identified. The Contractor shall have an internal operational process, in accordance with policy and procedure, to target Enrollees for the purpose of screening and identifying ISHCN's. The Contractor shall assess each Enrollee identified as ISHCN to identify any ongoing special conditions that require a course of treatment or regular care monitoring. The assessment process shall use appropriate health professionals. The Contractor shall employ reasonable efforts to identify ISHCN's based on the following populations:	✓
A. Children in/or receiving Foster Care or adoption assistance, if applicable. See <b>Section 42 "Kentucky SKY Program"</b> for additional information;	✓
B. Blind/Disabled Children under age nineteen (19) and Related Populations eligible for SSI;	✓
C. Adults over the age of sixty-five (65);	✓
D. Homeless (upon identification);	✓
E. Individuals with chronic physical health illnesses;	✓
F. Individuals with chronic behavioral health illnesses;	✓
G. Children receiving EPSDT Special Services; and	✓
H. Children receiving services in a Pediatric Prescribed Extended Care facility or unit.	✓
The Contractor shall develop and distribute to ISHCN Enrollees caregivers, parents and/or legal guardians, information and materials specific to the needs of the Enrollee, as appropriate. This information shall include health educational material as appropriate to assist ISHCN and /or caregivers in understanding their chronic illness.	✓
The Contractor shall have in place policies governing the mechanisms utilized to identify, screen and assess individuals with special health care needs. The Contractor will produce a treatment plan for Enrollees with	✓

special health care needs who are determined through assessment to need a course of treatment or regular care monitoring.	
The Contractor shall develop practice guidelines and other criteria that consider that needs of ISHCN and provide guidance in the provision of acute and chronic physical and behavioral health care services to this population.	✓

### 35.2 DAIL: Adult Guardianship Clients

Contract Requirement	Agree to Comply
Enrollees who are adult guardianship clients shall be identified as ISHCN. The Contractor shall attempt to obtain the service plan which will be completed by DAIL. The service plan will be used by DAIL and the Contractor to determine the individual's medical needs and identify the need for placement in Case Management. The Contractor shall be responsible for the ongoing Care Coordination of these Enrollees whether or not enrolled in Case Management to ensure access to needed social, community, medical and Behavioral Health Services. A monthly report of Adult Guardianship Cases shall be sent to Department thirty (30) Days after the end of each month.	✓
The Contractor shall develop and implement policies and procedures to ensure access to Care Coordination for all DAIL clients. The Contractor shall track, analyze, report, and when indicated, develop corrective action plans on indicators that measure utilization, access, complaints and grievances, and services specific to the DAIL population.	✓
Each adult in Guardianship shall have a service plan prepared by DAIL. The service plan shall indicate DAIL level of responsibility for making medical decisions for each Enrollee. If the service plan identifies the need for Case Management, the Contractor shall work with Guardianship staff and/or the Enrollee, as appropriate, to determine what level of Case Management is needed.	✓

### 35.3 Legal Guardians

Contract Requirement	Agree to Comply
The Contractor shall permit a parent, custodial parent, person exercising custodial control or supervision, or an agency with legal responsibility for a child by virtue of voluntary commitment or emergency or temporary custody orders to act on behalf of an Enrollee under the age of eighteen (18), potential Enrollee or former Enrollee for purposes of selecting a PCP, filing Grievances or Appeals, and otherwise acting on behalf of the child in interactions with the Contractor.	✓
A legal guardian of an adult Enrollee appointed pursuant to KRS 387.500 to 387.800 shall be allowed to act on behalf of a ward as defined in that statute, and a person authorized to make health care decisions pursuant to KRS 311.621, et seq. shall be allowed to act on behalf of an Enrollee, prospective Enrollee or former Enrollee. An Enrollee may represent her/himself, or use legal counsel, a relative, a friend, or other spokesperson.	✓

**35.4 Enrollees with SMI Residing in Institutions or At Risk of Institutionalization**

Contract Requirement	Agree to Comply
The Contractor shall participate in transition planning and continued Care Coordination for Enrollees with SMI who are transitioning from licensed Personal Care Homes, psychiatric hospitals, or other institutional settings to integrated, community based housing. The Contractor shall perform a comprehensive physical and behavioral health assessment designed to support the successful transition to community based housing within fourteen (14) Days of the transition. To perform such assessment, the Contractor shall review the Enrollee's Person-Centered Recovery Plan and level of care determination developed by the provider agency in tandem with Contractor's routine UM procedures. The Contractor shall provide services that are recommended in the Person-Centered Recovery Plan and that meet Medical Necessity criteria.	✓

**36.0 PROGRAM INTEGRITY**

Contract Requirement	Agree to Comply
The Contractor shall have arrangements and policies and procedures that comply with all state and federal statutes and regulations including 42 C.F.R. 438.608 and Section 6032 of the Federal Deficit Reduction Act of 2005, governing Fraud, Waste and Abuse requirements. The Contractor shall have sufficient investigatory capacity necessary to comply with all applicable requirements and standards under the Contract as well as all federal and state requirements and standards to detect Fraud, Waste and Abuse. The Department has defined minimums standards for the Contractor's Program Integrity Unit (PIU) as follows:	✓
A. Identification of a minimum of two percent (2%) in provider Overpayments and prepayment cost avoidance on Report 64;	✓
B. Conducting a minimum of three (3) on-site visits per quarter;	✓
C. Attending any training or meeting given by the Commonwealth;	✓
D. Collecting outstanding debt owed to the Department;	✓
E. Respond to informational or reporting requests timely;	✓
F. Requesting permission to administratively collect Overpayments in excess of five hundred dollars (\$500);	✓
G. Ensuring formal case tracking and case management of provider and Enrollee cases;	✓
H. Maintain two (2) full-time investigators with a minimum of three (3) years Medicaid Fraud, Waste and Abuse investigatory experience located within the United States dedicated one hundred percent (100%) to the Kentucky Medicaid Program, and notification to the Department's Program Integrity Director if there is any absence or vacancy that is more than thirty (30) Days with a contingency plan to remain compliant with the other contract requirements in the interim; and	✓

I. Meeting the requirements of <b>Appendix M “Program Integrity Requirements.”</b>	✓
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**36.1 Program Integrity Plan**

Contract Requirement	Agree to Comply
The Contractor shall develop in accordance with the Contract requirements in this Section and <b>Appendix N “Program Integrity Requirements,”</b> a Program Integrity plan for the Commonwealth of Kentucky of internal controls and policies and procedures for preventing, identifying and investigating Enrollee and provider Fraud, Waste and Abuse. If the Department changes its Program Integrity activities, the Contractor shall have up to three (3) months to provide a new or revised program. This plan shall include, at a minimum:	✓
A. Written policies, procedures, and standards of conduct that articulate the Contractor's commitment to comply with all applicable requirements and standards under the contract as well as all federal and state requirements and standards;	✓
B. The designation of a Compliance Officer who is responsible for developing and implementing policies, procedures and practices designed to ensure compliance with the requirements of the contract and who reports directly to the Chief Executive Officer and the Board of Directors;	✓
C. A Regulatory Compliance Committee on the Board of Directors and at the senior management level charged with overseeing the Contractor's compliance program and its compliance with the requirements under this Contract;	✓
D. Effective training and education for the Contractor's Compliance Officer, senior management, employees, Subcontractors, providers, and Enrollees for the federal and state standards and requirements under the contract, including: <ol style="list-style-type: none"> <li>1. Training and education regarding Fraud, Waste, and Abuse; and</li> <li>2. Detailed information about the False Claims Act (FCA), rights of employees to be protected as whistleblowers, and other federal and state laws described in Section 1902 of the Act (42 USC 1396a(a)(68));</li> </ol>	✓
E. Effective lines of communication between the Compliance Officer and the Contractor's employees;	✓
F. Enforcement of standards through written and well-publicized disciplinary guidelines;	✓
G. Written procedures and an operational system that include but are not limited to the following: <ol style="list-style-type: none"> <li>1. Routine internal monitoring and auditing of Enrollee, provider and compliance risks by dedicated staff for the Contractor and any Subcontractor;</li> <li>2. Prompt investigation, response and development of corrective action initiatives to compliance risks or issues as they are raised or identified in the course of self-evaluation or audit, including coordination with law enforcement agencies for</li> </ol>	✓

<p>suspected criminal acts, to reduce potential recurrence and ensure ongoing compliance under the contract;</p> <ol style="list-style-type: none"> <li>3. Provision for immediate notification to the Department's Program Quality &amp; Outcomes Division Director and Program Integrity Division Director should any employee of the Contractor, Subcontractors or agents seek protection under the False Claims Act;</li> <li>4. Provision for prompt reporting to the Department of all Overpayments identified or recovered, specifying the Overpayments due to potential Fraud, in a manner as determined by the Department;</li> <li>5. Prompt referral of any potential Fraud, Waste, or Abuse that the Contractor identifies to the Department's Program Integrity unit or any potential Fraud directly to the state Medicaid Fraud Control Unit in the form of an investigative report or in another manner as prescribed by the Department;</li> <li>6. Provision for Network Providers to report and return to the Contractor any Overpayment within sixty (60) Days of identification, and to notify Contractor in writing of the reason for the Overpayment;</li> <li>7. Suspension and escrow of payments to a Network Providers for which the Department has notified the Contractor that there is a credible allegation of Fraud in accordance with 42 C.F.R. 455.23 and report payment suspension information quarterly in a manner determined by the Department;</li> <li>8. Prompt notification to the Department when it receives information about a change in an Enrollee's circumstances that may affect the Enrollee's eligibility including changes in the Enrollee's residence or the death of the Enrollee;</li> <li>9. Notification to the Department when it receives information about a change in a Network Provider's circumstances that may affect the Network Provider's eligibility to participate in the managed care program, including the termination of the provider agreement with the Contractor;</li> <li>10. Method to verify, by sampling or other methods, whether services that have been represented to have been delivered by Network Providers have been delivered to Enrollees and the application of such verification processes on a regular basis;</li> <li>11. Ensure all of Contractor's Network Providers are enrolled with the Department consistent with the provider disclosure, screening and enrollment requirements of 42 C.F.R. 455;</li> <li>12. An accounts receivable process to collect outstanding debt from Enrollees or providers and provide monthly reports of activities and collections to the Department in a manner determined by the Department;</li> <li>13. An Appeal process;</li> <li>14. Process for card sharing cases;</li> <li>15. Tracking the disposition of all Enrollee and provider cases (initial and preliminary) as well as case management that allows for ad hoc reporting or case status; and</li> <li>16. A Prepayment Review process in accordance with this contract.</li> </ol>	
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H. Contractor shall be subject to on-site review; and comply with requests from the Department to supply documentation and records;	✓
I. Contractor shall comply with the expectations of 42 C.F.R. 455.20 by employing a method of verifying with Enrollee whether the services billed by provider were received by randomly selecting a minimum sample of five hundred (500) Claims on a monthly basis;	✓
J. Contractor shall run algorithms on Claims data and develop a process and report quarterly to the Department all algorithms run, issues identified, actions taken to address those issues and the Overpayments identified and collected;	✓
K. The Contractor shall follow cases from the time they are opened until they are closed following written protocol regarding submission of investigative reports to the Department;	✓
L. Contractor shall notify Department within fifteen (15) Business Days in a manner determined by the Department of any provider placed on Prepayment Review related to Fraud, Waste and Abuse. The information shall include at a minimum the following: 1. Case Number; 2. Provider Name; 3. Medicaid Provider ID; 4. NPI; 5. Summary of Concern; and 6. Date action taken.	✓
The Contractor shall submit an annual listing of providers that were under Prepayment Review during the state fiscal year in a manner determined by the Department; and	✓
M. The Contractor shall attend any training given by the Commonwealth, Department, its Fiscal Agent or other Contractor's organizations provided reasonable advance notice is given to Contractor of the scheduled training.	✓
The plan shall be made available to the Department for review and approval subject to <b>Section 4.4 "Approval of Department."</b>	✓

### 36.2 Prepayment Review

Contract Requirement	Agree to Comply
The Contractor shall have written, policies, procedures and standards of conduct for a Prepayment Review process in accordance with the requirements of this contract, and should perform a review when there is a sustained or high level of payment error or data analysis identifies a problem area related to possible Fraud, Waste and Abuse. Any request for a Prepayment Review process outside of the scope of Fraud, Waste and Abuse as prescribed in this Section shall be submitted in writing to the Director of the Division of Program Quality Outcomes for approval with copy to the Director of the Division of Program Integrity.	✓
The Contractor shall have discretion on when to utilize Prepayment Review, but should consider such review due to a high volume of services, high cost, dramatic change in frequency of use, high risk problem-prone area, complaints, or if the Department or any other federal or state agency has identified a certain vulnerability in a service area. The Contractor shall not	✓



use Prepayment Review to hold Claims for an indefinite period of time. The Contractor shall review the documentation submitted within a reasonable amount of time but not to exceed thirty (30) Days from the date of the request to determine whether the Claim should be paid. Claims under Prepayment Review are not subject to prompt payment or timely filing requirements.	
Notice shall be sent to the provider in writing on or before the date a Prepayment Review is started. The written notice shall contain the following:	✓
A. Specific reason for the review;	✓
B. Complete description of the specific documentation needed for the review and method of submission;	✓
C. Timeframe for returning the documentation, and information that the Claim will be denied if documentation is not returned timely;	✓
D. Length of time the Prepayment Review will be conducted if the Contractor has determined one at its discretion;	✓
E. Contact information if there are questions related to the Prepayment Review; and	✓
F. Information on how the provider may request removal of a Prepayment Review.	✓
The Contractor shall ensure the documentation is readily available in the investigative progression from referral (external or internal) to closure and ensure the investigation meets Departmental requirements as well as the requirements of case tracking, case management and reporting.	✓
The Provider shall be given forty-five (45) Days to submit documents in support of Claims under Prepayment Review. The Contractor shall deny Claims for which the requested documentation was not received by day forty-six (46). The Contractor shall deny a Claim when the submitted documentation lacks evidence to support the service or code. The Contractor shall follow Contract Provision 27.10 for any Appeals related to the prepayment process. The Contractor may extend the length of a Prepayment Review when it is determined necessary to prevent improper payments. If the provider has sustained a ninety percent (90%) error free Claims submission rate to the Contractor for forty-five (45) Days the Contractor must request express permission to continue Prepayment Review from the Director of Program Integrity (or designee) and the Director of Program Quality and Outcomes (or designee).	✓

### 36.3 Report of Suspected Fraud, Waste or Abuse

Contract Requirement	Agree to Comply
If the Contractor fails to properly report a case of suspected provider Fraud, Waste or Abuse to the Department before the suspected Fraud, Waste or Abuse is identified by the Commonwealth, its designees, the United States or private parties acting on behalf of the United States, any portion of the funds related to Fraud or Abuse recovered by the Commonwealth or designees shall be retained by the Commonwealth or its designees.	✓

**36.4 Audit by Department or its Designee**

Contract Requirement	Agree to Comply
If the Department performs or contracts with an entity that performs audits of Claims paid by the Contractor and identifies an Overpayment, then the Department shall send notice to the Contractor and collect and retain any Overpayment. The Contractor shall remit the amount or balance of the provider Overpayment within ninety (90) Days of notification by the Department unless otherwise notified in writing by the Department or contracted entity. The Contractor may request an extension of the remittance with justification to the Department's Program Integrity Director prior to the deadline. Failure to remit an amount within the timeframe will result in a five hundred dollar (\$500.00) penalty per incident.	✓

**36.5 Contractor Dispute of Audit by Department or its Designee**

Contract Requirement	Agree to Comply
The Contractor shall have thirty (30) Days to dispute an Overpayment identified by the Department, in writing to the Department's Program Integrity Director, or the Department's designee, within thirty (30) calendar days of receiving notice of the identified Overpayment. Failure of the Contractor to meet contractual, state or federal requirements will not be an acceptable basis for Overpayment disputes. The Department will have the sole discretion to uphold or overturn, or amend, an identified Overpayment disputed by the Contractor. The Contractor shall be notified of the decision of the Department in writing within ninety (90) Days of receipt.	✓

**37.0 CONTRACTOR REPORTING REQUIREMENTS****37.1 General Reporting and Data Requirements**

Contract Requirement	Agree to Comply
The Contractor shall comply with all reporting requirements of the Contract and in compliance with 42 C.F.R. 438.604.	✓
<p><b>Appendix D "Reporting Requirements and Reporting Deliverables"</b> sets forth minimum and preliminary reporting requirements to which the Contractor must agree. However, the Department recognizes that MCOs have comprehensive and sophisticated data analytics capabilities and reporting systems. After Contract Execution and prior to Readiness Reviews, the Contractor agrees to participate in a collaborative process with the Department and other MCOs to establish a reporting package for which reports address the following at a minimum:</p> <ul style="list-style-type: none"> <li>Detailed reporting specifications and consistent data definitions for all required reports.</li> <li>Reports that provide statistical information in a format for which trends can be identified.</li> <li>Detailed analysis by the Contractor, where applicable, for identified trends and patterns of change, outliers, successes, risks, and mitigation strategies. Such analysis will include narrative summary of findings and the Contractor's interpretations of the data.</li> </ul> <p>This process will result in identification of a detailed and comparable reporting package and timeframes for submission that the Contractor and other MCOs will use without modification. While the Department is not</p>	✓

requiring use of standardized reporting templates, and the Contractor may use their own, reported data must be comparable across MCOs for comparison purposes and to be able to understand outcomes and progress for Kentucky's Medicaid managed care program.	
The Contractor shall recommend other reporting that it generates for internal use that would also be useful for the Department to review. For example, the MCOs may have pre-existing dashboards containing critical information assembled from the many MCO operational areas. The Department may use the dashboards to follow program trends, set program goals, identify Quality Improvement strategies, and monitor delivery system changes to improve health outcomes.	✓
The Department reserves the right to modify the above described process should the Department and MCOs not come to agreement on standardized data definitions, reporting specifications, and submission timeframes. In the event this occurs, the Department will set forth prescriptive requirements for all MCOs to follow.	✓
The Contractor shall support the Department in providing required and ad hoc reporting to CMS or other state or federal agencies.	✓
The Department may require the Contractor to prepare and submit ad hoc reports. The Department will make every effort to give the Contractor reasonable notice that is no less than five (5) Business Days prior to the required submission date based on the nature of the requested report. Timeframes for notice may vary for requests for information from entities such as legislative bodies, CMS, or other federal agencies.	✓

### 37.2 Reporting Requirements and Standards

Contract Requirement	Agree to Comply
The Department has final approval for all reporting requirements, specifications, data definitions, and submission timeframes. The Contractor shall comply with the reporting requirements set forth in this Contract, including providing such additional data and reports as may be reasonably requested by the Department. The Contractor shall verify and ensure the accuracy, completeness and timely submission of each report, data and other information provided to the Department. All required information shall be fully disclosed in a manner that is responsive and without material omission.	✓
The Contractor shall respond to any Department request for information or documents within the timeframe specified by the Department in its request. Such request may also apply to information from Subcontractors. If the Contractor or Subcontractor is unable to respond within the specified timeframe, the Contractor shall immediately notify the Department in writing and shall include an explanation for the inability to meet the timeframe and a request for approval of an extension of time. The Department may approve, within its sole discretion, any such extension of time upon a showing of good cause by the Contractor. To avoid delayed responses by Contractor caused by a high volume of information or document requests by the Department, the Parties shall devise and agree upon a functional method of prioritizing requests so that urgent requests are given appropriate priority.	✓
The Department reserves the right to modify the form, nature, content, instructions and timetables for the collection and reporting of data throughout the Contract Term, including modification to <b>Appendix D</b>	✓

“Reporting Requirements and Reporting Deliverables” and the required reporting package. Any requested modification will take cost into consideration.	
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### 37.3 Reporting Requirements for Specific Operational Areas

Contract Requirement	Agree to Comply
In addition to the reporting package to be developed collaboratively and <b>Appendix D “Reporting Requirements and Reporting Deliverables”</b> below are additional reporting requirements for specific operational areas. The Department may amend these requirements over the course of the Contract Term and as needed, based on collaboration with the MCOs.	✓

### 37.4 Paid Claims Report

Contract Requirement	Agree to Comply
The Contractor shall provide a paid Claims report, in a manner and format as required by the Department, to each of Contractor's Network hospitals as outlined in <b>Appendix O “Paid Claims Listing Requirements.”</b> See <b>Appendix B “Remedies for Violation, Breach, or Non-Performance of Contract”</b> for information about penalties for failure to provide the paid Claims listing.	✓

### 37.5 COB Reporting Requirements

Contract Requirement	Agree to Comply
The Contractor shall submit a monthly Coordination of Benefits Report for all Enrollee activity to comply with CMS reporting requirements. Additionally, the Contractor shall submit a report that includes subrogation collections from auto, homeowners, or malpractice insurance, etc.	✓

### 37.6 Enrollment Reconciliation

Contract Requirement	Agree to Comply
The Contractor shall reconcile each Enrollee payment identified in a HIPAA 820 transaction with information contained in the HIPAA 834 transaction. The Contractor shall submit all requested corrections to the Department within forty-five (45) Days of receipt of HIPAA 820 transaction. Adjustments shall be made to the next HIPAA 820 transaction and/or next available HIPAA 834 transactions to reflect corrections.	✓

### 37.7 Telehealth Reporting

Contract Requirement	Agree to Comply
The Contractor shall supply information and data on telehealth services to support the Department in providing an annual report to the Legislature as required under KAR 205.559. Information and data provided by the Contractor shall be sufficient to enable the Department to analyze and report on the following:	✓

A. The economic impact of telehealth services on the Medicaid budget, including any costs or savings as a result of decreased transportation expenditures and office or emergency room visits;	✓
B. The quality of care as a result of Telehealth Consultations; and	✓
C. Any other issues deemed relevant by the CHFS.	✓
In addition to the analysis required under KAR 205.557, the Contractor shall report sufficient telehealth cost information to enable the Department to report to compare telehealth reimbursement and delivery among all managed care partnerships or other entities under contract with the Cabinet for the administration or provision of the Medicaid program.	✓

### 37.8 Grievance and Appeal Reporting Requirements

Contract Requirement	Agree to Comply
The Contractor shall submit reports of Enrollee Grievances and Appeals and their disposition as described in <b>Appendix D “Reporting Requirements and Reporting Deliverables.”</b>	✓
The Department or its contracted agent may conduct reviews or onsite visits to follow up on patterns of repeated Grievances or Appeals. Any patterns of suspected Fraud or Abuse identified through the data shall be immediately referred to the Contractor’s Program Integrity Unit.	✓

### 37.3 EPSDT Reports

Contract Requirement	Agree to Comply
The Contractor shall submit Encounter Files to the Department’s Fiscal Agent for each Enrollee who receives EPSDT Services. This Encounter File shall be completed according to the requirements provided by the Department, including use of specified EPSDT procedure codes and referral codes.	✓

### 37.4 Financial Reports

Contract Requirement	Agree to Comply
Financial reports demonstrate the Contractor’s ability to meet its commitments under the terms of this Contract. The Contractor and its Subcontractors shall maintain their accounting systems in accordance with statutory accounting principles, generally accepted accounting principles, or other generally accepted system of accounting. The accounting system shall clearly document all financial transactions between the Contractor and its Subcontractors and the Contractor and the Department. These transactions shall include, but not be limited to, Claims payment, refunds and adjustment of payments.	✓
The Contractor shall file, in the form and content prescribed by the National Association of Insurance Commissioners (NAIC), within one hundred and twenty days (120) Days following the end of each fiscal year an annual audited financial statement that has been prepared by an independent Certified Public Accountant on an accrual basis, in accordance with	✓

generally accepted or statutory accounting principles as established by the American Institute of Certified Public Accountants.	
The Contractor shall also file, within seventy-five (75) Days following the end of each fiscal year, certified copies of the annual statement and reports as prescribed and adopted by the DOI. The Department may request information in the form of a consolidated financial statement.	✓
The Contractor shall file within sixty (60) Days following the end of each calendar quarter, quarterly financial reports in form and content as prescribed by the NAIC.	✓
The Contractor shall file with FAC and the Department, within seven (7) Days after issuance, a true, correct and complete copy of any report or notice issued in connection with a financial examination conducted by or on behalf of the DOI.	✓
The Department has the right to insist on an audit of paid claim costs, other costs including administrative costs, revenue, and membership reported in MRTs, at the expense of the Contractor. The Contractor will have sixty (60) Days to supply the audit report to the Department.	✓

### 37.5 Ownership and Financial Disclosure

Contract Requirement	Agree to Comply
The Contractor agrees to comply with the provisions of 42 C.F.R. 455.104. The Contractor shall provide true and complete disclosures of the following information to FAC, the Department, CMS, and/or their agents or designees, in a form designated by the Department (1) at the time of each annual audit, (2) at the time of each Medicaid survey, (3) prior to entry into a new contract with the Department, (4) upon any change in operations which affects the most recent disclosure report, or (5) within thirty-five (35) Days following the date of each written request for such information:	✓
A. The name and address of each person with an ownership or control interest in (i) the Contractor or (ii) any Subcontractor or supplier in which the Contractor has a direct or indirect ownership of five percent (5%) or more, specifying the relationship of any listed persons who are related as spouse, parent, child, or sibling;	✓
B. The name of any other entity receiving reimbursement through the Medicare or Medicaid programs in which a person listed in response to subsection (a) has an ownership or control interest;	✓
C. The same information requested in subsections (A) and (B) for any Subcontractors or suppliers with whom the Contractor has had business transactions totaling more than twenty five thousand dollars (\$25,000) during the immediately preceding twelve (12)-month period;	✓
D. A description of any significant business transactions between the Contractor and any wholly- owned supplier, or between the Contractor and any Subcontractor, during the immediately preceding five (5)-year period;	✓
E. The identity of any person who has an ownership or control interest in the Contractor, any Subcontractor or supplier, or is an agent or managing employee of the Contractor, any Subcontractor or supplier, who has been convicted of a criminal offense related to that person's involvement in any program under	✓

Medicare, Medicaid, or the services program under Title XX of the Act, since the inception of those programs;	
F. The name of any officer, director, employee or agent of, or any person with an ownership or controlling interest in, the Contractor, any Subcontractor or supplier, who is also employed by the Commonwealth or any of its agencies and	✓
G. The Contractor shall notify the Department immediately when any change in ownership is anticipated. The Contractor shall submit a detailed work plan to the Department and to the DOI during the transition period no later than the date of the sale that identifies areas of the Contract that may be impacted by the change in ownership including management and staff.	✓
The Department shall review the ownership and financial disclosures submitted by the Contractor and any Subcontractor.	✓

### 37.6 Record System Requirements

Contract Requirement	Agree to Comply
The Contractor shall maintain or cause to be maintained detailed records relating to the operation including but not limited to the following:	✓
A. Administrative costs and expenses incurred pursuant to this Contract;	✓
B. B. Enrollee enrollment status;	✓
C. C. Provision of Covered Services;	✓
D. D. All relevant medical information relating to individual Enrollees for the purpose of audit, evaluation or investigation by the Department, the Office of Inspector General, the Attorney General and other authorized federal or state personnel;	✓
E. E. Quality Improvement and utilization;	✓
F. F. All financial records, including all financial reports required under <b>Section 37.4 “Financial Reports”</b> of this Contract and A/R activity, rebate data, DSH requests and etc.;	✓
G. G. Performance reports to indicate Contractor's compliance with Contract requirements;	✓
H. H. Fraud and Abuse	✓
All records shall be maintained and available for review by authorized federal and state personnel during the entire term of this Contract and for a period of ten (10) years after termination of this Contract, except that when an audit has been conducted, or audit findings are unresolved. In such case records shall be kept for a period of ten (10) years in accordance with 42 C.F.R. 438.2 and 907 KAR 1:672, or as amended or until all issues are finally resolved, whichever is later.	✓

## 38.0 RECORDS MAINTENANCE AND AUDIT RIGHTS

### 38.1 Medical Records

Contract Requirement	Agree to Comply
Enrollee Medical Records if maintained by the Contractor shall be maintained timely, legible, current, detailed and organized to permit effective and confidential patient care and quality review. Complete Medical Records include, but are not limited to, medical charts, prescription files, hospital records, provider specialist reports, consultant and other health care professionals' findings, appointment records, and other documentation sufficient to disclose the quantity, quality, appropriateness, and timeliness of services provided under the Contract. The Medical Record shall be signed by the provider of service.	✓
Enrollee Medical Records if maintained by the Contractor shall be maintained timely, legible, current, detailed and organized to permit effective and confidential patient care and quality review. Complete Medical Records include, but are not limited to, medical charts, prescription files, hospital records, provider specialist reports, consultant and other health care professionals' findings, appointment records, and other documentation sufficient to disclose the quantity, quality, appropriateness, and timeliness of services provided under the Contract. The Medical Record shall be signed by the provider of service. The Contractor shall have Medical Record confidentiality policies and procedures in compliance with state and federal guidelines and HIPAA. The Contractor shall protect Enrollee information from unauthorized disclosure as set forth in <b>Section 38.2 "Confidentiality of Records"</b> and <b>Appendix Q "CHFS Security Requirements."</b>	✓
The Contractor shall conduct HIPAA privacy and security audits of providers as prescribed by the Department.	✓
The Contractor shall include provisions in its Subcontracts for access to the Medical Records of its Enrollees by the Contractor, the Department, the Office of the Inspector General and other authorized Commonwealth and federal agents thereof, for purposes of auditing. Additionally, Provider contracts shall provide that when an Enrollee changes PCP, the Medical Records or copies of Medical Records shall be forwarded to the new PCP or Partnership within ten (10) Days from receipt of request. The Contractor's PCPs shall have Enrollees sign a release of Medical Records before a Medical Record transfer occurs.	✓
The Contractor shall have a process to systematically review provider Medical Records to ensure compliance with the Medical Records standards. The Contractor shall institute improvement and actions when standards are not met. The Contractor shall have a mechanism to assess the effectiveness of practice-site follow-up plans to increase compliance with the Contractor's established Medical Records standards and goals.	✓
The Contractor shall develop methodologies for assessing performance/compliance to Medical Record standards of PCP's/PCP sites, high risk/high volume specialist, dental providers, providers of ancillaries services not less than every three (3) years. Audit activity shall, at a minimum:	✓
A. Demonstrate the degree to which providers are complying with clinical and preventative care guidelines adopted by the Contractor;	✓
B. Allow for the tracking and trending of individual and plan wide provider performance over time;	✓



C. Include mechanism and processes that allow for the identification, investigation and resolution of quality of care concerns; and	✓
D. Include mechanism for detecting instances of over-utilization, under-utilization, and mis-utilization.	✓

**38.2 Confidentiality of Records**

<b>Contract Requirement</b>	<b>Agree to Comply</b>
The parties agree that all information, records, and data collected in connection with this Contract, including Medical Records, shall be protected from unauthorized disclosure as provided in 42 C.F.R. Section 431, subpart F, KRS 194.060A, KRS 214.185, KRS 434.840 to 434.860, and any applicable state and federal laws, including the laws specified in <b>Section 40.15 “Health Insurance Portability and Accountability Act.”</b>	✓
The Contractor shall have written policies and procedures for maintaining the confidentiality of Enrollee information consistent with applicable laws. Policies and procedures shall include but not be limited to, adequate provisions for assuring confidentiality of services for minors who consent to diagnosis and treatment for sexually transmitted disease, alcohol and other drug abuse or addiction, contraception, or pregnancy or childbirth without parental notification or consent as specified in KRS 214.185. The policies and procedures shall also address such issues as how to contact the minor Enrollee for any needed follow-up and limitations on telephone or mail contact to the home.	✓
The Contractor on behalf of its employees, agents and assignees, shall sign a confidentiality agreement.	✓
Except as otherwise required by law, regulations, or this Contract, access to such information shall be limited by the Contractor and the Department, to persons who or agencies which require the information in order to perform their duties related to the administration of the Department, including but not limited to the U.S. Department of Health and Human Services, U.S. Attorney's Office, the Office of the Inspector General, the Office of Attorney General, and such others as may be required by the Department.	✓
Any data, information, records or reports which may be disclosed to the Department by the Contractor pursuant to the express terms of this Contract shall not be disclosed or divulged by the Department in whole or in part to any other third person, other than expressly provided for in this Contract, or the Kentucky Open Records Act, KRS 61.870-61.882. The Department and the Contractor agree that this confidentiality provision will survive the termination of this Contract.	✓
Proprietary information, which consists of data, information or records relating to the Contractor, its Affiliates' or subsidiaries' business operations and structure, sales methods, practices and techniques, advertising, methods and practices, provider relationships unless otherwise expressly provided for in this Contract, non-Medicaid Enrollee or Enrollee lists, trade secrets, and the Contractor's, its Affiliates' or subsidiaries' relationships with its suppliers, providers, potential Enrollees or Enrollees and potential providers, is supplied under the terms of this Contract based on the Department's representation that the information is not subject to disclosure, except as otherwise provided by the Kentucky Open Records Act, KRS 61.870-61.882 or 200 KAR 5:314. The Contractor understands that it must designate information it has which it considers proprietary so that the Department or FAC may claim the proprietary information exemption to	✓

KRS 61.878(1)(c) if a request for such information is made. The Contractor also understands that it shall be responsible for defending its Claim that such designated information is proprietary before any applicable adjudicator.	
Any requests for disclosure of information received by the Contractor pursuant to this section of the Contract shall be submitted to and received by the Department's Contract Compliance Officer within twenty-four (24) hours as specified in <b>Section 40.16 "Notices"</b> of this Contract, and no information for which an exemption from disclosure exists shall be disclosed pursuant to such a request without prior written authorization from the Department. The Department shall notify Contractor if its records are being requested under the Open Records Law.	✓
However, non-individual identified data and information required to be reported to the Department either by this Contract or by CMS or by applicable laws or regulations, shall not be considered confidential.	✓

### 38.3 Privacy, Confidentiality, and Ownership of Information

Contract Requirement	Agree to Comply
The Department is the designated owner of all data and shall approve all access to that data. The Contractor shall not have ownership of Commonwealth data at any time. The Contractor shall be in compliance with privacy policies established by governmental agencies or by state or federal law. Privacy policy statements may be developed and amended from time to time by the Commonwealth and will be appropriately displayed on the Commonwealth portal (Ky.gov). The Contractor shall provide sufficient security to protect the Commonwealth and CHFS data in network transit, storage, and cache.	✓

### 38.4 Identity Theft Prevention and Reporting Requirements

Contract Requirement	Agree to Comply
In the delivery and/or provision of Information Technology hardware, software, systems, and/or services through a contract/s established as a result of this solicitation, the Contractor shall prevent unauthorized access to "Identity Information" of Commonwealth citizens, clients, constituents and employees. "Identity Information" includes, but is not limited to, an individual's first name or initial and last name in combination with any of the following information:	✓
A. Social Security Number;	✓
B. Driver's License Number;	✓
C. System Access ID's and associated passwords; and	✓
D. Account Information such as account number(s), credit/debit/ProCard number(s), and/or passwords and/or security codes	✓
The Contractor shall also immediately notify the Department, FAC, the Office of Procurement Services, and the Commonwealth Office of Technology upon learning of any unauthorized breach/access, theft, or release of Commonwealth data containing "Identity Information."	✓
For even a single knowing violation of these Identity Theft Prevention and Reporting Requirements, the Contractor agrees that the Commonwealth	✓

may terminate for default the Contract(s) and may withhold payment(s) owed to the Contractor in an amount sufficient to pay the cost of notifying Commonwealth customers of unauthorized access or security breaches.	
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**38.5 Compliance**

Contract Requirement	Agree to Comply
The Contractor shall agree to use and disclose Protected Health Information in compliance with the Standards for Privacy of Individually Identifiable Health Information ("Privacy Rule") (45 C.F.R. Parts 160 and 164) under the Health Insurance Portability and Accountability Act of 1996. The Contractor shall ensure that all Contractor actions are compliant with HIPAA rules for access, authentications, storage and auditing, and transmittal of electronic personal health information (e- PHI). Where applicable, The Contractor shall establish and maintain HIPAA compliant controls and procedures that protect, define, and limit circumstances for access, use, and disclosure of personal health information. An analysis shall be performed by the Contractor during the System Design phase to ensure implementation of appropriate controls for the relevant HIPAA requirements. The Contractor shall not be permitted to use or disclose health information for any reason other than what is mandated within this Contract. All CHFS Projects must adhere to the Commonwealth Office of Technology (COT) security and enterprise policies and procedures and the Cabinet for Health and Family Services (CHFS) security policies and procedures. Below is a listing of additional applicable policies, procedures, and laws for which the proposing Contractors must be prepared to comply:	✓
A. Computer Fraud and Abuse Act [PL 99-474, 18 USC 1030]	✓
B. Privacy Act of 1974 as amended [5 USC 552a]	✓
C. Protection of Sensitive Agency Information [OMB M-06-16]	✓
D. NIST 800-53 [Moderate]	✓
E. IRS Publication 1075	✓
F. Center for Medicare and Medicaid Services requirements	✓
G. Health Insurance Portability and Accountability (HIPAA)	✓
H. Federal Information Processing Standards (FIPS) Publications	✓

**38.6 Application Vulnerability Assessment**

Contract Requirement	Agree to Comply
Contractor shall perform a non-intrusive vulnerability assessment on web applications and web services; scan the web applications and web services without credentials to identify vulnerabilities related to the OWASP top ten	✓

(10) vulnerabilities and SANS top twenty-five (25) programming errors; scan the web applications and web services with credentials to identify vulnerabilities related to the OWASP top ten (10) vulnerabilities and SANS top twenty-five (25) programming errors.	
The initial web applications and web services assessment should be a gray box approach with the chosen Contractor only having knowledge of the IP information, but having no other knowledge with the web application. The chosen Contractor should perform a non-intrusive vulnerability assessment to discover if access can be discovered, programming flaws, data leakage, and information that could allow an intruder to attack the web applications.	✓
The second part of the web applications and web services assessment included a provide role(s) with access to the application(s). The vulnerability assessment of the chosen Contractor will be a non-intrusive security test. A walk through of the application will be very limited and will be at a high level to allow the chosen Contractor to review the application at first glance as a discovery. The high level walk through will include all IPs and URLs only. The application(s) vulnerability assessment should address at the very minimum:	✓
A. Injection;	✓
B. Broken Authentication and Session Management;	✓
C. Cross-Site Scripting (XSS);	✓
D. Insecure Direct Object References;	✓
E. Security Misconfiguration;	✓
F. Sensitive Data Exposure;	✓
G. Missing Function Level Access;	✓
H. Cross-Site Request Forgery (CSRF);	✓
I. Using Known Vulnerable Components; and	✓
J. Invalidated Redirects and Forwards.	✓
The Cabinet shall have a copy of the application vulnerability assessment within fourteen (14) Business Days of its execution. The Contractor will provide a mediation plan which meets risk assignment and in agreement with the Commonwealth.	✓

### 39.0 REMEDIES FOR VIOLATION, BREACH, OR NON-PERFORMANCE OF CONTRACT

#### 39.1 Contract Violations, Breach, or Non-Performance

Contract Requirement	Agree to Comply
The Contractor shall comply with all terms, conditions, requirements, performance standards, and applicable Commonwealth and Federal laws as set forth in this Contract or any amendments thereto including any rules, policies, or procedures incorporated pursuant to this Contract.	✓
The Department reserves the right to impose any and all remedies available under the terms of the Contract, at law or equity in the event that the Department determines, in its sole discretion, that the Contractor or a Subcontractor has violated any provision of the Contract, or if the Contractor or a Subcontractor does not comply with any other applicable Kentucky or federal law or regulation, compliance with which is mandated expressly or implicitly by this Contract.	✓

#### 39.2 Risk Categories

Contract Requirement	Agree to Comply
The Department may conduct performance reviews at its discretion at any time that relate to any Contractor responsibility for timely and responsive performance of Contract requirements. Based on such performance reviews or as determined through other means, upon the discovery of a Contractor's or Subcontractor's violation, breach, or non-performance of the terms, conditions, or requirements of this Contract, the Department shall assign the violation, breach, or non-performance into one of the following categories of risk:	✓
A. <b>Category 1:</b> Action(s) or inaction(s) that seriously jeopardize the health, safety, and welfare of Enrollee(s); reduces Enrollees' access to care; and/or jeopardize the integrity or viability of Kentucky's Medicaid Managed Care program;	✓
B. <b>Category 2:</b> Action(s) or inaction(s) that jeopardize the viability or integrity of Kentucky's Medicaid Managed Care program, but do(es) not necessarily jeopardize Enrollee(s)' health, safety, and welfare or reduce access to care; or	✓
C. <b>Category 3:</b> Action(s) or inaction(s) that diminish the efficient operation and effective oversight and administration of the Kentucky Medicaid Managed Care program.	✓

#### 39.3 Requirement of Corrective Action

Contract Requirement	Agree to Comply
A. Department Decisions to Impose Remedies The Department will consider some or all of the following factors in determining need to impose remedial action(s), intermediate sanction(s), penalty(ies), and/or liquidated damages against the Contractor: <ol style="list-style-type: none"> <li>1. Risk category assignment based on the nature, severity, and duration of the violation, breach, or non-performance;</li> <li>2. The type of harm suffered (e.g., impact to quality of care, access to care, Program Integrity);</li> <li>3. Whether the violation (or one that is substantially similar) has previously occurred;</li> <li>4. The timeliness in which the Contractor self-reports a violation;</li> </ol>	✓

<p>5. The Contractor's history of compliance;</p> <p>6. The good faith exercised by the Contractor in attempting to stay in compliance (including self-reporting by the Contractor); and</p> <p>7. Any other factor the Department deems relevant based on the nature of the violation, breach, or non-performance.</p> <p>The Department may impose additional remedial actions, intermediate sanctions, penalties or liquidated damages and/or elevate the violation to a higher Category of Risk if the non-compliance continues, or if the Contractor fails to comply with the originally imposed action.</p>	
<p>B. Letter of Concern</p> <p>Should the Department determine that the Contractor or any Subcontractor is in violation or is at risk of violation of any requirement of this Contract, the Department shall issue a "Letter of Concern." The Contractor shall contact the Department's representative designated by the Department within two (2) Business Days of receipt of the Letter of Concern and shall indicate how such concern is unfounded or how it will be addressed. If the Contractor fails to timely contact the designated representative regarding a Letter of Concern, the Department shall proceed to the additional enforcement contained in this Contract.</p>	✓
<p>C. Corrective Action Plan</p> <p>Should FAC or the Department determine that the Contractor or any Subcontractor is not in substantial compliance with any material provision of this Contract, FAC or the Department shall issue a Written Deficiency Notice to the Contractor specifying the deficiency and requesting a corrective action plan be filed by the Contractor within ten (10) Business Days following the date of the notice. The Department reserves the right to require a more accelerated timeframe if the deficiency warrants a more immediate response. A corrective action plan shall delineate the following information at a minimum:</p> <ol style="list-style-type: none"> <li>1. The names of the individuals who are responsible for implementing the corrective action plan.</li> <li>2. A description of the deficiency(ies) and the cause of the deficiency(ies) that resulted in need for corrective action.</li> <li>3. A detailed approach for addressing the existing deficiency(ies) and prevention of the repeated and/or similar deficiency(ies) in the future.</li> <li>4. The timeline for implementation, establishment of major milestones and correspondence dates to the Department, and notification of completion of corrective actions.</li> </ol>	✓
<p>The corrective action plan shall be subject to approval by FAC or the Department, which may accept the plan as submitted, may accept the plan with specified modifications, or may reject the plan within ten (10) Business Days of receipt. FAC or the Department may reduce the time allowed for corrective action depending upon the nature of the deficiency.</p>	✓

### 39.4 Penalties for Failure to Correct

Contract Requirement	Agree to Comply
<p>Except for failure to substantially provide Medically Necessary items and services that are required under law and under this Contract following failure on the part of the Contractor to cure a default in accordance with a plan of correction under <b>Section 39.3 "Requirement of Corrective Action,"</b> or as</p>	✓

otherwise required by the Department, Contractor will be subject to penalties as set forth in this Contract.		
A penalty for Failure to substantially provide Medically Necessary items and services that are required under law and under this Contract may be assessed simultaneously with a request for corrective action plan.		✓
If the Department elects not to exercise any of the penalty clauses as set forth in this Contract and in a particular instance, this decision shall not be construed as a waiver of the Department's right to pursue the future assessment of that performance standard requirement and associated penalties.		✓
A. Civil Money Penalties  FAC or the Department may impose civil money penalties in the circumstances and the amounts set forth below and as required in 42 C.F.R. 438.700.		✓
<b>Circumstance</b>	<b>Penalty Amounts</b>	✓
Failure to substantially provide Medically Necessary items and services that are required under law and under this Contract.	Up to \$25,000.00 for each determination.	✓
Imposes excess premiums and charges on Enrollees.	Up to \$25,000.00 or double the excess amount charged, whichever is greater. The Department shall deduct the amount of the overcharge from the penalty and return it to the affected Enrollee.	✓
Acts to discriminate among Enrollees on the basis of their health status or need for health care services, including termination of enrollment or refusal to re-enroll an Enrollee, except as permitted under the Medicaid program, or any practice that would reasonably be expected to discourage Enrollment of an Enrollee whose medical condition or history indicates probable need for substantial future medical services.	Up to \$15,000.00 per Enrollee with an amount not to exceed \$100,000 per determination.	✓
Misrepresents or falsifies information provided to CMS or to the Commonwealth.	Up to \$100,000 per determination.	✓
Misrepresents or falsifies information furnished to an Enrollee, potential Enrollee, or a health care provider.	Up to \$25,000.00 per determination.	✓
Failure to comply with the requirements for physician incentive plans, as set forth (for Medicare) in 42 C.F.R. §§422.208 and 422.210, and as set forth in Section 11.5 "Physician Incentive Plans."	Up to \$25,000.00 per determination.	✓
Distributed directly, or indirectly, through any Agent or independent contractor, Marketing materials that have not been approved by the Department or that contain false or materially misleading information.	Up to \$25,000.00 per determination.	✓

<p>B. Other Penalties</p> <p>The Department also reserves the right to assess other penalties, as applicable, for violations that occur but that are not specifically listed in this Section. See <b>Appendix B “Remedies for Violation, Breach, or Non-Performance of Contract.”</b> for penalties.</p> <p>Should the Contractor have repeated contractual violations for a similar deficiency, the Department may impose additional penalties as follows:</p> <ol style="list-style-type: none"> <li>1. First (1st) Offense: \$5,000 per determination.</li> <li>2. Second (2nd) Offense: \$10,000 per determination.</li> <li>3. Third (3rd) through sixth (6th) Offense: \$20,000 per determination.</li> <li>4. Seventh (7th) Offense and each subsequent offense: \$40,000 per determination.</li> </ol>	✓
<p><u>Penalties for Failure to Submit Reports and Encounters</u></p> <p>Violations specific to <b>Appendix D “Reporting Requirements and Reporting Deliverables”</b> shall not require a Letter of Concern or a Corrective Action Plan before fines are imposed as set forth in <b>Appendix B “Remedies for Violation, Breach, or Non-Performance of Contract.”</b></p>	✓
<p>The Department will work with the Contractor to resolve problems in obtaining data at all times. The Contractor acknowledges its responsibility to provide data on Enrollees upon request.</p>	✓
<p>C. Sanction</p> <p>If a Contractor, in the sole determination of the Cabinet, fails to complete a Corrective Action Plan or engages in a pattern of behavior requiring multiple Corrective Action Plans for similar deficiencies, the Department may issue a Sanction for one of the two types of deficiencies:</p> <p>Type A deficiencies shall be a written deficiency in the requirements in the following Contract sections: 22 through 36, inclusive.</p> <p>Type B deficiencies shall be a written deficiency in the requirements in the following Contract sections: 3-15, 17-21, 37 and 40-42.</p>	✓
<p>The Department shall withhold one quarter of one (0.25%) percent of the monthly Capitation Payment for Type B deficiencies until the corrective action has been completed to the Department's satisfaction. The Department shall impose a nonrefundable penalty of \$10,000 for each Type B infraction.</p>	✓
<p>The Department shall withhold one-half of one (0.5%) percent of the monthly Capitation Payment for Type A deficiencies until the corrective action has been completed to the Department's satisfaction. The Department shall impose a nonrefundable penalty of \$50,000 for each Type A infraction.</p>	✓
<p>If the deficiency is not remedied within three (3) months from acceptance of the corrective action plan, one-half of the funds withheld shall be forfeited in addition to the nonrefundable penalty referenced above. If the deficiency is not remedied within six (6) months from acceptance of the corrective action plan, all of the funds withheld shall be forfeited in addition to the nonrefundable penalty referenced above.</p>	✓



**39.5 Notice of Contractor Breach**

Contract Requirement	Agree to Comply
A Contractor shall be considered in breach if the Contractor is not in substantial compliance with any material provision of this Contract that cannot be cured, if the Contractor fails to cure a default in accordance with a plan of correction under <b>Section 39.3 “Requirement of Corrective Action” after issuance of a Sanction</b> , or comply with Sections 1932, 1903(m), and 1905(t) of the Social Security Act, or 42 C.F.R. 438. Upon determination of Contractor breach, FAC shall issue a timely written notice to the Contractor, explaining any Appeal rights provided to the Contractor, indicating the nature of the default, and advising the Contractor that failure to cure the default within a defined time period to the satisfaction of the Department, may lead to the imposition of any sanction or combination of sanctions provided by the terms of this Contract, or otherwise provided by law, including but not limited to all of the following:	✓
A. Suspension of receipt of further Enrollment for a defined time period after the date the Secretary or the Commonwealth notifies the Contractor of a determination of a violation of any requirement under Sections 1903(m) or 1932 of the Social Security Act;	✓
B. Suspension of Capitation Payments for Enrollees after the effective date of the sanction and until CMS or the Department is satisfied that the reason for imposition of the sanction no longer exists and is not likely to recur;	✓
C. Suspension or recoupment of the Capitation Rate paid for any month for any Enrollee who was denied the full extent of Covered Services meeting the standards set by this Contract, or who received or is receiving substandard services;	✓
D. A claim against Contractor's Performance Bond;	✓
E. Appoint temporary management;	✓
F. Grant Enrollees the right to disenroll without cause and notifying the affected Enrollees of their right to disenroll; and	✓
G. Termination of the contract.	✓
The Department shall impose mandatory temporary management when a Contractor repeatedly fails to meet substantive requirements established in Sections 1903(m) or 1932 of the Social Security Act or 42 C.F.R. 438. The Department shall not delay the imposition of temporary management to provide a hearing and shall not terminate temporary management until it determines that the Contractor can ensure the sanctioned behavior will not reoccur. If the Department imposes temporary management, the Department shall notify affected Enrollees of their right to terminate enrollment without cause, pursuant to 42 C.F.R. 438.706(b).	✓

**39.6 Violation of State or Federal Law**

Contract Requirement	Agree to Comply
A finding by any authorized agency that the Contractor has violated any State or Federal Law as it relates to any obligations or requirements under this Contract shall subject the Contractor to immediate withholding, penalty	✓

and forfeiture as a Type A violation without the necessity for a Letter of Concern or a Corrective Action Plan.	
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**39.7 Annual Contract Monitoring**

Contract Requirement	Agree to Comply
FAC or the Department retains the right to withhold payment if the Contractor does not comply with programmatic and fiscal reporting and monitoring requirements following failure on the part of the Contractor to cure a default in accordance with a plan of correction under <b>Section 39.3 "Requirement of Corrective Action."</b>	✓

**39.8 Performance Bond**

Contract Requirement	Agree to Comply
The Contractor shall maintain a \$30,000,000 performance bond payable to the Kentucky Department for Medicaid Services throughout the life of the contract. Contractor shall provide a copy of such bond to the Department annually.	✓
FAC or the Department shall have the right to enforce the Contractor's Performance Bond pursuant to the terms thereof for any material breach of this Contract after prior written notice to Contractor and an opportunity to cure such material breach within thirty (30) Days of the date of the notice, and subject to Contractor's Appeal rights pursuant to <b>Section 40.12 "Disputes."</b>	✓

**39.9 Additional Sanctions Required by CMS**

Contract Requirement	Agree to Comply
Payments provided for under this Contract will be denied for new Enrollees when, and for so long as, payment for those Enrollees is denied by CMS under 42 C.F.R. 438.730(e).	✓

**39.10 Appeal of Penalties**

Contract Requirement	Agree to Comply
Prior to exercising the dispute provision of Section 40.12 "Disputes", the Contractor may request reconsideration of a penalty imposed in accordance with this Section 39.0 "Remedies for Violation, Breach, or Non-Performance" of the Contract and Appendix B "Remedies for Violation, Breach, or Non-Performance of Contract" that equals or exceeds fifty thousand dollars (\$50,000) by sending a letter to the Commissioner of the Department for Medicaid Services, or his/her designee, within thirty (30) Days of receipt of notification of the penalty.	✓

**39.11 Termination for Default**

Contract Requirement	Agree to Comply
In addition to nonperformance of the particular terms and conditions of this Contract by the Contractor, each of the following shall constitute breach of the Contract by Contractor for which actual and consequential money damages and any of the other remedies set forth in the Contract are available to FAC, as well as a remedy of immediate termination of this	✓

Contract if the problem is not cured in the time frame specified by the Department:	
A. The conduct of the Contractor, any Subcontractor or supplier, or the standard of services provided by or on behalf of the Contractor, fails to meet the Department's minimum standards of care or threatens to place the health or safety of any group of Enrollees in jeopardy;	✓
B. The Contractor is either expelled or suspended from the federal health insurance programs under Title XVIII or Title XIX of the Social Security Act;	✓
C. Contractor's license to operate as an HMO is suspended or terminated by the DOI, or any adverse action is taken by the DOI which is deemed by the Department to affect the ability of the Contractor to provide health care services as set forth in this Contract to Enrollees;	✓
D. The Contractor fails to maintain protection against fiscal Insolvency as required under state or federal law, or as required by the terms of this Contract, or the Contractor fails to meet its financial obligations as they become due other than with respect to contested or challenged Claims filed by Enrollees or Providers;	✓
E. The Contractor fails to or knowingly permits any Subcontractor, supplier, or any other person or entity who receives compensation pursuant to performance of this Contract, to fail to comply with the nondiscrimination and affirmative action requirements of <b>Section 5.3 "Nondiscrimination and Affirmative Action"</b> of this Contract;	✓
F. The Contractor provides or knowingly permits any Subcontractor to provide fraudulent, or intentionally misleading or misrepresentative information to any Enrollee, or to any agent of the Commonwealth or the United States in connection with;	✓
G. Gratuities other than de minimus or otherwise legal gratuities are offered to, or received by, any public official, employee or agent of the Commonwealth from the Contractor, its agent's employees, Subcontractors or suppliers, in violation of Offer of Gratuities and Affirmative Action of this Contract;	✓
H. The Contractor violates any of the confidentiality provisions of this Contract; or	✓
I. The Contractor fails to provide Covered Services to its Enrollees.	✓
As part of FAC's option to terminate, if the Contractor is in uncured material breach of the Contract or is insolvent, the Department has the option to assume the rights and obligations of the Contractor and directly operate the Contractor's Network, using the existing Contractor's administrative organization, to ensure delivery of care to Enrollees through the Contractor's Network until cured by the Contractor of the breach or by demonstrated financial solvency, or until the successful transition of those Enrollees to other MCOs at the expense of the Contractor.	✓
The certification by the Commissioner of the Department of the occurrence of any of the events stated above shall be conclusive. The Contractor, however, shall retain all rights to dispute resolution specified in <b>Disputes</b> of this Contract.	✓
Before terminating the Contract under 42 C.F.R. 438.708, FAC must provide the Contractor with a pre-termination hearing. The State shall give the Contractor written notice of its intent to terminate, the reason for termination, and the time and place of hearing. FAC shall give the Contractor, after the hearing, written notice of the decision affirming or reversing the proposed	✓

termination of the Contract, and for an affirming decision, the effective date of termination. For an affirming decision, the Department shall give Enrollees notice of the termination and information, consistent with 42 C.F.R. 438.10 on their options for receiving Medicaid services following the effective date of termination	
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**39.12 Obligations upon Termination**

<b>Contract Requirement</b>	<b>Agree to Comply</b>
Upon termination of this Contract before the end of its term regardless of cause except for the convenience of the Commonwealth, the Contractor shall be solely responsible for the provision and payment for all Covered Services for all Enrollees for the remainder of any month for which the Department has paid the monthly Capitation Rate. Contractor may be requested to continue in place for two additional months. Upon final notice of termination, on the date, and to the extent specified in the notice of termination, the Contractor shall:	✓
A. Provide a written Transition Plan for the Department's approval. In the event of Contract termination, the Transition Plan shall be due within ten (10) Days of receiving Notice of Termination from the Commonwealth. The Contractor will revise and resubmit the Transition Plan to the Department on a regular basis, the frequency of which will be determined by the Department;	✓
B. Appoint a liaison for post-transition concerns;	✓
C. Provide for sufficient staff in all operational areas across all Enrollee populations to ensure a smooth transition;	✓
D. Continue providing Covered Services to all Enrollees until midnight on the last day of the calendar month for which a Capitation Payment has been made by the Department;	✓
E. Continue providing all Covered Services to all infants of female Enrollees who have not been discharged from the hospital following birth, until each infant is discharged, or for the period specified in (a) above, whichever period is shorter;	✓
F. Continue providing inpatient hospital services to any Enrollees who are hospitalized on the termination date, until each Enrollee is discharged, or for the period specified in (a) above, whichever period is shorter;	✓
G. Arrange for the transfer of Enrollees and Medical Records to other appropriate Providers;	✓
H. Be responsible for resolving Enrollee grievances and Appeals with respect to Claims with dates of service prior to the date of contract termination or expiration, including those grievances and Appeals filed on or after the day of termination or expiration for those dates of service;	✓
I. Be financially responsible for Enrollee Appeals of adverse decisions rendered by the Contractor concerning treatment of services requested prior to termination or expiration of the Contract which are subsequently upheld on behalf of the Enrollee after an Appeal proceeding or after a State Fair Hearing;	✓
J. Be responsible for submitting Encounter data for all Claims incurred for dates of service prior to contract termination;	✓

K. Be responsible for submitting all reports necessary to facilitate the collection of pharmacy rebates and assisting in the resolution of all drug rebate disputes with the manufacturer for all Claims incurred prior to the contract termination date;	✓
L. Be responsible for submitting all performance data with a due date following the termination or expiration of the Contract, but covering a reporting period prior to termination or expiration of the Contract;	✓
M. Promptly supply to the Department such information as it may request respecting any unpaid Claims submitted by Out-of-Network Providers and arrange for the payment of such Claims within the time periods provided herein;	✓
N. Provide the Department with all information requested in the format and within the timeframe set forth by the Department, which shall be no later than thirty (30) Days of the request;	✓
O. Take such action as may be necessary, or as the Department may direct, for the protection of property related to this Contract, which is in the possession of the Contractor and in which the Department has or may acquire an interest; and	✓
P. Provide for the maintenance of all records for audit and inspection by the Department, CMS and other authorized government officials, in accordance with terms and conditions specified in this Contract including the transfer of all such data and records, or copies thereof, to the Department or its agents as may be requested by the Department; and the preparation and delivery of any reports, forms or other documents to the Department as may be required pursuant to this Contract or any applicable policies and procedures of the Department.	✓
The covenants set forth in this Section shall survive the termination of this Contract and shall remain fully enforceable by FAC against the Contractor. In the event that the Contractor fails to fulfill each covenant set forth in this Section, the Department shall have the right, but not the obligation, to arrange for the provision of such services and the fulfillment of such covenants, all at the sole cost and expense of the Contractor and the Contractor shall refund to the Department all sums expended by the Department in so doing.	✓
After FAC notifies the Contractor that it intends to terminate the Contract, the Department may provide the Enrollees written notice of FAC's intent to terminate the Contract and allow the Enrollees to disenroll immediately without cause.	✓

### 39.13 Liquidated Damages

Contract Requirement	Agree to Comply
If the Contractor breaches the Contract and the actual and consequential damages caused by that breach cannot be demonstrated, the Contractor shall pay to the Department liquidated damages of ten percent (10%) of the Contractor's annual Capitation Payment. Such payment is to be made no later than thirty (30) Days following the date of termination. FAC and the Contractor agree that the sum set forth herein as liquidated damages is a reasonable pre-estimate of the probable loss which will be incurred by the Department in the event this Contract is terminated prior to the end of the Contract term and actual or consequential money damages cannot be demonstrated.	✓
If this Contract is terminated by FAC for convenience as specified in <b>Section 39.15 "Termination for Convenience"</b> of this Contract, the Contractor may seek a remedy pursuant to 200 KAR 5:312.	✓

**39.14 Right of Set Off**

Contract Requirement	Agree to Comply
The Contractor hereby grants to FAC a lien and right of set off for any refund and liquidated damages due the Department pursuant to this Contract, upon and against any deposits, credits, payments due or other property of the Contractor at any time in the possession or control of the Department or in transit to the Department.	✓

**39.15 Termination for Convenience**

Contract Requirement	Agree to Comply
FAC upon thirty (30) Days prior written notice to the Contractor may terminate this Contract without cause. Termination shall be effective only at midnight of the last day of a calendar month, except for termination notices received in June, which termination shall be effective on June 30. In the event of such a termination, Contractor shall have a transition period of not less than three (3) nor more than six (6) months to transition services, during which time the terms and conditions of this Contract shall continue to apply, and Contractor shall provide Covered Services to, and shall be paid pursuant to the Capitation Rate set forth herein for, each Enrollee up to and including the date of transition of such Enrollee.	✓

**39.16 Funding Out Provision**

Contract Requirement	Agree to Comply
The Contractor agrees that if funds are not appropriated to the Department or are not otherwise available for the purpose of making payments, the Commonwealth shall be authorized, upon sixty (60) Days written notice to the Contractor to terminate this Contract. The termination shall be without any other obligation or liability of any cancellation or termination charges, which may be fixed by this Contract.	✓

**40.0 MISCELLANEOUS****Documents Constituting Contract**

<b>Contract Requirement</b>	<b>Agree to Comply</b>
This Contract shall include:	✓
A. This Medicaid Managed Care Contract and any subsequent amendments;	✓
B. The Appendices to this Contract;	✓
C. The Request for Proposal and all attachments and addendums thereto;	✓
D. General Conditions contained in 200 KAR 5:021 and Office of Procurement Services' FAP110-10-00; and	✓
E. The Contractor's proposal in response to the RFP. Provided however, by submitting materials in response to the RFP, the Contractor has not fulfilled any obligation under this Contract to submit plans, programs, policies, procedures, forms or documents, etc. to the Department for approval as required by this Contract.	✓
In the event of any conflict between or among the provisions contained in the Contract, the order of precedence shall be as enumerated above. The documents listed above constitute the entire agreement between the parties	✓

**Definitions and Construction**

<b>Contract Requirement</b>	<b>Agree to Comply</b>
The terms used in this Contract shall have the definitions set forth in <b>Section 1.0 "Definitions,"</b> unless this Contract expressly provides otherwise. References to numbered sections refer to the designated sections contained in this Contract. Titles of sections used in this Contract are for reference only and shall not be deemed to be a part of this Contract.	✓

**Amendments**

<b>Contract Requirement</b>	<b>Agree to Comply</b>
This Contract may be amended at any time by written mutual consent of the Contractor and FAC and the Department, and upon approval of CMS. In the event that changes in state or federal law require the Department to amend its Contract with the Contractor, notice shall be made to the Contractor in writing and any such amendment shall be subject to the applicable payment rate revision provisions as described in <b>Section 11.2 "Rate Adjustments."</b> The Department may, from time to time provide clarification of the Providers' and the Contractor's responsibilities, provided, however, such clarification shall not expand or amend the duties and obligations under this Contract without an amendment.	✓

**Notice of Legal Action**

Contract Requirement	Agree to Comply
The Contractor shall provide written notice to FAC of any legal action or notice listed below, within ten (10) Days following the date the Contractor receives written notice of:	✓
F. Any action, proposed action, lawsuit or counterclaim filed against the Contractor, or against any Subcontractor or supplier, related in any way to this Contract;	✓
G. Any administrative or regulatory action, or proposed action, respecting the business or operations of the Contractor, any Subcontractor or supplier, related in any way to this Contract;	✓
H. Any notice received from the DOI or the Cabinet for Health and Family Services;	✓
I. Any claim made against the Contractor by an Enrollee, Subcontractor or supplier having the potential to result in litigation related in any way to this Contract;	✓
J. The filing of a petition in bankruptcy by or against a Subcontractor or supplier, or the insolvency of a Subcontractor or supplier; and	✓
K. The payment of a civil fine or conviction of any person who has an ownership or controlling interest in the Contractor, any Subcontractor or supplier, or who is an agent or managing employee of the Contractor, any Subcontractor or supplier, of a criminal offense related to that person's involvement in an program under Medicare, Medicaid, or Title XX of the Act, or of Fraud, or unlawful manufacture, distribution, prescription or dispensing of a controlled substance, as specified in 42 USC 1320a-7.	✓
A complete copy of all documents, filings or notices received by the Contractor shall accompany the notice to FAC. A complete copy of all further filings and other documents generated in connection with any such legal action shall be provided to FAC within ten (10) Days following the date the Contractor receives such documents	✓

**40.1 Conflict of Interest**

Contract Requirement	Agree to Comply
By the signature of its authorized representative, the Contractor certifies that it is legally entitled to enter into this Contract with the Commonwealth, and in holding and performing this Contract, the Contractor does not and will not violate either applicable conflict of interest statutes (KRS 45A.330-45A.340, 45A.990, 164.390), or KRS 11A.040 of the Executive Branch Code of Ethics, relating to the employment of former public servants.	✓

**40.2 Offer of Gratuities/Purchasing and Specifications**

Contract Requirement	Agree to Comply
The Contractor certifies that no Enrollee or delegate of Congress, nor any elected or appointed official, employee or agent of the Commonwealth, the Kentucky Cabinet for Health and Family Services, CMS, or any other federal	✓



agency, has or will benefit financially or materially from this procurement. This Contract may be terminated by FAC pursuant to <b>Section 39.11 "Termination for Default,"</b> herein if it is determined that gratuities were offered to or received by any of the aforementioned officials or employees from the Contractor, its agents, employees, Subcontractors or suppliers.	
The Contractor certifies by its signatories hereinafter that it will not attempt in any manner to influence any specifications to be restrictive in any way or respect nor will it attempt in any way to influence any purchasing of services, commodities or equipment by the Commonwealth. For the purpose of this paragraph, "it" is construed to mean any person with an interest therein, as required by applicable law.	✓

#### 40.3 Independent Capacity of the Contractor and Subcontractors

Contract Requirement	Agree to Comply
It is expressly agreed that the Contractor and any Subcontractors and agents, officers, and employees of the Contractor or any Subcontractors shall act in an independent capacity in the performance of this Contract and not as officers or employees of the Department or the Commonwealth. It is further expressly agreed that this Contract shall not be construed as a partnership or joint venture between the Contractor or any Subcontractor and the Department or the Commonwealth.	✓

#### 40.4 Assignment

Contract Requirement	Agree to Comply
Except as allowed through subcontracting, this Contract and any payments that may become due hereunder shall not be assignable by the Contractor, either in whole or in part, without prior written approval of FAC. The transfer of five percent (5%) or more of the direct ownership in the Contractor at any time during the term of this Contract shall be deemed an assignment of this Contract. FAC shall be entitled to assign this Contract to any other agency of the Commonwealth which may assume the duties or responsibilities of the Department relating to this Contract. FAC shall provide written notice of any such assignment to the Contractor, whereupon the Department shall be discharged from any further obligation or liability under this Contract arising on or after the date of such assignment.	✓

#### 40.5 No Waiver

Contract Requirement	Agree to Comply
No covenant, condition, duty, obligation, or undertaking contained in or made a part of this Contract may be waived except by written agreement of the parties. The forbearance or indulgence in any form or manner by either party shall not constitute a waiver of any covenant, condition, duty, obligation, or undertaking to be kept, performed, or discharged by the party to which the same may apply. Until complete performance or satisfaction of all such covenants, conditions, duties, obligations, or undertakings, the other party shall have the right to invoke any remedy available under law or equity, notwithstanding any such forbearance or indulgence	✓

**40.6 Severability**

Contract Requirement	Agree to Comply
In the event that any provision of this Contract (including items incorporated by reference) is found to be unlawful, invalid or unenforceable, such provision shall be deemed severed from this Contract and FAC the Department and the Contractor shall be relieved of all obligations arising under such provision. If the remaining parts of this Contract are capable of performance, this Contract shall continue in full force and effect, and all remaining provisions shall be binding upon each party to this Contract as if no such unlawful, invalid or unenforceable provision had been part of this Contract. If the laws or regulations governing this Contract should be amended or judicially interpreted to render the fulfillment of this Contract impossible or economically not feasible, as determined jointly by FAC, the Department and the Contractor, FAC, the Department and the Contractor shall be discharged from any further obligations created under the terms of this Contract.	✓

**40.7 Force Majeure**

Contract Requirement	Agree to Comply
The parties shall be excused from performance thereunder for any period that it is prevented from providing, arranging for, or paying for services as a result of a catastrophic occurrence or natural disaster including but not limited to an act of war, and excluding labor disputes.	✓

**40.8 Disputes**

Contract Requirement	Agree to Comply
Any disputes arising under this Contract which cannot be disposed of by agreement between the parties, shall be decided by the Secretary of the Cabinet for Health and Family Services or his/her duly authorized representative. Such decision shall be produced in writing and sent via first-class mail to the Contract Compliance Officer for the Contractor at the address specified in <b>Section 40.16 "Notices"</b> of this Contract. The decision of the Secretary or his representative shall be final and conclusive unless, within ten (10) Business Days following the date of notice to the Contractor of such decision, the Contractor mails or otherwise furnishes a written appeal to the Secretary of FAC.	✓
Any appeal to the Secretary of FAC shall be in accordance with KRS Chapter 45A.230 and regulations promulgated thereunder. The Contractor shall proceed diligently with the performance of this Contract in accordance with the decision rendered by the Secretary of the Cabinet for Health and Family Services until the Secretary of the Finance and Administration Cabinet renders a final decision.	✓
The Contractor acknowledges that, pursuant to KRS Chapter 45A.230 et seq., the Secretary of the Finance and Administration Cabinet is the final arbiter of any and all disputes concerning the Contract or the Department, subject to the right of the Contractor to appeal any such determination to the Circuit Court of Franklin County, Kentucky.	✓

**40.9 Modifications or Rescission of Section 1915 Waiver / State Plan Amendment**

Contract Requirement	Agree to Comply
It is understood Contractor operates either pursuant to authority granted to the Department under a waiver granted by CMS. Notwithstanding any other provision contained herein, if at any time the waiver is rescinded or materially changed in scope, format, funding or is withdrawn or modified the Department reserves the right to immediately and without notice suspend or terminate this Contract pursuant to <b>Sections 39.1 through 39.13 "Remedies for Violation, Breach or Non- Performance of Contract"</b> herein.	✓

**40.10 Choice of Law**

Contract Requirement	Agree to Comply
The Contract shall be governed by and construed in accordance with the laws of the Commonwealth and applicable federal law and regulations. The Contractor shall be required to bring all legal proceedings against the Commonwealth in the Franklin County Circuit Court of the Commonwealth and the Contractor shall accept jurisdiction of the Kentucky courts over all matters arising out of this Contract.	✓

**40.11 Health Insurance Portability and Accountability Act**

Contract Requirement	Agree to Comply
The Contractor agrees to abide by the rules and regulations regarding the confidentiality of Protected Health Information (PHI) as defined and mandated by the Health Insurance Portability and Accountability Act (42 USC 1320d) and set forth in federal regulations at 45 C.F.R. Parts 160 and 164. Any Subcontract entered by the Contractor as a result of this Contract shall mandate that the Subcontractor be required to abide by the same statutes and regulations regarding confidentiality of PHI as are the Contractor.	✓

**40.12 Notices**

Contract Requirement	Agree to Comply
All notices required by, or pursuant to, this Contract shall be deemed duly given upon delivery, if delivered by hand (against receipt), or three (3) Business Days after posting, if sent by registered or certified mail, return receipt requested, to a party's representative or representatives, as designated in this Contract at the address or addresses designated in this Contract. Notices to FAC and the Department, except those specified to be given to the Department's Fiscal Agent, shall be given to both of the following:	✓
Finance and Administration Cabinet Office of Procurement Services Attn: Executive Director Room 96 Capitol Annex Frankfort, Kentucky 40601	✓

And Department for Medicaid Services Commissioner 275 East Main Street, 6W-A Frankfort, Kentucky 40621	✓
Notices to the Contractor shall be given to the designated point of contact.	✓

**40.13 Survival**

Contract Requirement	Agree to Comply
The provisions of this Contract which relate to the obligations of the Contractor to maintain records and reports shall survive the expiration of earlier termination of this Contract for a period of five (5) years or such other period as may be required by record retention policies of the Commonwealth or CMS, or otherwise required by law. Each party's right to recoupment pursuant to <b>Section 10.4 "Contractor Recoupment from Enrollee for Fraud, Waste and Abuse"</b> of this Contract shall survive the expiration or earlier termination of this Contract until such time as all payments and/or recoupment have been finally settled.	✓
FAC's, the Department's and the Contractor's rights pursuant to <b>Section 13.0 "Contractor's Financial Security Obligations"</b> of this Contract shall survive expiration, or earlier termination of this Contract, until such time as the Contractor has satisfactorily complied with the terms thereof.	✓

**40.14 Prohibition on Use of Funds for Lobbying Activities**

Contract Requirement	Agree to Comply
The contractor agrees that no funding derived directly or indirectly from funds pursuant to this Contract shall be used to support lobbying activities or expenses of state or federal government agencies or state or federal lawmakers.	✓

**40.15 Adoption of Auditor of Public Account (APA) Standards for Public and Nonprofit Boards**

Contract Requirement	Agree to Comply
The contractor agrees to adopt the APA Standards for Public and Nonprofit Boards, if applicable. The contractor agrees to provide documentation of this adoption within thirty (30) Days of execution of the Contract.	✓

**40.16 Review of Distributions**

Contract Requirement	Agree to Comply
The Contractor agrees to seek approval from the Department prior to submitting a request for approval of the Kentucky Department of Insurance of any distributions of capital and surplus that are subject to the provisions of KRS Chapter 304. The parties agree that capital and surplus amounts in excess of the required minimum amount required to be maintained under the	✓

<p>Kentucky Insurance Code or as may be determined by the Kentucky Insurance Commissioner at any time represents net worth assets for the purposes of benefitting the Commonwealth of Kentucky's Medicaid Program and its beneficiaries. The parties agree to make a good faith effort to cooperatively decide how much excess capital and surplus is needed by the contractor and possible uses of excess capital and surplus that should not be retained by the contractor. This Section shall not apply in the event the Contractor is not domiciled in the Commonwealth of Kentucky, provided, however that on a semi-annual basis Contractor shall provide the Department with Medical Loss Ratio calculations relating specifically to this Contract and risk-based capital calculations, and on a quarterly basis Contractor shall provide to the Department the most recent quarterly financial filing that the Contractor submitted to the Department of Insurance in its state of domicile.</p>	
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**40.17 Audits**

Contract Requirement	Agree to Comply
<p>The Contractor agrees that the Department, FAC, the Auditor of Public Accounts, and the Legislative Research Commission, or their duly authorized representatives, shall have access to any books, documents, papers, records, or other evidence, which are directly pertinent to this contract for the purpose of financial audit or program review. Records and other prequalification information confidentially disclosed as part of the bid process shall not be deemed as directly pertinent to the contract and shall be exempt from disclosure as provided in KRS 61.878(1)(c). The contractor also recognizes that any books, documents, papers, records, or other evidence, received during a financial audit or program review shall be subject to the Kentucky Open Records Act, KRS 61.870 to 61.884 subject to applicable exceptions.</p>	✓

**40.18 Cost Effective Analyses**

Contract Requirement	Agree to Comply
<p>The Contractor will cooperate with any analyses conducted by the Department or its agent(s) of the cost effectiveness of the Contract for any period. Such analyses may review cost effectiveness from any number of comparisons. Such analyses will be used to assist the Department to meet federal requirements, program management and provide accountability and transparency to the public.</p>	✓

**40.19 Open Meetings and Open Records**

Contract Requirement	Agree to Comply
<p>The Contractor agrees that only those portions of its Board of Directors meetings or parts of its meetings that are with the Department shall be open to the public.</p>	✓
<p>The Contractor for the purpose of this Contract and any documents or records pertaining to this Contract provided to the Department or FAC shall be considered a "public record" under the Open Records Act, KRS 61.870 through KRS 61.884. If the Contractor wishes to claim any documents or records provided to the Department or FAC exempt from release under the Open Records Act, the Contractor shall be required to note the appropriate</p>	✓

exemption when providing the documents or records and, if necessary, to take the appropriate legal actions to defend such exemption.	
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**40.20 Disclosure of Certain Financial Information**

Contract Requirement	Agree to Comply
The Contractor agrees to provide the Department upon request information regarding salaries, travel, other compensation, and other expenses listed in <b>Appendix D “Reporting Requirements and Reporting Deliverables.”</b> The contractor agrees to provide any information requested by the Department regarding expenditures related to this Contract. Including but not limited to any findings of the Medicaid Managed Care Operations Examination.	✓

**40.21 Disclosure of Certain Financial Information**

Contract Requirement	Agree to Comply
The Contractor agrees to provide the Department, upon request, information regarding salaries, travel, other compensation, and other expenses listed in <b>Appendix D “Reporting Requirements and Reporting Deliverables.”</b> The contractor agrees to provide any information requested by the Department regarding expenditures related to this Contract. Including but not limited to any findings of the Medicaid Managed Care Operations Examination.	✓

**41.0 Kentucky SKY PROGRAM (This section will only appear in the contract with the vendor who is awarded the Kentucky SKY portion of the RFP.)**

Contract Requirement	Agree to Comply
The provisions of this section are intended to implement and support the Kentucky SKY program. To the extent that any provisions in this section conflicts with the preceding provisions of the Contract for the populations known as Kentucky SKY Enrollees, set forth in <b>Section 42.2 “Eligibility for Enrollment in Kentucky SKY”, the provisions of Section 42.0 “Kentucky SKY Program” shall control.</b>	✓
The Contractor shall apply Kentucky SKY policies as outlined in this Section to all Kentucky SKY Enrollees	✓

**41.1 Scope of Services**

Contract Requirement	Agree to Comply
The Kentucky SKY Contractor will provide Covered Services, Population Health Management Program services, and Care Management Services to the Kentucky SKY Enrollees. A summary of the required responsibilities to be carried out by the Kentucky SKY Contractor include:	✓
A. Provision of access to health care services, including but not limited to physical health services, Behavioral Health Services, dental services, Population Health Management Program services, and Care Management Services	✓
B. Provision of Kentucky SKY Enrollee education and outreach including: 1. Kentucky SKY Enrollee call center cross-trained on the Kentucky SKY program; 2. Kentucky SKY Enrollee Handbook and Kentucky SKY-specific Enrollee ID cards; and 3. Ongoing education and outreach to Kentucky SKY Enrollees.	✓
C. Development and maintenance of a network of Providers and facilities adequate to deliver all Covered Services, including Behavioral Health Services, with an emphasis in providing services that meet the unique needs of the Kentucky SKY Enrollees;	✓
D. Provision of a PCP to serve as the Medical Home for all Kentucky SKY Enrollees in all Service Areas and Community Districts. The PCP serves as the single point of accountability and coordination, primarily for primary care;	✓
E. Provision of a Dental Provider for Kentucky SKY Enrollees. The Dental Provider is responsible for coordinating all dental care for Kentucky SKY Enrollees;	✓
F. A Provider services function to act as the point of contact for its Provider network, provide Kentucky SKY-specific educational material, maintain a Provider Call Center cross-trained on the Kentucky SKY program, facilitate provider complaints, and address provider contract and payment issues;	✓
G. A Provider services function to act as the point of contact for its Provider network, provide Kentucky SKY-specific educational material, maintain a Provider Call Center cross-trained on the	✓

Kentucky SKY program, facilitate provider complaints, and address provider contract and payment issues;	
H. Ensure that services and key components of the Kentucky SKY program integrate a Trauma- informed approach, including the following: All required assessments, Population Health Management, Care Coordination, Utilization Management, Prior Authorization and Pre- Certification, Discharge Planning, Care Management, and Crisis Intervention Services;	✓
I. Providing staff dedicated to the Kentucky SKY program as indicated in this Section;	✓
J. Assigning all Kentucky SKY Enrollees to a Care Coordination Team tailored to each Kentucky SKY Enrollee's individual needs to assist in navigating the health care system, coordinating all necessary health assessments within specified timeframes, and attaining Provider appointments to meet timeliness requirements;	✓
K. Provide for the delivery of care with the primary goal of improving the health status of Kentucky SKY Enrollees and, where the Kentucky SKY Enrollee's Condition is not amenable to improvement, maintain the Kentucky SKY Enrollee's current health status by implementing measures to prevent any further decline in Condition or deterioration of health status. This shall include the identification of Kentucky SKY Enrollees at risk of developing Conditions, the implementation of appropriate interventions and designation of adequate resources to support the intervention(s); and	✓
L. Design and implement an information management system for the purpose of integrating all components of the delivery of care to the Kentucky SKY Enrollees. The system shall have the capability to securely store and transmit information, interface with Subcontractors and other relevant systems, including DCBS' TWIST, and report data in a format specified by the Department, DCBS, and DJJ.	✓

#### 41.2 Eligibility for Enrollment in Kentucky SKY

Contract Requirement	Agree to Comply
The following eligibility groups shall be enrolled in the Kentucky SKY program:	✓
A. Foster Care Child;	✓
B. Dually Committed Youth;	✓
C. Adoption Assistance Child;	✓
D. Former Foster Care Child up to age twenty-six (26);	✓



E. Children eighteen (18) years of age and under who are eligible pursuant to the ICPC; and	✓
F. Children and youth (subject to age limitations) who are eligible pursuant to the ICAMA.	✓

#### 41.3 Kentucky SKY Enrollment Exclusions

Contract Requirement	Agree to Comply
Kentucky SKY eligible Enrollees identified in Section 42.2 "Eligibility for Enrollment in Kentucky SKY" are excluded from Enrollment in the Kentucky SKY program if they receive services as follows:	✓
A. Supports for Community Living, Michele P, Acquired Brain Injury, Home and Community-Based (HCB), or other 1915(c) Medicaid waivers; and	✓
B. Long-term care services.	✓

#### 41.4 Service Regions and Community Districts

Contract Requirement	Agree to Comply
For the purposes of coordination, planning, and analysis, DCBS divided the Commonwealth by county, into nine (9) Service Regions, and DJJ established four (4) Community Districts. See Appendix P "Department for Community Based Services and Department for Juvenile Justice Maps" for a listing of the counties in each DCBS Service Region and a listing of the counties in each DJJ Community District. A map of Regional Juvenile Detention Facilities is also provided. The Kentucky SKY Contractor shall provide health care services and meet all other requirements set forth in this Contract in all Service Regions and Community Districts within the Commonwealth. The Kentucky SKY Contractor must be aware of the variances between the Medicaid Regions, DCBS Service Regions, and DJJ Community Districts in the coordination of care and services.	✓

#### 41.5 Kentucky SKY Readiness Review and Annual Compliance Assessment

Contract Requirement	Agree to Comply
The Kentucky SKY Contractor shall comply with all readiness review requirements for Kentucky SKY, as specified in Section 8 "Readiness Review" and Section 42 herein.	✓

##### 41.5.1 Updated Readiness Reviews for Kentucky SKY

Contract Requirement	Agree to Comply
The Department and DCBS reserve the right to conduct readiness reviews at any point during the Contract Term based on implementation of	✓

programmatic or regulatory changes that result in operational changes deemed to be material by the Department and DCBS.	
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#### 41.5.2 Annual Compliance Review

Contract Requirement	Agree to Comply
The Department, DCBS, and DJJ shall conduct an annual compliance review to determine the Kentucky SKY Contractor's compliance with terms of the Contract with special emphasis on staffing levels, staff training, Care Coordination Team performance, Care Management, Discharge Planning, sharing of Kentucky SKY Enrollee information, and Trauma-informed focus in the delivery of services. Kentucky SKY Contractor's failure to pass an annual compliance review may result in sanctions or penalties against the Kentucky SKY Contractor, corrective action imposed by the Department, interrupted operations, and/or Contract termination	✓

#### 41.6 Kentucky SKY Organization and Collaboration

Contract Requirement	Agree to Comply
The Kentucky SKY Contractor shall comply will all requirements for Kentucky SKY, as specified in Section 9 "Organization and Collaboration" and Section 42 herein.	✓

##### 41.6.1 Office in the Commonwealth

Contract Requirement	Agree to Comply
The Kentucky SKY Contractor shall locate all Kentucky SKY-specific staff in the MCO's Kentucky office within ninety (90) days of Contract Execution unless otherwise authorized by the Department and DCBS.	✓
The Kentucky SKY Contractor may opt to locate certain Kentucky SKY staff within the Service Regions or co-locate within a Service Region office. A request to co-locate must be submitted in writing to the Department and DCBS with an implementation plan and summary of key considerations related to the co-location (e.g., required office space, use of office technology, protection of Enrollee privacy, etc.). The Kentucky SKY Contractor will be responsible for costs associated with co-location as determined by the Department and DCBS	✓
The Kentucky SKY Contractor may subcontract for any functions with the Department and DCBS approval as set forth in Section 6 "Subcontracts." The Contractor shall require Subcontractors to meet the location requirements specified in this Section. All Subcontractors shall meet appropriate licensing and contract requirements specified in applicable State and Federal laws and regulations.	✓

**41.6.2 Kentucky SKY Administration and Staffing**

<b>Contract Requirement</b>	<b>Agree to Comply</b>
The Kentucky SKY Contractor shall have adequate infrastructure, organization, management, and systems in place to carry out the requirements of the Kentucky SKY program. The Kentucky SKY Contractor shall directly or indirectly provide staffing of qualified individuals, by function and qualifications, for the necessary functions and positions in a sufficient number to adequately provide for the Kentucky SKY Contractor's operational responsibilities and to support enrollment or projected enrollment. Responsibility for the functions or staff positions may be combined or divided among departments, individuals, or Subcontractors unless otherwise specified.	✓
<b>A. Credentials</b>	✓
The Kentucky SKY Contractor warrants and represents that all persons to perform work under the Contract, shall be employees or authorized Subcontractors and shall have the credentials necessary (i.e., licensed, as required) to perform the work required herein.	✓
The Kentucky SKY Contractor shall ensure that all personnel involved in activities that involve clinical or medical decision making have a valid, active, and unrestricted license to practice in the Commonwealth of Kentucky. On at least an annual basis, the Kentucky SKY Contractor and its Subcontractors will verify that applicable staff have all necessary current licenses that are in good standing and will provide a list to the Department of licensed staff and current licensure status.	✓
In addition, the Kentucky SKY Contractor warrants that all persons assigned by it to perform work under the Contract shall be employees or authorized Subcontractors and shall be fully qualified to perform the services required herein. Personnel collaborating and interacting with DCBS and DJJ personnel shall have experience or detailed knowledge of the Foster Care and juvenile justice systems, Adoption Assistance, the delivery of Behavior Health Services, Trauma-informed Care, ACEs, Crisis Intervention Services, and evidence based practices applicable to the Kentucky SKY populations.	✓
<b>B. Kentucky SKY Personnel</b>	✓
At a minimum, the Kentucky SKY Contractor shall provide the following personnel:	✓
<b>1. Full-time Kentucky SKY Key Personnel</b> All key personnel shall be in addition to the requirements listed in Section 9.2 of this Contract and be dedicated full-time to the Kentucky SKY population and shall be available to meet at the location requested by the Department, DCBS, and DJJ within twenty-four (24) hours' notice from the Department.	✓
a. An experienced project manager who shall lead the Kentucky SKY program planning and implementation, and facilitate ongoing operations until such time the Department and Kentucky SKY Contractor mutually agree to discontinue the project management services. The project manager shall have experience with implementation of new programs or products for a population of a	✓

similar size and complexity as Kentucky SKY. The project manager shall be located at the Kentucky SKY MCO's Kentucky office and be onsite at the Department and DCBS offices in Frankfort, Kentucky at times specified by the Department and DCBS during the planning, implementation and deployment phases of the Contract.	
b. An Executive Administrator or Executive Director who shall be a full-time administrator with clear authority over the implementation and general administration of the Kentucky SKY requirements detailed in the Contract	✓
c. A Medical Director or Associate Medical Director who shall be a physician licensed and in good standing to practice in the Commonwealth of Kentucky. The Medical Director shall be a pediatrician certified by the American Board of Pediatrics. The Medical Director shall be actively involved in all major health programs of the Kentucky SKY Contractor. All clinical directors, including those employed by Subcontractors, shall report to the Medical Director for all responsibilities of the Kentucky SKY Contract. The Medical Director shall also be responsible for treatment policies, protocols, Quality Improvement activities, Population Health Management activities, and Utilization Management decisions related to the Kentucky SKY program and devote sufficient time to ensure timely clinical decisions. The Medical Director shall also be available for after-hours consultation, if needed.	✓
d. A Quality Improvement (QI) Director with appropriate education, training and licensure, as applicable, who shall be responsible for the operation of the Quality Improvement Program for the Kentucky SKY program. The QI Director shall have experience with strategic planning, the Foster Care and juvenile justice systems, and Trauma-informed Care. The QI Director must have and maintain training and experience in rapid cycle Improvement	✓
e. A Behavioral Health Director shall be a behavioral health practitioner licensed and in good standing in the Commonwealth of Kentucky. The Behavioral Health Director shall be actively involved in all programs or initiatives relating to Behavioral Health Services for Kentucky SKY Enrollees. The Behavioral Health Director shall also coordinate efforts to provide Behavioral Health Services by the Kentucky SKY Contractor or any Behavioral Health Subcontractors.	✓
f. A Utilization Management Manager who shall be responsible for oversight of the Utilization Management functions for the Kentucky SKY program and any Subcontractors performing services relevant to Utilization Management. The Utilization Management Manager must have experience with Behavioral Health Services, Foster Care and juvenile justice systems, Crisis Intervention Services, and Trauma-informed Care	✓
g. The Kentucky SKY Contractor shall employ experienced professional staff to participate in Care Coordination Teams serving all Service Regions and Community Districts. The Kentucky SKY Contractor will build individual Care Coordination Teams for Kentucky SKY Enrollees based on their specific needs and will assign the Care Coordination Team within one (1) Business Day of Enrollment in Kentucky SKY. The Care Coordination Team shall involve and include the preferences of the Kentucky SKY Enrollee, Adoptive Parent(s), Foster Care Parent(s), Caregivers, and Fictive Kin in Care Coordination processes, care planning, and Care Plan	✓

<p>implementation. The Care Coordination Team will be updated as necessary as determined by the Kentucky SKY Enrollee's Service Plan</p> <p>The Kentucky SKY Contractor staff available to participate in Care Coordination shall include at a minimum:</p> <ul style="list-style-type: none"> <li>i. Masters level licensed Behavioral Health clinician;</li> <li>ii. Nurse Care Manager to assist Kentucky SKY Enrollees designated as Medically Complex Children;</li> <li>iii. Behavioral Health Specialist with at least five (5) years of Behavioral Health experience;</li> <li>iv. Family Peer Support Specialist and/or Youth Peer Support Specialist; and</li> <li>v. Care Coordinator.</li> </ul>	
<p>h. Nurse Case Managers who shall be registered professional nurses licensed by the Commonwealth of Kentucky. The staffing levels of Nurse Case Managers shall be at sufficient levels to meet the needs of the Kentucky SKY populations, especially the Medically Complex Children. A Kentucky SKY Enrollee to Nurse Care Manager ratio may be determined by the Department, DCBS, and DJJ, if needed.</p>	✓
<p>i. A Prior Authorization/Pre-Certification Coordinator who shall be a health professional licensed in the Commonwealth of Kentucky and experienced in the delivery of Behavioral Health Services. This position shall be responsible for coordinating Prior Authorizations and Pre-certifications and convening meetings with DCBS and DJJ professionals at the Service Region and Community District level, as needed, to ensure appropriate and timely care for Kentucky SKY Enrollees.</p>	✓
<p>j. A Provider Relations Liaison who shall be responsible for supporting the resolution of Provider access and availability issues. This position must have knowledge of Kentucky Providers, including Behavior Health Providers, and patterns of care/referral in Kentucky.</p>	✓
<p>The Kentucky SKY Contractor shall notify the Department in writing of any change in the full-time key personnel or department managers within three (3) Business Days of the Kentucky SKY Contractor learning of a change, including a change in duties or time commitments, resignation, or of the Kentucky SKY Contractor notifying an individual of planned changes for the key position (e.g., promotion, termination). The Commonwealth reserves the right to approve or disapprove all key personnel (initial or replacement) prior to their assignment to this Contract.</p>	✓
<p><b>2. Shared Kentucky SKY Personnel</b></p> <p>The following personnel may be shared across Kentucky SKY and Medicaid managed care MCO functions and have sufficient availability to meet the needs of Kentucky SKY Enrollees:</p>	✓
<p>a. A psychiatrist licensed and in good standing in the Commonwealth of Kentucky, certified by the American Board of Psychiatry and Neurology, and specializing in child and adolescent services. The psychiatrist shall collaborate with the Kentucky SKY Medical Director and Behavioral Health Director, and the Department, DCBS, and DJJ in ensuring the delivery of appropriate Behavioral Services to Kentucky SKY Enrollees. The psychiatrist shall also be available for after-hours consultation, if needed.</p>	✓

b. A Pharmacy Director licensed to practice and in good standing in the Commonwealth of Kentucky who shall coordinate, manage and oversee the provision of pharmacy services to Kentucky SKY Enrollees. The Pharmacy Director should have knowledge of polypharmacy patterns related to the Kentucky SKY populations.	✓
c. A Dental Director licensed to practice dentistry in the Commonwealth of Kentucky. The Dental Director shall be actively involved in all oral health programs of the Kentucky SKY Contractor and devote sufficient time to ensuring timely oral health decisions. The Dental Director shall also be available for after-hours consultation, if needed.	✓
d. Hospital-based care managers whose responsibilities include visiting with Kentucky SKY Enrollees and interacting with hospital staff at general, acute, and Behavioral Health hospitals to ensure proper utilization and Discharge Planning.	✓
e. A Provider Network Director who shall be responsible for oversight of Provider Services and Provider Network Development. The Provider Network Director shall be responsible for ensuring access to and availability of Provider services to meet the needs of the Kentucky SKY program and for educating Network Providers on the Kentucky SKY program.	✓
f. Provider Services Manager who shall coordinate network development and all communications with Network Providers, Out of Network Providers, as applicable, and Subcontractors who are involved in clinical services	✓
g. A Population Health Management Director who shall be responsible for coordination and oversight of the Population Health Management (PHM) Program and services.	✓
h. An Enrollee Services Manager who shall be responsible for Enrollee Services and tracking and reporting on issues and problem resolution for Kentucky SKY Enrollees	✓
i. An Inquiry Coordinator who shall have ombudsman-like responsibilities for Kentucky SKY Enrollees, Foster Parents, Adoptive Parents, relatives, Fictive Kin, Caregivers, and Providers, as needed. This position must have the authority to make independent decisions in a timely manner and provide reporting to the Department, DCBS, and DJJ on inquiries and complaints made by or on behalf of Kentucky SKY Enrollees and Providers. The responsibilities of this position shall not conflict with the requirements set forth in <b>Section 24.2 “Enrollee Grievances and Appeals”</b> and <b>Section 27.10 “Provider Grievances and Appeals.”</b> The Inquiry Coordinator shall inform Kentucky SKY Enrollees, Foster Parents, Adoptive Parents, relatives, Fictive Kin, Caregivers, and Network Providers of the protocols for submitting Grievances and Appeals.	✓
j. Sufficient staff in all departments, including but not limited to, Utilization Management, Enrollee services, Provider services, Claims processing, and Program Integrity to ensure appropriate functioning in all areas.	✓
k. A Chief Financial Officer who oversees all budget and accounting systems.	✓
l. A Chief Compliance Officer who shall maintain current knowledge of Federal and State legislation, legislative initiatives, and regulations relating to the Kentucky SKY program and Contract, and oversee the	✓

Contractor's compliance with the laws and requirements of the Department. The Compliance Officer shall also serve as the primary contact for and facilitate communications between the Kentucky SKY Contractor leadership and the Department relating to Contract compliance issues. The Compliance Officer shall also oversee Kentucky SKY Contractor implementation of and evaluate any actions required to correct a deficiency or address noncompliance with Contract requirements as identified by the Department.	
m. A Management Information Systems Director and a complement of technical analysts and business analysts as needed to maintain the operations of Kentucky SKY Contractor systems and to address system issues in accordance with the terms of the Contract.	✓
The Kentucky SKY Contractor shall comply with all staffing/personnel obligations, including but not limited to those pertaining to security, health, and safety issues.	✓
The Kentucky SKY Contractor shall provide the Department, DCBS, and DJJ with a staff roster every ninety (90) days during the Term of the Contract unless otherwise specified by the Department. This roster shall set forth the names, titles, and physical location of the Kentucky SKY Contractor's staff (including Subcontractors), their areas of responsibility and the number of hours they are required to dedicate to the Kentucky SKY program.	✓
<b>3. Kentucky SKY Contractor Staff Training</b> The Kentucky SKY Contractor shall conduct the initial and ongoing staff training to address the unique needs of the Kentucky SKY Enrollees. The Kentucky SKY Contractor shall conduct training for all new hires and current staff requiring remedial training. The training approach for the Kentucky SKY Contractor staff must address at a minimum the following:	✓
A. Detailed understanding of the Kentucky SKY Program and the roles and responsibilities of the Department, DCBS, and DJJ.	✓
B. The contractual requirements of the Kentucky SKY program.	✓
C. The organization, staffing, infrastructure the Kentucky SKY Contractor must provide to support the Kentucky SKY program.	✓
D. The Kentucky SKY business processes and workflows.	✓
E. The unique physical health and behavioral needs of the Kentucky SKY populations.	✓
F. The Family First Prevention Services Act and any other federally mandated services or programs impacting Kentucky SKY Enrollees	✓
G. Trauma-informed Care, ACEs, NAS, SEI, Crisis Intervention Services, and evidence based practices applicable to the Kentucky SKY populations.	✓
H. The aging out process and support from the Kentucky SKY Contractor.	✓

<b>C. Kentucky SKY Staffing Plan</b> The Kentucky SKY Contractor shall submit the following to the Department for approval within thirty (30) Calendar Days of signing the Contract, annually, prior to material revisions, and upon request by the Department:	✓
1. A current organizational chart depicting all functions including mandatory functions, number of employees in each functional department and key managers responsible for the functions.	✓
2. Job descriptions and required qualifications, and a description of the qualifications of each individual with full-time management responsibility for any mandatory function.	✓
3. A detailed staffing plan that includes activities the Kentucky SKY Contractor will conduct to fill any staffing needs to have sufficient support for Contract implementation and ongoing operations. The staffing plan must provide timelines for conduct of activities and for filling all staff positions	✓
4. The Kentucky SKY Contractor shall develop a detailed Care Coordination Team staffing plan which shall indicate how the Kentucky SKY Contractor will maintain adequate staff to Enrollee ratios and number of Care Coordination personnel and management staff having expertise in physical health, Behavioral Health, and the unique needs of the Kentucky SKY populations. Care Coordinators must be located statewide in the Service Regions and Community Districts in which they serve. The Kentucky SKY Contractor must continue to assess the staff's ability to complete these functions in a timely nature, and will take corrective action as necessary and provide to the Department and DCBS results of these assessments upon request.	✓
5. The Kentucky SKY Contractor shall submit detailed plans for ensuring the Care Coordination Team staff and any other Kentucky SKY staff positions that may have direct contact with Kentucky SKY Enrollees or Kentucky SKY Enrollee information complete and pass a criminal background check as a condition of hire, and every two (2) years thereafter. The criminal background check shall include verification with sexual offender registries. <ul style="list-style-type: none"> <li>a. The Kentucky SKY Contractor's staff will not be placed in contact with Kentucky SKY Enrollees, have access to Kentucky SKY Enrollee information or be permitted to co-locate in DCBS Service Region offices until the Kentucky SKY Contractor has completed the initial background checks and staff has passed such background checks.</li> <li>b. The Kentucky SKY Contractor shall ensure that all staff, who have not passed a background check or who are alleged to have committed a criminal offense that would prohibit him or her from having contact with Kentucky SKY Enrollees or accessing their Information, are not permitted to work with Kentucky SKY Enrollees or have access to their information.</li> <li>c. The Kentucky SKY Contractor may request a background check waiver for certain personnel, such as Peer Support Specialists, and the Department may, at its discretion, permit such personnel to provide services to Kentucky SKY Enrollees.</li> </ul>	✓



**41.6.3 Kentucky SKY Contractor Educational and Training Requirements**

<b>Contract Requirement</b>	<b>Agree to Comply</b>
The Kentucky SKYs Contractor shall submit to the Department an educational and training plan within one hundred twenty (120) Calendar Days of the Contract Execution Date for the following sections. For each education and training section and audience, the Department shall have at least ten (10) Calendar Days to review the educational and training materials and the Kentucky SKY Contractor shall have five (5) Calendar Days from the completion of the Department's review to submit the finalized materials to the Department. The Kentucky SKY Contractor shall update training materials annually, at a minimum, and more often if a change in law or policy alters the content of the training materials.	✓
<b>3.6.3.1 Education and Training of the Department, DCBS, DJJ, DBHDID, and Cabinet Sister Agency Personnel</b>	✓
Education and training for the Commonwealth personnel must be provided at times and location(s) designated by the Department. The educational and training approach must address at a minimum the following:	✓
A. The initial and ongoing education of Commonwealth personnel.	✓
B. An understanding of the Kentucky SKY program and the roles and responsibilities of the Department, DCBS, and DJJ.	✓
C. The contractual requirements of the Kentucky SKY program	✓
D. The organization, staffing, infrastructure the MCO must provide to support the Kentucky SKY program.	✓
E. The Kentucky SKY business processes and workflows.	✓
F. The aging out process and support from the Kentucky SKY Contractor	✓
<b>3.6.2.4 Education and Training for Law Enforcement Officials and Judges</b>	✓
The Kentucky SKY Contractor shall provide one (1) training per quarter for law enforcement officials, judges, district and county attorneys, including the Kentucky Administrative Office of the Courts and the Kentucky County Attorneys Association, and the Kentucky Department of Public Advocacy about the following:	✓
A. An understanding of the Kentucky SKY Program and the roles and responsibilities of the Department, DCBS, DJJ, and DBHDID, and how these agencies will coordinate and collaborate with the Kentucky SKY Contractor;	✓
B. Role and responsibilities of the Kentucky SKY Contractor	✓
C. Needs of the Kentucky SKY populations;	✓
D. High Fidelity Wraparound approach	✓

E. Family First Prevention Services Act;	✓
F. Trauma-informed Care	✓
G. Impact of ACEs; and	✓
H. Aging out process and support from the Kentucky SKY Contractor	✓
The Department, DCBS, DJJ and other sister agencies may also participate in these education and training sessions. The Kentucky SKY Contractor shall provide multiple methods of training to engender the most participation, including face-to-face meeting, webinars, or other tutorials.	✓

#### 41.6.4 Kentucky SKY Implementation Plan

Contract Requirement	Agree to Comply
The Kentucky SKY Contractor's shall submit an Implementation Plan to the Department by 1-1-2020. The proposed Implementation Plan must comply with all due dates established by the Department, specific requirements set forth in the Contract, and address at a minimum the following Kentucky SKY Contractor activities:	✓
A. Submission of a network development plan with specific consideration for Providers to address the needs of all Kentucky SKY Enrollees, including pediatricians, Behavioral Health Providers, and Providers who have experience in Trauma-informed Care.	✓
B. Submission of a staffing plan that details the staffing levels dedicated to the requirements for the Kentucky SKY program.	✓
C. Detailed plans on how the Kentucky SKY Contractor will undertake to build relationships with DCBS staff at the regional and county level, and the DCBS units dedicated to Interstate Compact on Adoption and Medical Assistance and (ICAMA) and Interstate Compact on the Placement of Children (ICPC) services. Such plans shall address education, training and process development.	✓
D. Detailed plans on how the Kentucky SKY Contractor will undertake to build relationships with DJJ staff at the Community District level. Such plans shall address education, training and process development.	✓
E. Development of transition policies and procedures during implementation, including the guidelines the Kentucky SKY Contractor will use to collaborate with DCBS and DJJ to identify Medically Complex Children and Children with Special Health Care Needs requiring priority coordination to establish levels of care for Care Coordination.	✓
F. Submission of policies and procedures related to the provision of all required health screenings and assessments within the prescribed timeframes.	✓
G. Submission of policies and procedures for conducting the initial assessments and provision of required services.	✓
H. Submission of policies and procedures for tracking and reporting individual health outcomes for Kentucky SKY Enrollees including the	✓

mechanism for reporting whether an Enrollee's health outcomes improved as a result of the Kentucky SKY Contractor's Care Coordination activities.	
I. Submission of a Kentucky SKY Enrollee education and outreach plan.	✓
J. Submission of an education and outreach plan for Providers, court personnel, law enforcement, and others on Trauma-informed Care, evidenced based practices applicable to the Kentucky SKY populations, etc.	✓
K. Submission of policies and procedures related to Care Coordination Teams, health records, privacy requirements and other activities or requirements specific for Kentucky SKY Enrollees.	✓
L. Submission of privacy policies and procedures for Kentucky SKY Enrollees, including staff and Provider training and re-training protocols.	✓
M. Submission of policies and procedures related to the ability to share Care Coordination and Case Management Information electronically with DCBS and DJJ staff.	✓
N. Submission of Enrollee Services policies and procedures including the 24/7 Call Center.	✓
O. Detailed plans for coordinating with other sister agencies, such as DBHDID, Department of Public Health and Department of Education, as needed.	✓

#### 41.6.5 Kentucky SKY Business Processes and Workflows

Contract Requirement	Agree to Comply
The Kentucky SKY Contractor shall participate in the development and documentation of Kentucky SKY business processes and workflows to promote consistency and set performance expectations across all parties, including the Kentucky SKY Contractor, the Department, DCBS, DJJ, and others as needed. The Kentucky SKY Contractor will participate in a workflow development team or work group as established by DCBS. Further, the Kentucky SKY Contractor will collaborate with the Department, DCBS, and DJJ in modifying existing processes and workflows or adding new business processes and workflows, as needed, over the term of the Contract.	✓

#### 41.6.6 Kentucky SKY Meetings

Contract Requirement	Agree to Comply
<p>A. The Kentucky SKY Contractor's staff shall meet in separate or joint monthly meetings or as requested by the Department, DCBS, and DJJ to collaborate on issues, ideas and innovations for the efficient and economical delivery of quality services to the Kentucky SKY Enrollees. Meetings will be used to:</p> <ol style="list-style-type: none"> <li>1. Consider opportunities in areas such as improving health outcomes of Kentucky SKY Enrollees;</li> <li>2. Advancing Trauma-informed Care;</li> <li>3. Implementation and monitoring of evidenced-based practices, and best practices in educating Providers;</li> </ol>	✓

4. DCBS performance and reporting outcomes, including timeliness reporting for assessments and services; 5. Identify variances to required DJJ timeframes related to DJJ Commitment; and 6. Address access to Network Providers and opportunities for improving access to services.	
The Department, DCBS, and DJJ will establish the schedule for the meetings and may increase, cancel or reduce the meetings, as needed, with prior notice to the Kentucky SKY Contractor.	✓
B. Kentucky SKY Contractor staff designated by the Department and DCBS shall attend the monthly SIAC meetings that are open to the public.	✓
C. As needed, the Kentucky SKY Contractor shall meet with regional staff in the Service Regions and Community Districts to address concerns, problem resolution, educational needs, and risk management.	✓

#### 41.7 Capitation Payment Information

Contract Requirement	Agree to Comply
The Capitation Payment information provided in Section 10 "Capitation Payment Information" shall apply to the Kentucky SKY Contractor and Kentucky SKY Enrollees. The Capitation Payment for Kentucky SKY Enrollees is specified in Appendix A "Capitation Payment Rates" (subject to approval of the rates by CMS) for each Kentucky SKY Enrollee determined to be enrolled for the upcoming month.	✓

#### 41.8 Rate Component

Contract Requirement	Agree to Comply
The Capitation Rate component information in Section 11 "Rate Component" shall apply to the Kentucky SKY Contractor and the Kentucky SKY Contractor shall comply with the additional requirement for the Medical Loss Ratio calculation and adjustments as follows:	✓
A. The Kentucky SKY Contractor shall calculate and report a separate MLR in a format and manner prescribed by the Department for expenses directly attributed or allocated for the Kentucky SKY program with State Fiscal Year 2021 and continuing annually on a state fiscal year basis thereafter.	✓
B. The report shall be in compliance with 42 C.F.R. 438.8(k) and shall include an attestation from the Kentucky SKY Contractor's actuary to the accuracy of the calculation in accordance with the requirements of 42 C.F.R. 438.8.	✓

#### 41.9 Quality Management and Health Outcomes

Contract Requirement	Agree to Comply
The Kentucky SKY Contractor shall comply with all requirements for Kentucky SKY Enrollees, as specified in <b>Section 19 "Quality Management and Health Outcomes"</b> and Section 42 herein.	✓
A. The Kentucky SKY Contractor shall collaborate with the Department, DCBS, and DJJ in the design and implementation of at least one (1) PIP for the Kentucky SKY populations.	✓

B. The Kentucky SKY Contractor shall submit written policies and procedures for tracking and reporting individual Kentucky SKY Enrollee health outcomes, including the mechanism for reporting whether a Kentucky SKY Enrollee's health outcomes improved as a result of the Kentucky Sky Contractor's Care Coordination activities.	✓
C. The Kentucky SKY Contractor will collaborate with the Department, DCBS, and DJJ to develop and implement Performance Measures for the Kentucky SKY program, including the evaluation of the following as determined by the Department, DCBS, and DJJ: <ol style="list-style-type: none"> <li>1. Operational measures, such as timely completion of required assessments and submission of required reporting;</li> <li>2. Monitoring of decertification of services;</li> <li>3. Appropriate utilization of psychotropic medications including the evaluation of prescribing patterns related to diagnosis, patient age, polypharmacy, dosage. and psychosocial therapy and interventions; and</li> <li>4. Deployment and utilization of evidence based practices applicable to the Kentucky SKY populations.</li> </ol>	✓

#### 41.10 Utilization Management

Contract Requirement	Agree to Comply
The Kentucky SKY Contractor shall comply with all Utilization Management Program requirements for Kentucky SKY, as specified in Section 20 "Utilization Management" and Section 42 herein.	✓

##### 41.10.1 Care Plans

Contract Requirement	Agree to Comply
A. The Kentucky SKY Contractor shall use the results of all assessments and screenings to develop a Care Plan which identified the Kentucky SKY Enrollee's Care Coordination needs for all newly enrolled Kentucky SKY Enrollees within thirty (30) Calendar Days of Enrollment. The Kentucky SKY Contractor must document the involvement of the Kentucky SKY Enrollee's PCP, Dental Provider, Behavioral Health Providers, specialists or other providers in the development of the Care Plan and provide evidence of such documentation to the Department, DCBS, and DJJ.	✓
B. The Kentucky SKY Contractor shall develop a process by which the Kentucky SKY Contractor will regularly review and update the Kentucky SKY Enrollees' Care Plans which shall include: <ol style="list-style-type: none"> <li>1. The detailed description of the involvement of the Kentucky SKY Enrollee's PCP, Dental Provider, Behavioral Health Providers, specialists and other providers in the development of the Care Plan;</li> <li>2. The approach for updating or revising the Care Plan; and</li> <li>3. Details on the monitoring and follow-up activities conducted by the Kentucky SKY Contractor with the Kentucky SKY Enrollees' Providers.</li> </ol>	✓

**41.10.2 Care Coordination Teams**

Contract Requirement	Agree to Comply
A. All Kentucky SKY Enrollees will have access to Care Coordination services and an interdisciplinary Care Coordination Team. The Care Coordination Team will be led by a Care Coordinator and include clinical and non-clinical representatives to meet the individual needs of Kentucky SKY Enrollees.	✓
B. The Care Coordination Team shall: <ol style="list-style-type: none"> <li>1. Coordinate with The Department, DCBS and DJJ to develop work flows and processes, including those related to the transmission of clinical and non-clinical Kentucky SKY Enrollee information;</li> <li>2. Provide information to and assist Providers, Kentucky SKY Enrollees, Foster Parents, Adoptive Parents, Fictive Kin, Caregivers, and DCBS and DJJ staff with Care Coordination services;</li> <li>3. Ensure access to primary, dental and specialty care and support services, including assisting Kentucky SKY Enrollee, Foster Parents, Adoptive Parents, Fictive Kin, Caregivers, and DFCS and DJJ staff with locating Providers, and scheduling and obtaining appointments as necessary;</li> <li>4. Expedite the scheduling of appointments for assessments and facilitating Providers' timely submittal of assessment results used to determine Residential Placements as requested by DCBS and DJJ. The Kentucky SKY Contractor must give high priority to this function in its Care Coordination operations;</li> <li>5. Compile assessment results used to determine Residential Placements as requested by DCBS and DJJ and submitting those results to the appropriate DCBS or DJJ staff within the timeframes identified by DCBS or DJJ or otherwise specified in the Contract;</li> <li>6. Assist with coordinating NEMT services for Kentucky SKY Enrollees as needed for Provider appointments and other services;</li> <li>7. Arrange community supports for Kentucky SKY Enrollees and arrange for referrals to community based resources as necessary;</li> <li>8. Document efforts to obtain Provider appointments, arrange transportation, establish meaningful contact with the Members' PCP, Dental Provider, specialists and other Providers, and arrange for referrals to community based resources. Such documentation shall include details on any barriers or obstacles to arranging or obtaining these services; and</li> <li>9. Collaborate with PCPs and specialists of prior MCOs to ensure continuity of care for Kentucky SKY Enrollees with Special Health Care Needs receiving services authorized in a treatment plan by their prior MCO.</li> </ol>	✓
C. The Care Coordinator will ensure the Care Coordination Team has the information it needs to make timely and appropriate authorizations and referrals to meet Kentucky SKY Enrollee needs. This includes, but is not limited to, contacting prior MCOs and Providers for information the Care Coordination Team may need to work with current Providers to develop treatment plans. The Care Coordinator will ensure that approved Care Plans and authorizations are communicated timely to Providers, the	✓

<p>Department, DCBS, and DJJ as required, by electronic or direct communications. The Care Coordinator will ensure that Kentucky SKY Enrollees, Providers, Foster Parents, Adoptive Parents, Fictive Kin, Caregivers, DCBS and DJJ have the most current information regarding community resources available to assist Kentucky SKY Enrollees with meeting their needs and assist Kentucky SKY Enrollees with connecting with these resources.</p>	
<p>D. The Care Coordinator is responsible for convening Assessment Team meetings, as needed, to support the needs of Kentucky SKY Enrollees.</p>	✓
<p>E. A Care Coordination Team shall be assigned by the Kentucky SKY Contractor to each Kentucky SKY Enrollee within twenty-four (24) hours one (1) business day of Enrollment in the program.</p>	✓
<p>F. Based on information identified through required assessments, the Kentucky SKY Contractor shall stratify Kentucky SKY Enrollees according to their risk(s), costs and impactability. The level of intensity of Care Management services provided by Care Coordination Teams must be tailored in intensity to meet the needs of each individual Kentucky SKY Enrollee. Kentucky SKY Enrollees may receive the following level of Care Management services:</p> <ol style="list-style-type: none"> <li>1. Care Management services;</li> <li>2. Intensive Care Coordination services which shall include monthly contacts with the Kentucky SKY Enrollee:             <ol style="list-style-type: none"> <li>a. One (1) face-to-face visit.</li> <li>b. One (1) weekly contact.</li> <li>c. One (1) meeting with the Kentucky SKY Enrollee and Caregivers.</li> <li>d. One (1) Care Plan update.</li> </ol> </li> <li>3. Complex Care Coordination which may include those Kentucky SKY Enrollees with previous inpatient Behavioral Health admissions and Kentucky SKY Enrollees with Special Health Care Needs. Complex Care Coordination services shall include the following monthly contacts:             <ol style="list-style-type: none"> <li>a. Two (2) face-to-face visits.</li> <li>b. One (1) weekly contact.</li> <li>c. A minimum of two (2) hours per week of Care Coordination.</li> <li>d. One (1) meeting with the Kentucky SKY Enrollee and Caregivers.</li> <li>e. One (1) Care Plan update.</li> </ol> </li> <li>4. Kentucky SKY Enrollees identified as needing Complex Care Coordination services due to Behavioral Health needs must receive Care Coordination services provided by Coordinators who have been certified and trained in the delivery of High Fidelity Wraparound care. The Kentucky SKY Contractor shall include a Nurse Case Manager to assist Kentucky Cares Enrollees identified through the assessment as Kentucky SKY Enrollees with Special Health Care Needs.</li> </ol>	✓

**41.10.3 Discharge Planning**

Contract Requirement	Agree to Comply
The Kentucky SKY Contractor shall maintain and operate a formalized Discharge Planning program that includes a comprehensive evaluation of the Kentucky SKY Enrollee's health needs and identification of the services and supplies required to facilitate appropriate care following Discharge from an institutional clinical setting or when transitioning between levels of care.	✓

**41.10.4 Case Management**

Contract Requirement	Agree to Comply
No less than quarterly, the Kentucky SKY Contractor's staff shall meet with DCBS staff to identify, discuss and resolve any health care issues and needs of the Kentucky SKY Contractor's Kentucky SKY membership. Examples of these issues include needed specialized Medicaid Covered Services, community services and whether the child's current primary and Specialty Care providers are enrolled in the Kentucky SKY Contractor's Network.	✓
If the DCBS service plan identifies the need for case management or DCBS staff requests case management for a Kentucky SKY Enrollee, the Kentucky SKY Contractor's staff will work with Foster Parent and/or DCBS staff to develop a case management plan.	✓
The Kentucky SKY Contractor's staff will consult with DCBS staff before the development of a new case management plan (on a newly identified health care issue) or modification of an existing case management plan.	✓
The designated Kentucky SKY Contractor staff will sign each service plan made available by DCBS to indicate their agreement with the plan. If the DCBS and Kentucky SKY Contractor staff cannot reach agreement on the service plan for a Kentucky SKY Enrollee, information about that Enrollee's physical health care needs, unresolved issues in developing the case management plan, and a summary of resolutions discussed by the DCBS and Contractor staff will be forwarded to the designated the Department's representative.	✓

**41.10.5 Prior Authorization and Pre-Certification**

Contract Requirement	Agree to Comply
A. The Kentucky SKY Contractor's Prior Authorization processes for Behavioral Health Services shall recognize the intensive and/or ongoing need for these services often present among the Kentucky SKY Enrollees, and should not be unnecessarily burdensome to Providers or Kentucky SKY Enrollees. For example, Medical Necessity reviews for Kentucky Care Enrollee stays in a PRTF must account for the high level needs of the Kentucky SKY Enrollees and must not be unnecessarily burdensome for Providers or the Kentucky SKY Contractor. The Department, DCBS and the Kentucky SKY Contractor shall collaborate on the development of a written PRTF certification and decertification business process and workflow that shall be completed thirty (30) Calendar Days prior to the Contract Effective Date.	✓
B. The Kentucky SKY Contractor shall notify the Department and DCBS no later than three (3) Business Days prior to the decertification of a foster child for services at a hospital or other residential facility located in	✓



<p>Kentucky and no later than seven (7) Business Days prior to the decertification of a foster child for services at a hospital or other residential facility located out of state. Written documentation of an upcoming Medical Necessity review does not qualify as a decertification notification. The Department shall provide the Kentucky SKY Contractor with the office or division, the individual(s) and the contact information for such notification and provide updated contact information as necessary. The decertification notification shall include the:</p> <ol style="list-style-type: none"> <li>1. Kentucky SKY Enrollee name,</li> <li>2. Enrollee ID,</li> <li>3. Facility name,</li> <li>4. Level of care,</li> <li>5. Discharge plan; and</li> <li>6. Date of next follow-up appointment.</li> </ol>	
<p>If the Kentucky SKY Contractor fails to notify the Department and DCBS at least three (3) Business Days or seven (7) Business Days, as applicable, prior to the decertification and the foster child remains in the facility because arrangements for placement cannot be made, the Kentucky SKY Contractor shall be responsible for the time the FC Enrollee remains in the facility prior to notification and up to three (3) Business Days or seven (7) Business Days, as applicable, after notification.</p>	✓
<p>C. Prior Authorization will not be required for the first twelve (12) individual or group outpatient psychotherapy sessions provided by a contracted Behavioral Health Provider, per twelve (12) month rolling period. Such sessions may include the initial evaluation. Additional visits will be reviewed and approved based on a Medical Necessity review conducted by the Kentucky SKY Contractor.</p>	✓

#### 41.11 Kentucky SKY Enrollee Services

Contract Requirement	Agree to Comply
The Kentucky SKY Contractor shall comply with all Enrollee Services requirements for Kentucky SKY Enrollees, as specified in Section 22 "Enrollee Services" and Section 42 herein.	✓

##### 41.11.1 Required Services

Contract Requirement	Agree to Comply
The Kentucky SKY Contractor shall comply with the requirements set forth in Section 22.1. In addition, the following requirements shall apply to the Kentucky SKY program:	✓
A. The Kentucky SKY Contractor must provide a twenty-four (24) hour call center dedicated to serving Kentucky SKY Enrollees unless otherwise approved by the Department. The call center shall be staffed with experienced personnel familiar with Kentucky SKY, Kentucky's child- serving agencies and the Kentucky Provider community.	✓
B. The dedicated call center staff must be trained on the Kentucky SKY program and all key components of the program, including Care Coordination Teams, Trauma-informed Care, Crisis Intervention Services, and ACEs.	✓
C. The Kentucky SKY Contractor must develop interactive scripts for call center staff to use during initial welcome calls or when making	✓

outbound calls to new Kentucky SKY Enrollees, FC Parents, Adoptive Parents, Fictive Kin, and Caregivers. The Kentucky SKY Contractor's call center staff must also use a Department-approved script to respond to Kentucky SKY Enrollees, FC Parents, Caregivers, or Adoptive Parents who call to request assistance with PCP and/or Dental Provider selection. The Kentucky SKY Contractor must develop special scripts for emergency and unusual situations, as requested by the Department. All scripts must be clear and easily understood. The Kentucky SKY Contractor must review the call center scripts annually to determine any necessary revisions. The Department reserves the right to request and review call center scripts at any time	
D. If the Department approves for the Kentucky SKY Contractor to combine Call Center functions for non-Kentucky SKY Enrollees, the Kentucky SKY Contractor shall commit to cross-training staff on the Kentucky SKY program, Care Coordination Teams, Trauma-informed Care, and ACEs.	✓
E. The Kentucky SKY Contractor's call center job descriptions must detail the level and type of training related to Crisis calls, including how personnel are trained to recognize callers in Crisis and then manage triage. The Kentucky SKY Contractor must have an operational process through which emergency and Crisis calls are prioritized over routine calls, protocols that support warm transfers and technology that enables direct telephonic/computer connectivity to emergent and Crisis Intervention Services.	✓

#### 41.11.2 Kentucky SKY Enrollee Information Packet and Enrollee Handbook

Contract Requirement	Agree to Comply
The Kentucky SKY Contractor shall comply with the requirements set forth in Section 22.2. In addition, at a minimum, the Kentucky SKY Contractor shall comply with the following:	✓
A. Kentucky SKY Enrollee Information Packet <ol style="list-style-type: none"> <li>1. The Kentucky SKY Contractor shall send electronically via a secure portal or via mail a FC Enrollee Information Packet to the SSW for FC Enrollees or the JJ Enrollee Information Packet to DJJ Children's Benefit Worker for JJ Enrollees who are newly Enrolled in the Kentucky SKY program within five (5) Calendar Days of receipt of the HIPAA 834 eligibility file from the Department.</li> <li>2. Upon request from the SSW or Children's Benefit Worker, the Kentucky SKY Contractor shall mail the Enrollee Information Packet to the Foster Parent, Caregiver, or DJJ Residential Treatment Facility.</li> <li>3. The Kentucky SKY Contractor shall mail the AA Enrollee Information Packet to the AA Enrollee or Adoptive Parent for AA Enrollees who are newly enrolled in Kentucky SKY within five (5) Calendar Days of receipt of the HIPAA 834 eligibility file from the Department.</li> <li>4. The Kentucky SKY Enrollee Information Packet shall include but not be limited to the following:               <ol style="list-style-type: none"> <li>a. A welcome letter that includes the name and contact information for the Kentucky SKY Care Coordinator;</li> <li>b. Kentucky SKY Enrollee Handbook;</li> </ol> </li> </ol>	✓

<ul style="list-style-type: none"> <li>c. A Kentucky SKY identification card;</li> <li>d. Information on selecting and changing PCPs and Dental Providers;</li> <li>e. Information on how the Kentucky SKY Enrollee can share special health care needs and specific services for which the Care Coordination Team may need to coordinate services;</li> <li>f. Information on the role of the Care Coordination Team and how to seek assistance in scheduling appointments, and accessing Care Coordination services;</li> <li>g. Information about the role of the Kentucky SKY call center and how to access the call center;</li> <li>h. Explanation of the Disenrollment procedures for AA Enrollees; and</li> <li>i. Information about the role of the Inquiry Coordinator</li> </ul>	
<p>B. The Kentucky SKY Enrollee Handbook shall address the following topics:</p> <ul style="list-style-type: none"> <li>1. Roles of DCS and DJJ in consenting to the FC Enrollees' and JJ Enrollees' Health Care services;</li> <li>2. Role of the PCP and Dental Provider;</li> <li>3. The Kentucky SKY identification card;</li> <li>4. How to access the Kentucky SKY Enrollee Services call center;</li> <li>5. How to select and change PCPs and Dental Providers;</li> <li>6. Role of the Care Coordination Team;</li> <li>7. How to access the Kentucky SKY Contractor's website;</li> <li>8. How to access the Care Coordination Team;</li> <li>9. Continuity of care and transition issues; and</li> <li>10. Aging out process.</li> </ul>	✓

#### 41.11.3 Cultural Consideration and Competency

Contract Requirement	Agree to Comply
The Kentucky SKY Contractor shall comply with the requirements set forth in Section 22.4."Cultural Consideration and Competency." In addition, the Kentucky SKY Contractor shall ensure that staff and Providers are educated on Trauma-informed Care, the impact of ACEs, NAS, and SEI.	✓

#### 41.11.4 Enrollee Choice of MCO

Contract Requirement	Agree to Comply
For the Kentucky SKY program, the Department will enroll all eligible Kentucky SKY Enrollees in the Kentucky SKY MCO in conformance with this Contract. The Kentucky SKY Contractor shall direct Kentucky SKY Enrollees to contact the Department for enrollment or disenrollment questions.	✓
The Department makes no guarantees or representations to the Kentucky SKY Contractor regarding the number of eligible Kentucky SKY Enrollees who may ultimately be enrolled with the Kentucky SKY Contractor or the length of time any Kentucky SKY Enrollee may remain enrolled with the Kentucky SKY Contractor.	✓

**41.11.5 Kentucky SKY Identification (ID) Cards**

Contract Requirement	Agree to Comply
The Kentucky SKY Contractor shall comply with the requirements set forth in Section 22.8.	✓
<p>A. The Kentucky SKY Contractor shall issue an ID card for every Kentucky SKY Enrollee assigned to it. The ID card will include the Kentucky SKY name and logo, if applicable, the names of the PCP, and the Kentucky SKY Enrollee's Identification Number. All ID cards shall be issued initially within five (5) Business Days of receipt of the 834 eligibility file from the Department and reissued within five (5) Business Days of a request for reissue based on the events named below.</p> <p>The Kentucky SKY Contractor shall reissue the FC Enrollee ID card under the following circumstances:</p> <ol style="list-style-type: none"> <li>1. A FC Enrollee, DCBS staff, Caregiver or Foster Parent reports a lost card;</li> <li>2. A FC Enrollee has a name change;</li> <li>3. A FC Enrollee, DCBS staff, Caregiver or Foster Parent requests a new PCP or Dental Provider;</li> <li>4. The FC Enrollee moves to a new placement; or</li> <li>5. Any other reason that results in a change to the information disclosed on the FC Enrollee's ID card</li> </ol>	✓
<p>B. AA Enrollee ID Card</p> <p>The Kentucky SKY Contractor shall reissue the AA Enrollee ID card under the following circumstances:</p> <ol style="list-style-type: none"> <li>1. The AA Enrollee or Adoptive Parent reports a lost card;</li> <li>2. The AA Enrollee has a name change;</li> <li>3. The AA Enrollee or Adoptive Parent requests a new PCP; or</li> <li>4. Any other reason that results in a change to the information disclosed on the AA Enrollee's ID card.</li> </ol>	✓
<p>C. JJ Enrollee ID Card</p> <p>The Kentucky SKY Contractor shall reissue the JJ Enrollee ID card under the following circumstances:</p> <ol style="list-style-type: none"> <li>1. The JJ Enrollee or designated DJJ staff reports a lost card;</li> <li>2. The JJ Enrollee has a name change;</li> <li>3. The JJ Enrollee or designated DJJ staff Member requests a new PCP;</li> <li>4. The JJ Enrollee moves to a new placement; or</li> <li>5. Any other reason that results in a change to the information disclosed on the JJ Enrollee's ID card.</li> </ol>	✓

**41.12 Kentucky SKY Enrollee Selection of Primary Care Provider (PCP)**

Contract Requirement	Agree to Comply
The Kentucky SKY Contractor shall comply with the requirements set forth in <b>Section 23 “Enrollee Selection of Primary Care Provider (PCP)”</b> and Section 42 herein.	✓

**41.12.1 Auto-Assignment**

Contract Requirement	Agree to Comply
All Kentucky SKY Enrollees shall be assigned a PCP using the PCP auto-assignment process when a PCP is not selected upon Enrollment.	✓
A. Assignment of PCP for FC Enrollees For FC Enrollees, assignment will be based on where the FC Enrollee's DCBS case is located (which is usually the Medicaid Region where the child's family of origin resides). It is the responsibility of the DCBS personnel to notify the Kentucky SKY Contractor of a FC Enrollee's change in placement.	✓
B. Assignment of AA Enrollee. For AA Enrollees, the AA Enrollee's Medicaid Region of residence shall be determined by the Adoptive Parent's official residence. The DCBS personnel shall notify the Department when an AA Enrollee's case is transferred to another area. The Department will include notice of the transfer in the HIPAA 834.	✓
C. Assignment of JJ Enrollees For JJ Enrollees, assignment will be based on the FC Enrollee's DCBS case location or location of a DJJ residential facility. It is the responsibility of the DCBS or DJJ personnel to notify the Kentucky SKY Contractor of a JJ Enrollee's change in placement.	✓
D. Assignment of Former Foster Children For Former Foster Care Enrollees, assignment will be based on the county of residence shall be where the Former Foster Care Enrollee is residing. The Former Foster Care Enrollee is responsible for notifying the Department of a change in location.	✓

**41.12.2 PCP Assignment**

Contract Requirement	Agree to Comply
A. FC Enrollees 1. If the DCBS Social Service Worker, Caregiver, Foster Parent or FC Enrollee does not voluntarily select a PCP upon enrollment in the Kentucky SKY program, the Kentucky SKY Contractor shall auto-assign the FC Enrollee a PCP within two (2) Business Days of receipt of notification of the FC Enrollee's Enrollment in the Kentucky SKY program. 2. An eligibility file or electronic notification from Department or DCBS will serve as notification.	✓
B. AA Enrollees 1. If an Adoptive Parent or AA Enrollee does not voluntarily select a PCP upon enrollment in the Kentucky SKY program, the Kentucky SKY Contractor shall auto-assign the AA Enrollee a PCP within two (2) Business Days of receipt of notification of the AA Enrollee's Enrollment in the Kentucky SKY program.	✓

2. An eligibility file or electronic notification from the Department will serve as notification.	
C. JJ Enrollees 1. If the DJJ Social Worker does not voluntarily select a PCP upon enrollment in the Kentucky SKY program, the Kentucky SKY Contractor shall auto-assign the JJ Member a PCP within two (2) Business Days of receipt of notification of the JJ Enrollee's enrollment in the Kentucky SKY program. 2. An eligibility file or electronic notification from the Department or DJJ will serve as notification.	✓

#### 41.12.3 Re-Assignment of PCP

Contract Requirement	Agree to Comply
To ensure continuity of care when an FC or JJ Enrollee changes placement, the Kentucky SKY Contractor must assess the FC or JJ Enrollee's PCP access and assign the FC or JJ Enrollee to a new PCP as necessary, according to the following process:	✓
A. Relocation of FC Enrollee  1. The Kentucky SKY Contractor will be notified through the daily eligibility file provided by the Department or through written or telephonic notification from the Department or DCBS. 2. The Kentucky SKY Contractor must assess the FC Enrollee's access to the currently assigned PCP within one (1) Business Day of receipt of notification. 3. The Kentucky SKY Contractor must notify within the same Business Day the DCBS Social Service Worker, Caregiver, Foster Parent or FC Enrollee if the PCP no longer meets the Geographic Access standards as defined in the contract. 4. The DCBS Social Service Worker, Caregiver, Foster Parent or FC Enrollee must select a new PCP within two (2) Business Days of the Kentucky SKY Contractor's notification or the Kentucky SKY Contractor shall auto-assign a new PCP if no selection is made during this timeframe. 5. This full process must be complete within three (3) Business Days of the Kentucky SKY Contractor's receipt of notification of the FC Enrollee's relocation	✓
B. Relocation of JJ Enrollee  1. The Kentucky SKY Contractor will be notified through the daily eligibility file provided by the Department or through written or telephonic notification from the Department or DJJ. 2. The Kentucky SKY Contractor must assess the JJ Enrollee's access to the currently assigned PCP within one (1) Business Day of receipt of notification. 3. The Kentucky SKY Contractor must notify within the same Business Day the designated DJJ staff if the PCP no longer meets the Geographic 4. The designated DJJ staff must select a new PCP within two (2) Business Days of the Kentucky SKY Contractor's notification or the Kentucky SKY Contractor shall auto-assign a new PCP if no selection is made during this timeframe. 5. This full process must be complete within three (3) Business Days of the Kentucky SKY Contractor's receipt of notification of the JJ Enrollee's relocation.	✓

C. For FC Enrollees, the Kentucky SKY Contractor shall allow the FC Enrollee, DCBS staff, Caregiver or Foster Parent to change the PCP designation based on the needs of a child. For AA Enrollee, the Kentucky SKY Contractor shall allow the AA Enrollee or Adoptive Parent to change the PCP designation based on the needs of a child. For JJ Enrollees, the Kentucky SKY Contractor shall allow the designated DJJ staff to change a PCP designation based on the needs of the youth.	✓
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#### 41.12.4 Kentucky SKY Enrollee Selection of Dental Provider

Contract Requirement	Agree to Comply
All Kentucky Care Enrollees shall have access to a Dental Provider based on the network adequacy standards set forth in this Contract and the Kentucky Care Enrollee's home or location address. The Contractor shall require the Dental Provider to involve DCBS or DJJ staff, Foster Parents, Adoptive Parents, the Kentucky SKY Enrollee, dentists, dental specialists, dental professionals, and non-dental professionals in coordinating the provision of dental care services covered under the Medicaid State Plan, including complex dental services for Kentucky SKY Enrollees with special needs.	✓

#### 41.12.5 Re-assignment of Dental Provider

Contract Requirement	Agree to Comply
To ensure continuity of care when an FC or JJ Enrollee changes placement, the Kentucky SKY Contractor must assess the FC or JJ Enrollee's Dental Provider access and assign the FC or JJ Enrollee to a new Dental Provider as necessary, according to the following process:	✓
A. Relocation of FC Enrollee <ol style="list-style-type: none"> <li>1. Kentucky SKY Contractor will be notified through the daily eligibility file provided by DMS or through written or telephonic notification from DMS or DCBS.</li> <li>2. The Kentucky SKY Contractor must assess the FC Enrollee's access to the currently assigned Dental Provider within one (1) Business Day of receipt of notification.</li> <li>3. The Kentucky SKY Contractor must notify within the same Business Day the DCBS Social Service Worker, Caregiver, Foster Parent or FC Enrollee if the Dental Provider no longer meets the Geographic Access standards as defined in the contract.</li> <li>4. The DCBS Social Service Worker, Caregiver, Foster Parent or FC Enrollee must select a new PCP within two (2) Business Days of the Kentucky SKY Contractor's notification or the Kentucky SKY Contractor shall auto-assign a new Dental Provider if no selection is made during this timeframe.</li> <li>5. This full process must be complete within three (3) Business Days of the Kentucky SKY Contractor's receipt of notification of the FC Enrollee's relocation.</li> </ol>	✓
B. Relocation of JJ Enrollee <ol style="list-style-type: none"> <li>1. The Kentucky SKY Contractor will be notified through the daily eligibility file provided by DMS or through written or telephonic notification from DMS or DJJ.</li> <li>2. The Kentucky SKY Contractor must assess the JJ Enrollee's access to the currently assigned Dental Provider within one (1) Business Day of receipt of notification.</li> </ol>	✓

<ol style="list-style-type: none"> <li>3. The Kentucky SKY Contractor must notify within the same Business Day the designated DJJ staff if the Dental Provider no longer meets the Geographic Access standards as defined in the contract.</li> <li>4. The designated DJJ staff must select a new Dental Provider within two (2) Business Days of the Kentucky SKY Contractor's notification or the Kentucky SKY Contractor shall auto- assign a new Dental Provider if no selection is made during this timeframe.</li> <li>5. This full process must be complete within three (3) Business Days of the Kentucky SKY Contractor's receipt of notification of the JJ Enrollee's relocation.</li> </ol>	
For FC Enrollees, the Kentucky SKY Contractor shall allow the FC Enrollee, DCBS staff, Caregiver or Foster Parent to change the Dental Provider designation based on the needs of a child. For AA Enrollee, the Kentucky SKY Contractor shall allow the AA Enrollee or Adoptive Parent to change the Dental Provider designation based on the needs of a child. For JJ Enrollees, the Kentucky SKY Contractor shall allow the designated DJJ staff to change a Dental Provider designation based on the needs of the youth.	✓

#### 41.13 Kentucky SKY Enrollee Disenrollment

##### 41.13.1 Disenrollment Initiated by an AA Enrollee

Contract Requirement	Agree to Comply
AA Enrollees may elect to disenroll from the program without cause during the Open Enrollment Period and for cause at any time. AA Enrollees disenrolling from the Kentucky SKY program shall remain with the Kentucky SKY' MCO or select another contracted MCO. An AA Enrollee may request disenrollment without cause during the ninety (90) Calendar Days following the date of the AA Enrollee's initial Enrollment with the Kentucky SKY program or the date DMS or its Agent sends the Enrollee notice of the Enrollment, whichever is later. AA Enrollees may request disenrollment without cause every twelve (12) months thereafter.	✓
The Kentucky SKY Contractor shall provide assistance to AA Enrollees seeking to disenroll. This assistance shall consist of referring the AA Enrollee to DMS or its Agent who will make disenrollment determinations.	✓

##### 41.13.2 Change of Enrollment status of a FC or JJ Enrollee

Contract Requirement	Agree to Comply
<p>In the event a FC or JJ Enrollee's eligibility category changes to a category ineligible for the Kentucky SKY program and remains eligible for Medicaid managed care:</p> <ol style="list-style-type: none"> <li>A. The Enrollee shall remain enrolled in the Kentucky SKY Contractor's MCO until the Enrollee's next Enrollment Period;</li> <li>B. The change in MCO enrollment will be reflected in the updated Medicaid managed care Enrollee eligibility roster and associated change in Capitation Rate;</li> <li>C. The Kentucky SKY Contractor must issue Medicaid managed care enrollment materials pursuant to the Contract.</li> <li>D. In the event a FC or JJ Enrollee's eligibility category changes to a category ineligible for the Medicaid managed care program and the youth is enrolled in Supplemental Security Income (SSI), the youth will return to the Medicaid Fee-for-Service delivery system.</li> </ol>	✓



**41.14 Provider Services**

Contract Requirement	Agree to Comply
The Kentucky SKY Contractor shall comply with the requirements set forth in <b>Section 27 “Provider Services”</b> and Section 42 herein.	✓

**42.14.1 Education and Training of Network Providers**

Contract Requirement	Agree to Comply
The educational and training approach for Providers must address at a minimum the following:	✓
A. The process for obtaining recommendations from the Department, DCBS, DJJ, DBHDID, and the Kentucky Department of Education on relevant information for training modules.	✓
B. The initial and ongoing training of Providers.	✓
C. An understanding of the Kentucky SKY Program and the roles and responsibilities of the Department, DCBS, DJJ, and DBHDID, and how these agencies will coordinate and collaborate with the Kentucky SKY Contractor.	✓
D. The Family First Prevention Services Act and any other federally mandated services or programs impacting Kentucky SKY Enrollees.	✓
E. Covered Services and the Provider's responsibilities for providing and/or coordinating such services. Special emphasis must be placed on areas that vary from Medicaid coverage and processes, such as coordinating with Foster Parents, Caregivers, Fictive Kin, DCBS and DJJ professional personnel, Adoptive Parents, CASAs, judges, law enforcement officials, and other Cabinet sister agencies.	✓
F. The aging out process and support from the Kentucky SKY Contractor.	✓
G. Requirements for providing Health Care Services and Behavioral Health Services to Kentucky SKY Enrollees including: <ol style="list-style-type: none"> <li>1. Medical consent requirements;</li> <li>2. Required timelines for services and assessments;</li> <li>3. Specific medical information required for court requests and judicial review of medical care;</li> <li>4. Appropriate utilization of psychotropic medications;</li> <li>5. Evidence-based Behavioral Health treatment interventions; and specific Behavioral Health and Physical Health needs of the Kentucky SKY populations;</li> <li>6. Training in trauma-informed Care;</li> <li>7. CANS;</li> <li>8. Crisis Intervention Services;</li> <li>9. High Fidelity Wraparound approach;</li> <li>10. The impact of ACEs;</li> <li>11. Neonatal Abstinence Syndrome;</li> <li>12. Substance Exposed Infants;</li> <li>13. Screening for and identification of Behavioral Health disorders;</li> <li>14. The availability of a Care Coordination Team for Kentucky SKY Enrollees and how to access the Care Coordinator; and</li> <li>15. Performance measures and health outcomes.</li> </ol>	✓

**41.15 Covered Services**

Contract Requirement	Agree to Comply
The Kentucky SKY Contractor shall comply with all Covered Services requirements for Kentucky SKY program as specified in <b>Section 30 “Covered Services”</b> and Section 42 herein.	✓

**41.16 Special Program Requirements**

Contract Requirement	Agree to Comply
The Kentucky SKY Contractor shall comply with all requirements for Kentucky SKY Enrollees as specified in <b>Section 32 “Special Program Requirements”</b> and Section 42 herein.	✓

**41.17 Required Assessments and Screenings**

Contract Requirement	Agree to Comply
A. The Kentucky SKY is responsible for conducting and reporting on required assessments and screenings for Kentucky SKY Enrollees upon Enrollment.	✓
B. The required assessments and screenings and mandated timeframes are specified in this Contract and in the SOP Manual. In the assessment and screening phase, the Kentucky SKY Contractor must include all EPSDT periodicity schedule requirements relevant to the Kentucky SKY Enrollee’s age. Each instance of failure to meet a timeframe specified in this Section may result in a corrective action or other remedy set forth in <b>Section 39 “Remedies for Violations, Breach, or Non-Performance of the Contract.”</b>	✓
C. The Kentucky SKY Contractor shall coordinate any care required as indicated in any assessment or screening, including, but not limited to, medical care, Behavioral Health Services, Trauma related care, or Dental services. The timeframes for coordinating these services are specified in the Contract and in the SOP Manual.	✓

**41.18 Behavioral Health Services**

Contract Requirement	Agree to Comply
The Kentucky SKY Contractor shall comply with all Behavioral Health Services requirements for Kentucky SKY Enrollees as specified in <b>Section 33 “Behavioral Health Services”</b> and Section 42 herein.	✓
The Kentucky SKY Contractor shall collaborate and coordinate with hospitals, treatment facilities, including PRTFs, residential providers, physical and Behavioral Health providers, and others on the Discharge Planning needs of the Kentucky SKY Enrollee for all levels of care. Such Discharge Planning shall address availability of prescribed medications as the Kentucky SKY Enrollee transitions between levels of care.	✓

**41.19 Population Health Management Program**

Contract Requirement	Agree to Comply
The Kentucky SKY Contractor shall comply with all requirements for Kentucky SKY Enrollees as specified in <b>Section 34 “Population Health Management Program”</b> and Section 42 herein.	✓

**41.20 Kentucky SKY Enrollees with Medically Complex Needs**

Contract Requirement	Agree to Comply
The Kentucky SKY Contractor shall be responsible for providing Care Management and nursing consultative services to those Kentucky SKY Enrollees who are determined to be Medically Complex. The DCBS Medical Support Section staff is responsible for making a Medically Complex designation for a child and withdrawing the designation if a child's health care needs change.	✓
Once a child has been determined to be Medically Complex, the following services shall be provided by the Kentucky SKY Contractor:	✓
A. The Kentucky SKY Contractor shall assign a Nurse Case Manager to provide nursing consultation services to SSWs, Foster Parents, Fictive Kin, and Caregivers for children and youth in Out of Home Placement, both in-state and out-of-state, who are determined by the Medical Support Section to be Medically Complex. The Nurse Case Manager does not replace or remove the SSW from her/his professional obligation for the Medically Complex Child's care and well-being, as defined by CHFS.	✓
B. The Nurse Case Manager will team with the SSW to obtain the child's Medical Records and to conduct the initial home visit of the Medically Complex Child to identify medical and behavioral health issues and needs.	✓
C. Initial Individual Health Plan (IHP) Development <ol style="list-style-type: none"> <li>1. Within thirty (30) Calendar Days of the child's designation as Medically Complex, the Nurse Case Manager shall convene and facilitate the initial IHP session to assess the ongoing needs of the Medically Complex Child. The Nurse Case Manager shall be responsible for ensuring the Medically Complex service team members are invited to the IHP session, including, but not limited to, the SSW, FSOS, Medically Complex Liaison, Foster Parents, Adoptive Parents, Fictive Kin, Caregivers, and medical and other service Providers.</li> <li>2. The Nurse Case Manager shall complete the Medically Complex Child's IHP and distribute the signed copies to all Medically Complex service team members following the initial IHP meeting.</li> </ol>	✓
D. Ongoing IHP and Updates <ol style="list-style-type: none"> <li>1. The Nurse Case Manager shall convene a meeting every three (3) months with the Medically Complex service team to review the IHP, the Medically Complex Child's current needs, and to re-evaluate the child's continued Medically Complex determination.</li> </ol>	✓

<p>2. The Nurse Case Manager shall update the Medically Complex Child's IHP every six (6) months and distribute signed copies to members of the Medically Complex service team.</p> <p>3. As appropriate, the Nurse Case Manager may recommend a change in the child's Medically Complex designation based on current and projected needs. The Nurse Case Manager shall engage the SSW and Medically Complex Liaison to review changes in the child's needs or services. The Medical Support Section staff shall make the final decision on the removal of the Medically Complex designation.</p>	
<p>E. Out of State Placements</p> <p>The Nurse Case Manager shall be responsible for coordinating the initial and ongoing meetings with the Medically Complex service team members involved in the out of state placement of a Medically Complex Child. The Nurse Case Manager shall be responsible for completing the initial IHP and coordinating the IHP updates every six (6) months, as well as the other nursing consultative activities addressed in this Section.</p>	✓
<p>F. The Nurse Case Manager shall support the family and child/youth's maintenance of the "medical passport," a tool utilized by Foster Parents, relatives, Fictive Kin, and Caregivers to document all appointments for medical, Behavioral Health, vision or dental care, immunizations, and relevant clinical history.</p>	✓
<p>G. The Nurse Case Manager shall complete ongoing monthly home visits to Medically Complex Children separate from the SSW.</p>	✓
<p>H. The Nurse Case Manager shall assist the SSW, family, and local education agency in identifying and addressing health issues in the child/youth's Individualized Education Plan (IEP).</p>	✓
<p>I. The Nurse Case Manager shall be available to act as a resource to the biological family and SSW in identifying and planning for the child/youth's health care needs when family reunification or permanent relative or Fictive Kin placement has been addressed as an outcome in the child's family service plan.</p>	✓
<p>J. The Nurse Case Manager shall provide training, on-going training and support to Caregivers.</p>	✓
<p>K. The Nurse Case Manager shall respond to requests for assistance from DCBS personnel regarding the Medically Complex Child's health care needs.</p>	✓

#### 41.21 Kentucky SKY Contractor Reporting Requirements

Contract Requirement	Agree to Comply
The Kentucky SKY Contractor shall comply with all Reporting Requirements for Kentucky SKY, as specified in Section 38 and Section 42 herein. In addition, the following requirements apply to the Kentucky SKY program:	✓
A. The Kentucky SKY Contractor shall submit reports of to the Department on a quarterly basis the total number of Kentucky SKY Enrollee and Provider Grievances and Appeals and their disposition as described in <b>Appendix D "Reporting Requirements and Reporting Deliverables."</b>	✓
B. The Kentucky SKY Contractor shall submit Assessment Timeliness reports to the Department on a monthly basis reporting the average time, in Business Days, for completion of Trauma Assessments	✓

after the FC or JJ Enrollee is enrolled in Kentucky SKY. Such report shall also identify those FC or JJ Enrollee outliers for whom Trauma Assessments were not completed within the required timeframes.	
C. The Kentucky SKY Contractor shall submit reports of to the Department on a monthly basis reporting the average time, in Business Days, for completion of required clinical and dental services after the FC or JJ Enrollee is enrolled in Kentucky SKY. Such report shall also identify those FC or JJ Enrollee outliers for whom such services were not completed within the required timeframes.	✓
After Contract Execution and prior to the Readiness Review, the Kentucky SKY Contractor agrees to participate in a collaborative process with the Department, DCBS, and DJJ to identify other management reports required by the Commonwealth and to establish detailed reporting specifications and consistent data definitions for all required reports.	✓

#### 41.22 FC and JJ Enrollees Aging Out of Kentucky SKY

##### 41.22.1 Transition of FC Enrollees – DCBS Transition Planning

Contract Requirement	Agree to Comply
The Kentucky SKYs Contractor will support DCBS and participate in DCBS transition planning for FC Enrollees turning eighteen (18) years of age and exiting Foster Care. DCBS will begin transition planning one (1) year prior to a FC Enrollee reaching their eighteenth (18th) birthday and aging out of Foster Care (and will repeat the planning process one (1) year prior to the twenty first (21st) birthday if the youth elects to continue services to age twenty one (21). For FC Enrollees electing to continue services to age twenty six (26), the Kentucky SKY Contractor shall offer transition planning services to the FC Enrollee at age twenty five (25), but shall not be required to provide such services if the FC Enrollee declines to receive them. Transition planning for FC Enrollees entering the MCO on or after their seventeenth (17th) birthday shall start within one (1) month of enrollment in the Kentucky SKY Contractor. A youth exiting FC due to age should not need to transition to a nursing facility or institution because they lacked a plan for continued support. Transition planning activities may include but are not limited to:	✓
A. Working with DCBS to assess the FC Enrollee's home and community support needs to remain in the community and maintain stability through the transition out of Foster Care including but not limited to the following: <ol style="list-style-type: none"> <li>1. Determining and identifying the array of services needed and providers of these services;</li> <li>2. Social Determinants of Health;</li> <li>3. Assessing risks, such as medication compliance; and</li> <li>4. Assessing needs and providing recommendation for access for specialized supports including but not limited to positive behavioral supports, medication support, Durable Medical Equipment, communication devices or vehicle or home adaptations.</li> </ol>	✓
B. Reviewing the FC Enrollee's health status and other appropriate factors to determine if the FC Enrollee meets the general eligibility criteria for entering a HCBS waiver program;	✓
C. Initiating the waiver application processes and if necessary, placing youth on waiver waiting list(s); and	✓

D. In collaboration with DCBS educating FC Enrollees about options for services and supports available after eligibility terminates. Such options may include for post-secondary options. Education shall include information on accessing disability services available from educational institutions and employers where appropriate.	✓
The Kentucky SKY Contractor will collaborate with DCBS to develop a workgroup with FC Enrollees, Former Foster Care Enrollees and Peer Support Specialists to identify opportunities for improving the aging out services and encouraging Enrollees to remain in Foster Care.	✓

#### 41.22.2 Transition of JJ Enrollees – DJJ Transition Planning

Contract Requirement	Agree to Comply
The Kentucky SKY Contractor will support DJJ and participate in DJJ transition planning for JJ Enrollees returning to their homes. The transition planning will begin upon the JJ Enrollee's enrollment with the Kentucky SKY Contractor and the transitional roundtable will be initiated by DJJ. Transition planning activities may include but are not limited to:	✓
A. Working with DJJ to assess the JJ Enrollee's home and community support needs to remain in the community and maintain stability through the transition out of the juvenile justice system including but not limited to the following: <ol style="list-style-type: none"> <li>1. Determining and identifying the array of services needed and providers of these services;</li> <li>2. Social Determinants of Health;</li> <li>3. Assessing risks, such as medication compliance; and</li> <li>4. Assessing needs and providing recommendation for access for specialized supports including but not limited to positive behavioral supports, medication support, Durable Medical Equipment, communication devices or vehicle or home adaptations.</li> </ol>	✓
B. Reviewing the JJ Enrollee's health status and other appropriate factors to determine if the JJ Enrollee meets the general eligibility criteria for entering a HCBS waiver program;	✓
C. Initiating the waiver application processes and if necessary, placing youth on waiver waiting list(s); and	✓
D. In collaboration with DJJ educating JJ Enrollees about options for services and supports available after eligibility terminates. Such options may include for post-secondary options. Education shall include information on accessing disability services available from educational institutions and employers where appropriate.	✓
The Kentucky SKY Contractor will collaborate with DJJ to develop a workgroup with JJ Enrollees and Peer Support providers, if applicable, to identify opportunities for improving the aging out services.	✓

**APPENDIX A. CAPITATION PAYMENT RATES**

TO BE PROVIDED UPON CERTIFICATION THROUGHOUT THE LIFE OF THE CONTRACT. CURRENT RATES CAN BE FOUND AT <https://chfs.ky.gov/agencies/dms/dpqo/Pages/mco-contracts.aspx>.

**APPENDIX B. REMEDIES FOR VIOLATION, BREACH, OR NON-PERFORMANCE**

**WellCare of Kentucky will comply with the Department of Medicaid Services' expectations and requirements as specified in Appendix B – Remedies for Violations, Breach or Non-Performance.**

**This Appendix includes deficiencies for which the Department may invoke penalties. The Department in its sole discretion reserves the right to assess penalties, as applicable, for any violation not listed in this Appendix and in compliance with Kentucky statutes.**

No.	Deficiencies	Penalty Amounts
	<b>Readiness Reviews and Initiating Operations</b>	
1.	Failure to meet readiness review requirements as set forth in <b>Section 8.0 “Readiness Review”</b> within timelines as set by the Department, including non-submission of deliverables or submitting deliverables late, with inaccuracies or incomplete.	Up to \$5,000.00 per day for each day of non-compliance or \$5,000.00 per deliverable for non-submission, late, inaccurate, or incomplete deliverables.
2.	Failure to be operational by the agreed upon operational start date, based on DMS determination as to when the Contractor is considered to be operational.	Up to \$10,000.00 per day for each day beyond the Operational Start Date that the Contractor is not operational until the day that the Contractor is fully operational.
3.	Failure to test and ensure the Contractor's Management Information System, as set forth in <b>Section 15.0 “Management Information System”</b> is fully operational and meets all Contract requirements prior to the Operational Start Date.	Up to \$10,000.00 per day.
	<b>Administration and Management</b>	
4.	Failure to comply with licensure requirements, as set forth in <b>Section 3.0 “Contractor Terms.”</b>	\$5,000.00 per day that Contractor or Provider is not licensed or qualified as required by applicable state or local law plus the amount paid to the Provider during that period.
5.	Violation of a subcontracting requirement as set forth in <b>Section 6.0 “Subcontracts”</b> and other sections of the Contract as applicable.	Up to \$25,000.00 per violation.
6.	Failure to comply with the Contractor staffing requirements, as set forth in <b>Section 9.0 “Organization and Collaboration.”</b>	Up to \$5,000.00 per day for each separate failure to comply, for the first 30 days non-compliance. At its discretion, the Department may double this amount for each day after thirty (30) days for each specific instance that the Contractor remains non-compliant.
7.	Failure to have appropriate staff member(s) attend meetings as requested and designated by the Department.	\$250.00 per appropriate staff person per meeting as requested by the Department.



No.	Deficiencies	Penalty Amounts
8.	Failure of the Contractor to respond to a Letter of Concern (LOC) within two (2) business days of receipt of the Letter of Concern or to provide a sufficient response as set forth in <b>Section 39.3 "Requirement of Corrective Action."</b>	\$500.00 per day for each day until the response is received and \$1,000.00 for failure to sufficiently respond sufficiently to an LOC request.
9.	Failure of the Contractor to submit a Corrective Action Plan within ten (10) business days following the date of the Written Deficiency Notice or to provide an acceptable Corrective Action Plan as set forth in <b>Section 39.3 "Requirement of Corrective Action."</b>	\$1000.00 per day for each day until the Corrective Action Plan is received.  \$5,000.00 for failure to provide an acceptable initial Corrective Action Plan as determined by the Department and \$500.00 per day from the date of the Written Deficiency Notice for each day the Corrective Action Plan remains deficient.
10.	Failure to timely implement and comply with an accepted Corrective Action Plan as set forth in <b>Section 39.3 "Requirement of Corrective Action."</b>	\$500.00 per day for each day the Contractor fails to comply with an accepted Corrective Action Plan as determined by the Department.
11.	For requests not otherwise specifically addressed in this Contract, failure to respond or to submit a complete or accurate written response to a Department's written request within the designated timeframe.	\$500.00 per day penalty until the response is received, complete or accurate, whichever is applicable
12.	Failure to disclose activities related to or to comply with Conflict of Interest, Lobbying, and/or Gratuities requirements, as set forth in <b>Section 40.0 "Miscellaneous."</b>	110% of the total amount of compensation paid by the Contractor to inappropriate individuals.  \$1,000.00 per day that disclosure is late.
13.	Failure to provide notice of any known or suspected conflicts of interest or criminal conviction disclosures, as set forth in <b>Section 40.0 "Miscellaneous."</b>	\$1,000.00 per day that disclosure is late.
<b>Financial Requirements and Reimbursement</b>		
14.	Failure to submit accurate and complete information or respond to a Department request regarding Medical Loss Ratio Calculation within the requested timeframe and as defined in <b>Section 11.4 "Medical Loss Ratio Adjustment."</b>	\$500.00 per day until the information or response is received

No.	Deficiencies	Penalty Amounts
15.	Failure to seek, collect and/or report third party information, as set forth in <b>Section 14.2 “Third Party Liability.”</b>	Up to \$5,000.00 per day.
16.	Failure to submit the required report of the total amount paid to each FQHC and RHC per month within the required timeframe and as set forth in <b>Section 29.5 “Payment of Federally Qualified Health Centers (“FQHC”) and Rural Health Clinics (“RHC”).”</b>	\$500.00 per day until the information is received.
17.	Failure to remit an overpayment amount as identified through audit of claims paid by the Contractor within the timeframe and as set forth in <b>Section 36.4 “Audit by Department or its Designee.”</b>	\$500.00 per incident.
	<b>Information Systems</b>	
18.	Failure of the Contractor's MIS to meet all requirements in <b>Section 15.0 “Management Information System”</b> at any given time during operations.	Up to \$5,000.00 per day of non-compliance.
19.	Failure of the Contractor to provide notice to the Department, as set forth in <b>Section 15.0 “Management Information System”</b> at least ten (10) days prior to implementation of any significant system changes that may impact data integrity, including such changes as new Claims processing software, new Claims processing vendors, and significant changes in personnel.	Up to \$5,000.00 per day of non-compliance.
	<b>Encounter Data</b>	
20.	<i>Timeliness of Encounter Files.</i> Failure of the Contractor to submit the Encounter File within five (5) business days from the scheduled submission due date as set forth in Section 16.0, <b>Encounter Data.</b>	\$5,000.00 per day late fee.  Penalties for encounter timeliness shall be capped at five percent (5%) of the Contractor's monthly capitation rate.

No.	Deficiencies	Penalty Amounts
21.	<i>Timeliness of Encounters from Adjudication Date.</i> Failure of the Contractor to submit an Encounter File with all of the Encounters within thirty (30) days from the adjudication date as set forth in <b>Section 16.0 “Encounter Data.”</b>	Five dollars (\$5.00) per day per encounter late fee calculated as follows: the total number of days between adjudication and submission for the Encounter submitted in the Encounter File; 30 days are then subtracted from the days submitted for that Encounter. The late fee of \$5.00 per encounter is then assessed for each day over the 30 days.  Penalties for encounter timeliness shall be capped at five percent (5%) of the Contractor's monthly capitation rate.
22.	<i>Timely Resubmission of Erred Encounters.</i> Failure to resubmit erred encounter records within thirty (30) days from receipt of the 277U Erred Record Report as set forth in <b>Section 16.0 “Encounter Data.”</b>	Five dollars (\$5.00) per day late fee per encounter over thirty (30) days.  An additional penalty for FQHCs and RHCs encounters of \$11.00 per day shall be assessed for each day greater than thirty (30) days.  Penalties for encounter timeliness shall be capped at five percent (5%) of the Contractor's monthly capitation rate.
23.	<i>Accuracy: Threshold Error.</i> Submission of an Encounter File that exceeds a five (5%) percent threshold error rate as set forth in <b>Section 16.0 “Encounter Data.”</b>	Per Encounter File error fee of 1,000.00.  Penalties for encounter accuracy shall be capped at five percent (5%) of the Contractor's monthly capitation rate.
24.	<i>Accuracy: File Not in Required Format.</i> Failure of the Contractor to submit encounter data in the required form or format (as required by DMS, 837, ASC X12 EDI for Electronic Data Interchange and the KY Companion Guide or current industry standard with appropriate KY Companion Guide) for one calendar month as set forth in <b>Section 16.0 “Encounter Data.”</b>	\$50,000 per file.  Penalties for encounter accuracy shall be capped at five percent (5%) of the Contractor's monthly capitation rate.
25.	<i>Accuracy: Duplicates.</i> Submission of duplicate encounter submissions as set forth in <b>Section 16.0 “Encounter Data.”</b>	Monthly \$5.00 per duplicate encounter fee or the amount of the encounter, whichever is greater.  Penalties for encounter accuracy shall be capped at five percent (5.0%) of the Contractor's monthly capitation rate.

No.	Deficiencies	Penalty Amounts
26.	<i>Completeness: Failure to Submit Required Attestation.</i> Failure of the Contractor to submit the required attestation showing all failed files were successfully resubmitted and accepted within thirty (30) days of notification as set forth in <b>Section 16.0 "Encounter Data."</b>	\$10,000.00 per file and an additional penalty of \$1,000.00 per each late day beyond the thirty (30) days of notification.  Penalties for encounter completeness shall be capped at five percent (5.0%) of the Contractor's monthly capitation rate.
27.	Encounter records are not resubmitted within thirty (30) days of the date the record is returned, as set forth in <b>Section 16.0 "Encounter Data."</b>	Per Encounter File error fee of \$1,000.00.
<b>Quality and Health Outcomes</b>		
28.	Failure to submit quality measures including audited HEDIS and CAHPS results within required timeframes, as set forth in <b>Section 19.0 "Quality Management and Health Outcomes"</b>	\$1,000.00 per day for every day reports are late.
29.	Failure to obtain and/or maintain NCQA accreditation within the timeframes specified in <b>Section 19.0 "Quality Management and Health Outcomes."</b>	\$100,000.00 per month for every month beyond the month NCQA accreditation must be obtained.
30.	Failure to achieve performance targets for each quality performance measure as set forth in <b>Section 19.0 "Quality Management and Health Outcomes."</b>	Up to \$100,000.00 per violation.
31.	Failure to achieve annual targeted health outcomes measures as set forth in <b>Section 19.0 "Quality Management and Health Outcomes."</b>	Up to \$100,000.00 per violation.
32.	Failure to timely submit appropriate PIPs to the Department as set forth in <b>Section 19.0 "Quality Management and Health Outcomes."</b>	Up to \$1,000.00 per day beyond the due date for which an appropriate PIP is received.
<b>Utilization Management</b>		
33.	Failure to provide a written discharge plan or provision of a defective discharge plan for short-term and long-term hospital stays and institutional stays as set forth in Section 20.1 "Utilization Management."	\$1,000.00 per occurrence per case.

No.	Deficiencies	Penalty Amounts
34.		
35.	Imposing arbitrary utilization guidelines, prior authorization restrictions, or other quantitative coverage limits on an Enrollee as prohibited under the Contract or not in accordance with an approved policy.	\$5,000.00 per occurrence per Enrollee.
36.	Failure to provide a timely and content-compliant Notice of Adverse Benefit Determination in accordance with <b>Section 20.0 "Utilization Management."</b>	\$500.00 per day Contractor is in default.
	<b>Enrollee Services</b>	
37.	Failure to obtain approval of Enrollee materials, as set forth in <b>Section 22.0 "Enrollee Services."</b>	\$500.00 per day for each day that the Department determines the Contractor has provided Enrollee materials that have not been approved by the Department.
38.	Failure to comply with timeframes for providing Enrollee materials to Enrollees as set forth <b>Section 22.0 "Enrollee Services."</b>	\$250.00 per occurrence per Enrollee.
39.	Engaging in prohibited marketing activities or discriminatory practices or failure to market statewide, as set forth in <b>Section 25.0 "Marketing."</b>	Up to \$5,000.00 per occurrence.
40.	Failure of Contractor to issue written notice to Enrollees upon Provider's notice of termination in the Contractor's plan, as set forth in <b>Section 28.10 "Termination of Network Providers."</b>	\$1,000.00 per occurrence.
	<b>Complaints, Grievances and Appeals</b>	
41.	Failure to resolve at least 99% of Enrollee and provider complaints within required timeframes from the date the complaint, grievance or appeal is received.	Up to \$250.00 per reporting period.
42.	Identification of a systemic failure of Contractor's Appeal System, as evidenced by Contractor's failure to meet compliance requirements for any aspect of the Appeal system in over 20% of Appealed cases during a 60-day period.	\$500.00 per day Contractor is in default until an approved corrective action plan is fully implemented by the Contractor.

No.	Deficiencies	Penalty Amounts
43.	Failure to maintain a Grievance or Appeal System as set forth in <b>Section 24.0 “Enrollee Grievances and Appeals.”</b>	\$500.00 per day Contractor is in default.
44.	Failure to resolve Enrollee appeals and grievances within required timeframes as set forth in <b>Section 24.0 “Enrollee Grievances and Appeals.”</b>	Up to \$5,000.00 per violation.
45.	Failure to comply with all orders and final decisions relating to claim disputes, grievances, appeals and/or State Fair Hearing as issued or as directed by the Department and as set forth in <b>Section 24.0 “Enrollee Grievances and Appeals.”</b>	\$5,000.00 per occurrence.
46.	Failure to provide continuation or restoration of services where Member was receiving the service as required by Department rules or regulations, applicable Kentucky or federal law, and all appeal procedures as set forth in <b>Section 24.0 “Enrollee Grievances and Appeals.”</b>	The value of the reduced or terminated services as determined by the Department for the timeframe specified by the Department, and \$500.00 per day for each day the Contractor fails to provide continuation or restoration as required by the Department.
47.	Failure to comply with Transition of Care requirements as set forth in <b>Section 26.0 “Enrollee Eligibility, Enrollment, and Disenrollment.”</b>	\$100.00 per day, per Enrollee and the value of the services the Contractor failed to cover during the applicable transition of care period, as determined by the Department.
	<b>Provider Services and Network</b>	
48.	Failure to comply with requirements to work with any identified Credentialing Verification Organization (CVO) designated by the Department as set forth in <b>Section 27.8 “Transition to a Credentialing Verification Organization (CVO).”</b>	\$5,000.00 per incident.
49.	Failure to comply with requirements and timeframes to process credentialing packets as set forth in <b>Section 27.8 “Transition to a Credentialing Verification Organization (CVO).”</b>	\$5,000.00 per incident.
50.	Failure to maintain provider agreements as set forth in <b>Section 28.0 “Provider Network.”</b>	Up to \$5,000.00 per provider agreement found to be non-compliant.
51.	Failure to provide an adequate provider network of physicians, pharmacies, hospitals and other specified health care providers for 95% of Enrollees as set forth in <b>Section 28.0 “Provider Network.”</b>	Up to \$10,000.00 per violation.

No.	Deficiencies	Penalty Amounts
52.	Failure to provide covered services within the timely access, distance, and wait-time standards as described in <b>Section 28.0 “Provider Network.”</b>	\$2,500.00 per month for failure to meet any of the listed standards, either individually or in combination.
53.	Failure to comply with Department-specified definitions of provider types for purposes of determining provider network adequacy as set forth in <b>Section 28.0 “Provider Network.”</b>	Up to \$5,000.00 per incident.
54.	Failure to submit a Provider Enrollment File that meets the Department’s specifications, as set forth in <b>Section 28.0 “Provider Network.”</b>	\$1,000.00 per day after the due date that the Provider Enrollment File fails to meet the Department’s specifications.
55.	Failure to maintain accurate provider directory information as set forth in <b>Section 28.0 “Provider Network.”</b>	\$500.00 per confirmed incident.
<b>Claims Processing</b>		
56.	Failure to comply with prompt pay requirements as set forth in <b>Section 29.0 “Provider Payment Provisions”</b> and as required in Kentucky regulations.	<p>As set forth in KRS 304.99-123, Contractor is subject to the following :</p> <p>A fine of \$1,000.00 per day or 10% of the unpaid claim amount, whichever is greater, for each day that a clean claim remains unpaid in violation of KRS 304.17A-700 to 304.17A-730 and KRS 205.593, 304.14-135, and 304.99-123</p> <p>and</p> <p>When determined non-compliant with timely payment for the required percentages of clean claims, a fine of up to \$10,000.00 where the Commissioner determines the Contractor has willfully and knowingly violated KRS 304.17A-700 to 304.17A-730 and KRS 205.593, 304.14-135, and 304.99-123 or has a pattern of repeated violations of KRS 304.17A-700 to 304.17A-730 and KRS 205.593, 304.14-135, and 304.99-123.</p>
<b>Covered Services</b>		

No.	Deficiencies	Penalty Amounts
57.	Failure to timely provide a covered service as required under this Contract or when not specified therein, with reasonable promptness.	The cost of services not provided plus \$500 per day, per occurrence, for each day that covered service is not provided timely.
58.	Failure to timely provide a covered service as required under this contract when determined by the Department that such failure results in actual harm to an Enrollee or places an Enrollee at risk of imminent harm.	Up to \$7,500.00 per day for each incidence of non-compliance.
59.	Failure to timely authorize and arrange provision of a service under this Contract as directed by the Department and in accordance with 42 C.F.R. 438.210(d).	<p>\$500.00 per standard service authorization request for each day the Contractor is in default, and at the Department's discretion, an additional amount for one of the following: (1) amounts sufficient to offset any savings Contractor garnered by failing to authorize provision of the service, or (2) actual cost to have the service covered.</p> <p>\$750.00 per expedited service authorization request for each day the Contractor is in default, and at the Department's discretion, an additional amount for plus one of the following: (1) amounts sufficient to offset any savings Contractor garnered by failing to authorize provision of the service, or (2) actual cost to have the service covered.</p>
60.	Failure to comply with this Contract and federal rules/law regarding hysterectomies, sterilizations, or abortions.	\$500.00 per occurrence or the actual amount of the federal penalty created by the Contractor's failure to comply, whichever is greater.
61.	Failure to provide coverage for prenatal care without a delay in care and in accordance with <b>Section 32.5 "Maternity Care."</b>	\$500.00 per day, per occurrence, for each day that care is not provided in accordance with the terms of this Contract.
62.		
	<b>EPSDT</b>	
63.	Failure to comply with obligations and timeframes in the delivery of EPSDT services as set forth in <b>Section 32.1 "EPSDT, Early and Periodic Screening, Diagnosis and Treatment."</b>	\$1,000.00 per violation.
	<b>Children in Foster Care</b>	







No.	Deficiencies	Penalty Amounts
64.	Failure to respond to a request by DCBS or DMS to provide service(s) to a child at risk of entering DCBS custody.	The actual amount paid by DCBS and/or DMS for necessary services or \$1,000.00, whichever is greater.
65.	Denial of a request for services to a child at risk of entering DCBS custody when the services have been reviewed and authorized by the Department's Chief Medical Officer.	The actual amount paid by DCBS and/or DMS for necessary services or \$1,000.00, whichever is greater.
	<b>Program Integrity</b>	
66.	Failure to comply with fraud and abuse provisions not otherwise noted in this section.	\$1,000.00 per day for each day of non-compliance.
67.	Failure to remit an amount or balance of a provider overpayment within the timeframes set forth in <b>Section 36.4 "Audit by Department or its Designee."</b>	\$500.00 per incident. <b>Note:</b> DPI discussed potentially changing such that whoever identifies the overpayment (MCO or DMS) keeps it. MCO would only keep it they acted on it within 180 days under current requirements – would like to see that changed to collecting it within 180 days.
68.	Failure to identify a minimum of two percent (2%) in provider overpayments and prepayment cost avoidance related to Fraud and Abuse of the Monthly Benefit Payments total as reported.	\$5,000 on the first monthly occurrence, \$10,000 on the second occurrence and \$15,000 on the third and subsequent occurrence.
69.	Failure of the Contractor's PIU to conduct a minimum of three (3) site visits per calendar quarter.	\$10,000 dollars per visit not conducted per calendar quarter.
70.	Failure of the contractor to attend any required training or meeting related to program integrity, given by the Division of Program Integrity, Fiscal Agent, its designees, or other Contractor's organizations.	\$1,000 penalty per occurrence.
71.	Failure to collect an outstanding debt owed to the Department from providers and releasing payments to the providers.	\$1,000 penalty if disclosed by the Contractor, a \$10,000 penalty per occurrence if discovered by the Department.
72.	Failure to respond to informational or reporting requests whether recurring or a one-time request from the Department, the OIG, the OAG, or any other agent or contractor of the Department within the timeframe requested.	\$500 a day penalty until the information is received.  The Contractor may request an extension prior to the deadline of the request(s).

No.	Deficiencies	Penalty Amounts
73.	Failure to meet the provisions regarding two (2) full time investigators located in Kentucky with their caseload 100% dedicated to the Kentucky Medicaid Market.	\$5,000 on the first monthly occurrence, a penalty of \$10,000 on the second occurrence, \$15,000 on the third and subsequent occurrences.
74.	Failure to request the Department's permission to administratively collect overpayments in excess of \$500 prior to collection.	A forfeiture of the amount collected from the provider by the Contractor and a \$10,000 penalty per occurrence.
75.	Failure to submit or comply with the requirements of the Department-approved Program Integrity Plan and specific program integrity reporting.	Up to \$1,000.00 per day for each incident of non-compliance.
<b>Data, Reporting Requirements and Deliverables</b>		
76.	Failure to submit complete and accurate data except for encounter submission or if otherwise addressed in the Contract.	\$1,000.00 per determination.
77.	Failure of the Contractor to provide a paid claims listing by the required date as set forth in <b>Section 37.1 "General Reporting and Data Requirements."</b>	\$50,000.00 per hospital and \$1,000.00 per day until provided. \$25,000.00 for any paid claims listing that is not in the required format, or is determined to contain errors or omissions.
78.	Failure to provide a required report or deliverable set forth in <b>Appendix D, Reporting Requirements and Reporting Deliverables</b> in the required timeframe; for which submission is incomplete or incorrect; or failure to resolve identified reporting or deliverable errors within five (5) business days or other required timelines upon notification by the Department	\$250 per day until the violation is remedied, deducted from the next month's Capitation Payment.
<b>Enrollee Confidentiality and Protected Health Information</b>		
79.	Failure to ensure client confidentiality in accordance with 45 CFR 160 and 45 CFR 164; and an incident of non-compliance will be assessed as per member and/or per HIPAA regulatory violation, as set forth in <b>Section 38.0 "Records Maintenance and Audit Rights."</b>	Up to \$5,000.00 for each breach.
80.	Failure to ensure that all Kentucky Medicaid data containing protected health information (PHI), as defined by HIPAA, is secured as set forth in <b>Section 38.0 "Records Maintenance and Audit Rights."</b> (See also Business Associate Agreement).	\$500.00 per Enrollee per occurrence, and if the Commonwealth deems credit monitoring and/or identity theft safeguards are needed to protect those Enrollees whose PHI was placed at risk by Contractor's failure to comply with the terms of this Contract, the Contractor shall be liable for all costs associated with the provision of such monitoring and/or safeguard services.


No.	Deficiencies	Penalty Amounts
81.	Failure to seek express written approval from the Department prior to the use or disclosure of Enrollee data or Kentucky Medicaid confidential information as set forth in <b>Section 38.0 “Records Maintenance and Audit Rights.”</b> (See Business Associate Agreement).	\$1,000.00 per Enrollee or per occurrence.
82.	Failure to timely report violations in the access, use and disclosure of PHI or timely report a security incident or timely make a notification of breach or notification of provisional breach (See also Business Associate Agreement).	\$500.00 per Enrollee per occurrence, not to exceed \$10,000,000.00.

**APPENDIX C. REQUIRED STANDARD PROVISIONS FOR NETWORK PROVIDER CONTRACTS**

<b>Contract Requirement</b>	<b>Agree to Comply</b>
<p>The Contractor shall develop and implement provider contracts in accordance with this Contract and all applicable federal and State statutes, regulations, policies, procedures and rules, including but not limited to, 42 CFR 434, 42 CFR 438.214, 42 CFR 438.6 and 42 CFR 438.808. The Contractor shall include provisions to address the below items in its provider contracts, as applicable to the provider type. The parties agree and acknowledge that the Department may require amendment of provisions or additional provisions for the Contractor's provider contracts. All template provider contracts and amendments must be approved in writing in advance by the Department and the Contractor. These requirements also apply to Subcontractors that are developing provider networks</p>	
<p><b>A. General Provisions</b></p> <ol style="list-style-type: none"> <li>1. Identify the parties to the provider contract and their legal basis of operation in the Commonwealth of Kentucky;</li> <li>2. Require the provider to comply with all applicable Commonwealth and federal statutes, regulations, policies, procedures and rules;</li> <li>3. Specify that during the term of the provider contract, the provider shall indemnify and hold CHFS harmless from all claims, losses, or suits relating to activities undertaken by the provider pursuant to this Contract;</li> <li>4. Specify that the provider is not a third party beneficiary to this Contract and that the provider is performing services as agreed upon with the Contractor and outlined in this Contract;</li> <li>5. Specify that if the Department determines that any provider contract provision conflicts with this Contract, such provision shall be null and void and all other provisions shall remain in full force and effect; and</li> <li>6. Require that the provider maintain through the terms of this Contract and at its own expense professional and comprehensive general liability and medical malpractice insurance.</li> </ol>	
<p><b>B. Marketing</b></p> <p>Include Marketing restrictions as applicable and described in this Contract.</p>	
<p><b>C. Provision of Services</b></p> <ol style="list-style-type: none"> <li>1. Identify the Covered Services, tasks, and reporting to be performed by the provider, including provision(s) describing how Enrollees access Covered Services provided under the provider contract terms;</li> <li>2. Provide that emergency services will be rendered without a requirement for prior authorization;</li> </ol>	

<ol style="list-style-type: none"> <li>3. State that if the provider contract includes primary care services, PCP requirements set forth in this Agreement shall apply;</li> <li>4. Require laboratory service providers to meet all applicable requirements of the Clinical Laboratory Improvement Amendments (CLIA) of 1988; and</li> <li>5. Require providers to meet appointment waiting time standards set forth in this Contract.</li> </ol>	
<p><b>D. Enrollee Services</b></p> <ol style="list-style-type: none"> <li>1. Specify Medicaid populations to be served;</li> <li>2. Require the provider to comply with Enrollee rights and responsibilities as outlined in this Contract;</li> <li>3. Require Contract Providers to comply with applicable cultural competency requirements;</li> <li>4. Require that Enrollee information be kept confidential, as defined by federal and State statutes or regulations;</li> <li>5. Require that the provider display notices of the Enrollee's right to appeal adverse action affecting services in public areas of the provider's facility(ies) in accordance with Department rules and regulations, subsequent amendments; and</li> <li>6. Specify the provider's responsibilities and prohibited activities regarding Enrollee cost sharing.</li> </ol>	✓
<p><b>E. Quality and Utilization Management</b></p> <ol style="list-style-type: none"> <li>1. Describe, as applicable, any physician incentive plan and/or value-based payment program to which the provider is subject to participation;</li> <li>2. Provide for the provider's participation and cooperation in internal and external quality management or quality improvement activities, such as, monitoring, utilization review, peer review and/or appeal procedures established by the Contractor and/or the Department;</li> <li>3. Include the definition and standards for Medical Necessity as required under this Contract;</li> </ol>	✓
<p><b>F. Claims and Payment</b></p> <ol style="list-style-type: none"> <li>1. Include the reimbursement rates and terms that the Contractor will pay the provider under the provider contractor;</li> <li>2. Provide for prompt submission of information needed to make payment;</li> <li>3. Require provider submission of timely, complete, and accurate Encounter Claims;</li> <li>4. Provide for timely payment to the provider for Covered Services upon approval of a clean claim properly submitted by the Provider within the required timeframes;</li> </ol>	✓

<ul style="list-style-type: none"> <li>5. Specify acceptable billing and coding requirements;</li> <li>6. Specify the provider's responsibilities for third party liability (TPL); and</li> <li>7. State that the provider shall accept payment from the Contractor as payment for services performed, and cannot request payment from the Department or the Enrollee, unless the Member is required to pay a copayment for the service rendered.</li> </ul>	
<b>G. Records Maintenance and Audit Requirements</b> <ul style="list-style-type: none"> <li>1. Require providers to maintain all records relating to services provided to Enrollees for a ten(10) year period and to make all Enrollee medical records or other service records available for the purpose of quality review conducted by the Department, or their designated agents both during and after the term of the provider agreement; and</li> <li>2. Include a provision that authorized representatives of the Department, or other Commonwealth and federal agencies shall have reasonable access to premised, physical facilities, equipment and records for financial and medical audit purposes both during and after the term of the Provider contract.</li> </ul>	✓
<b>H. Oversight and Monitoring</b> <ul style="list-style-type: none"> <li>1. Include a provision for the timely submission to the Contractor of any information, including reports and clinical information, necessary for the Contractor to perform its obligations under this Contract;</li> <li>2. State that the Contractor will monitor the provider's performance on an ongoing basis and subject the provider to formal periodic review;</li> <li>3. Provide for Contractor monitoring of the provider's performance and quality of services delivered under the provider contract; and</li> <li>4. Require the provider to comply with corrective action plans required by the Contractor.</li> </ul>	✓
<b>I. Program Integrity</b> <ul style="list-style-type: none"> <li>1. Require, as a condition of receiving any amount of payment, that the provider comply with Program Integrity requirements of this Contract, as applicable</li> </ul>	✓
<b>J. Non-allowable Provisions</b> <p>The Contractor shall not include in its provider contracts provisions that:</p> <ul style="list-style-type: none"> <li>1. Prohibit a provider from entering into a contractual relationship with another MCO contracted to provide services for the Kentucky Medicaid managed care program;</li> <li>2. Include incentives or disincentives that encourage a provider not to enter into a contractual relationship with another MCO contracted to provide services for the Kentucky Medicaid managed care program;</li> </ul>	✓

<ol style="list-style-type: none"> <li>3. Contain any provisions that prohibit or otherwise restrict health professionals from advising patients about their health status or medical care or treatment as provided in section 1932(b)(3) of the Social Security Act or 42 CFR 438.102;</li> <li>4. Prohibit a provider from acting within the provider's lawful scope of practice;</li> <li>5. Prohibit a provider from discussing treatment or non-treatment options with Enrollees that may not reflect the Contractor's position or may not be covered by the Contractor;</li> <li>6. Prohibit a provider from advocating on behalf of the Member in any Grievance System or Utilization Review process, or individual authorization process to obtain necessary Covered Services; and</li> <li>7. Require a provider to participate or accept other plans or products offered by the Contractor unrelated to providing Covered Services to Enrollees</li> </ol>	
<p><b>K. Termination</b></p> <ol style="list-style-type: none"> <li>1. Include criteria and procedures for terminating the provider contract including provisions for termination for any violation of applicable State or federal statutes, rules, and regulations and in accordance with this Contract;</li> <li>2. Specify that the Department reserves the right to direct the Contractor to terminate or modify the provider contract when the Department has determined such termination or modification is in the best interest of the Commonwealth; and</li> <li>3. Provide for continuity of care when a provider's participation terminates during the course of an Enrollee's treatment by the provider</li> </ol>	

## APPENDIX D. REPORTING REQUIREMENTS AND REPORTING DELIVERABLES

**WellCare of Kentucky will comply with the Department of Medicaid Services' expectations and requirements as specified in Appendix D. Reporting Requirements and Reporting Deliverables.**

As described in Section 37. Reporting Requirements, the Department will collaborate with the MCOs to develop a finalized reporting package with the Department having final decision-making and approval of required reports. The below table provides a sample of reports the Department will require the Contractor to submit. However, the listing is subject to change based on the finalized reporting package as well as throughout the Contract Term when the Department identifies need for differing reports.

No	Report Name	Description	Frequency
<b>Administrative and Financial Reports</b>			
1	Annual Managed Care Program Report	The Annual Managed Care Program Report should include financial performance, encounter data reporting, enrollment, benefits covered, grievances and appeals, availability and accessibility of covered services, evaluations of plan performance on quality measures and sanctions or corrective active plans. Narrative must be provided that details the Contractor's overall assessment of operations and impact to quality of care and healthcare outcomes for Enrollees. For identified challenges and where healthcare outcomes have not changed, include an assessment of the reasons and initiatives the Contractor will conduct to work to address. Trend analysis should be provided where appropriate. Information in this report will support the Department with requirements of 42 CFR 438.66 to submit annual reporting to CMS.	Annually
2	Operating Report	Report of each entity/Subcontractor of the Contractor, providing evidence of Contractor oversight activities and performance (e.g., performance metrics, corrective actions, sanctions). Include detailed description of entity/subcontractor role and reporting requirements.	Annually
3	NAIC Financial Statements	The Contractor shall comply with the Kentucky Department of Insurance (DOI) requirements for filing requirements for NAIC Financial Statements and Supplements. The Contractor shall submit a copy of the NAIC Financial Statement and Supplements, and any revisions to such, to the Department for Medicaid Services (Department) at the same time of submissions to the DOI.	Quarterly and Annually
4	Audit and Internal Control Reports	The Contractor shall comply with DOI requirements for Audit and Internal Control reporting as referenced in the DOI NAIC Checklist for Health. The Contractor shall submit a copy of the reports, and any revisions to such, to the Department at the same time of submissions to the DOI.	Annually
5	Statement on Standards for Attestation Engagements (SSAE) No. 16	Provide the Statement on Standards for Attestation Engagements (SSAE) No. 16 Type II audit that addresses the engagements conducted by services providers on service organization for reporting design control and operational effectiveness.	Annually
6	Medical Loss Ratio (MLR) Report	Provides information on the components of the MLR, Department-defined MLR calculations, including but not limited to an accounting of expenditures on activities that improve health care quality and consistent with 42 C.F.R. 438.8(k) and 438.74.	Quarterly and Annually with Annual Audits
7	Total Cost of Care (TCOC) Per Member Per Month (PMPM)	Provides a summary of cost drivers and activities the Contractor will conduct to address the drivers and mitigate future cost growth, where possible.	Annually



No	Report Name	Description	Frequency
8	Expenditures Related to MCO's Operations	Provides the Executive Management's salary, bonus, other compensation, travel and other expenses based upon the reporting period.	
9	Pass-Through Payment Reporting	Provider pass-through payments are paid as a separate PMPM add-on to the capitation rates vary by region/rate cell. Payments are reconciled after a six (6) month runout period. It may be helpful to DMS to be able to track payment activity prior to reconciliation.	Quarterly
<b>Enrollee Services Reports</b>			
10	Enrollment Report	Provides summary of key enrollment data and activities. Examples of information that will be provided include: monthly enrollment and disenrollment by eligibility category, top 10 reasons for disenrollment, number of welcome packets, ID cards, and Enrollee Handbooks distributed to Enrollees (electronic and hard copy), and average time required for distribution of each.	Quarterly
11	Ineligible Assignment	<p>Identify Enrollees for whom the Contractor identifies one of the following instances:</p> <ul style="list-style-type: none"> <li>• An Enrollee who the Contractor believes is not eligible for enrollment;</li> <li>• Conflicting Enrollee data elements;</li> <li>• A potential duplicate Enrollee assignment.</li> </ul> <p>When the potential ineligible Enrollee is identified through receipt of a HIPAA 834 transaction (daily or monthly), use the data received on the HIPAA 834 to complete the report. The MCO Comments field shall start with the date of the HIPAA 834 transaction. When the potential ineligible Enrollee conflicting data elements or potential duplicate Enrollee assignments are identified through other means than the HIPAA 834 transaction, complete the report using the active data from the MCO Eligibility system. The Contractor may include in the MCO Comment field details as to why the Contractor thinks the Enrollee is a duplicate if the Enrollee deems the information critical for Department review.</p>	Daily (as needed)
12	Newborn Enrollment Report	The 'Newborn' report indicates all newborns that are thirty (30) days or older for which the Contractor has not received a HIPAA 834 enrollment transaction.	Monthly
13	Changes in Primary Care Provider (PCP) Assignment Initiated by Enrollee, Provider, or MCO.	Provides changes in PCP assignment by eligibility category by source of initiation (Enrollee, Provider, or Contractor), and reasons for requested changes. Report includes analysis by Contractor of any trends over time (e.g., PCP panel changes greater than ten percent (10%) annually, multiple requests from same Enrollee, etc.)	Quarterly
14	Enrollee Outreach Report	<p>Report that details progress of Enrollee outreach activities against Outreach Plan. Examples of information that will be provided include:</p> <ul style="list-style-type: none"> <li>• Summary of activities, including goal of activity, location or resource, activity, targeted Enrollee population(s)</li> <li>• Summary of Enrollee engagement by activity</li> <li>• Outcome of activity</li> <li>• Results that will be used by the Contractor to enhance operations, if applicable</li> </ul>	Quarterly
15	Enrollee Services Annual Report	Report prepared by Enrollee Services staff for management to recommend changes, as applicable, to Enrollee services functions to improve either quality of care provided to Enrollees or method of delivery. Report should include a summary of changes the Contractor will implement.	Annually

No	Report Name	Description	Frequency
16	Enrollee Call Center Report	Provides Enrollee call center statistics on required metrics as measured by monthly averages and information about timeliness of resolution of requests. Includes reporting of average call volume statistics by monthly averages to assist in identifying spikes in calls against performance	Quarterly or more frequently as requested by Department
17	Marketing Activities Report	Report that details marketing activities. Examples of information that will be provided include: <ul style="list-style-type: none"> <li>• Summary of activities, including goal of activity, location or resource, activity, targeted Enrollee population(s)</li> <li>• Listing of materials distributed (electronic and hard copy)</li> <li>• Estimated number of Enrollees reached</li> <li>• A total for all Splits/VDN and each individual Split/VDN is to be reported.</li> </ul>	Quarterly
18	KY HEALTH Call Center Reports	KY HEALTH Report provides MCO reporting of call center performance in the areas of abandonment, blockage rate and average speed of answer. A total for all Splits/VDN and each individual Split/VDN is to be reported.	Monthly
19	EPSDT CMS – 416 Report	Specifications shall be in compliance with the most current CMS 416: Annual EPSDT Participation Report and shall be based on Federal Fiscal Year (FFY).	Annually
<b>Provider Services and Network Reports</b>			
20	Provider Credentialing and Contracting Status Report	Documents the following information at a minimum: - Credentialing status of providers requesting enrollment by Medicaid provider type and credentialing activity. - Number of providers by Medicaid provider type for which the Contractor provided assistance with Medicaid enrollment. - Number of providers by type - Number of newly contracted providers by Medicaid provider type. Providers who applied for credentialing and contracting under multiple provider types are to be reported under each type. Additionally, include location information for all requested information to identify, for example, potential shortage areas and network gaps.	Quarterly
21	Provider Network Status Report	Report documents information such as: <ul style="list-style-type: none"> <li>- Additions to the Provider Network by provider type and Region.</li> <li>- Provider terminations from the Provider Network by provider type and region. Also stratified by reason type with summary detail of trends and how the Contractor is addressing areas of concern, where applicable.</li> </ul>	Monthly
22	Provider Network File Layout	MCOs should provide MCO Provider Network File layouts as provided in Appendix L of the MCO Contract Appendices.	Monthly
23	Network Adequacy Exceptions Report	Report of active network adequacy exceptions approved by the Department, including date of approval, description of the network adequacy exception, description of how the Contractor is assuring Enrollees are receiving the necessary care, efforts the Contractor is making to address the deficiency, and progress.	Quarterly

No	Report Name	Description	Frequency
24	Primary Care Provider Assignment Report	Provides the following information at a minimum: - Provider Name, Provider Medicaid ID Number, NPI Number, number of Enrollees assigned by age category, total panel size (filled and open), percent change in Enrollee assignments. - Number of PCPs in network accepting new Enrollees and number of open panel slots. - Summary statistics by Region. Narrative description of identified areas of concern with access and Contractor activities to address.	Quarterly
25	GeoAccess Network Reports and Maps	Provide separate Geographical Access reports for each county addressing all Provider types specified by the Department, including separate analyses for the following: 1. Adult PCPs for ages twenty one (21) and over 2. Pediatric PCPs for children under the age of twenty one (21) 3. Adult Specialists 4. Pediatric Specialists 5. General Dentists 6. Telehealth Presentation Sites 7. Provider specialist shortages as identified by the Department or the Contractor including but not limited to Obstetrics (OB) Providers Prepare separate Geographical Access reports showing Providers with open panels only and showing all open and closed panel.	No less than quarterly, and more frequently as required by the Department
26	Timely Access Reports	Report demonstrating percentage of providers offering appointment wait times within specified timeframes by provider type as set forth in this Contract. Where percentages fall below a percentage set by the Department, include an explanation of how the Contractor is working to improve the percentages for the specified provider type. If corrective action plan required, report will include progress on actions taken.	No less than quarterly, and more frequently as required by the Department
27	Provider Compliance with Access Requirements Report	Summary of Contractor monitoring activities, findings, and opportunities for improvement of provider compliance with access standards, and a description of actions the Contractor will take to address the opportunities for improvement identified.	Annually
28	Denial of MCO Participation	Report documents any Provider or Subcontractor who is denied participation with the Contractor. Only those Providers or Subcontractors who are not currently participating with the Contractor are to be reported.	Monthly
29	Federally Qualified Health Centers and Rural Health Centers	Report provides the total amount paid to each Federally Qualified Health Center (FQHC) and Rural Health Center (RHC) per month. All Providers with a specialty of FQHC or RHC are to be reported.	Quarterly
30	Provider Call Center Report	Provides Provider call center statistics on required metrics measured by monthly averages and information about timeliness of resolution of requests. Data should be reported by call center area (e.g., Provider Services, Utilization Management, Pharmacy Services).	Quarterly or more frequently as requested by Department

No	Report Name	Description	Frequency
31	Telehealth Reporting	<p>Provide information and data on telehealth services to support the CHFS in providing an annual report to the Legislature as required under KAR 205.559. Information and data must be sufficient to enable the CHFS to analyze and report on the following:</p> <ol style="list-style-type: none"> <li>1. The economic impact of telehealth services on the Medicaid budget, including any costs or savings as a result of decreased transportation expenditures and office or emergency room visits;</li> <li>2. The quality of care as a result of telehealth consultations; and</li> <li>3. Any other issues deemed relevant by the CHFS.</li> </ol> <p>In addition to the analysis required under KAR 205.557, report sufficient telehealth cost information to enable the CHFS report to compare telehealth reimbursement and delivery among all managed care partnerships or other entities under contract with the cabinet for the administration or provision of the Medicaid program.</p>	Annually
<b>Quality Reports</b>			
32	Report of Quality Improvement Activities; Monitoring Indicators, Benchmarks and Outcomes	Describe the quality assurance activities during the report period directed at improving the availability, continuity, and quality of services. Examples include problems identified from utilization review to be investigated, medical management committee recommendations based on findings, special research into suspected problems and research into practice guidelines or disease management. Include a narrative on the Contractor's progress in developing or obtaining baseline data and the required health outcomes, including proposed sampling methods and methods to validate data, to be used as a progress comparison for the Contractor's quality improvement plan. The report should include how the baseline data for comparison will be obtained or developed and what indicators of quality will be used to determine if the desired outcomes are achieved.	Annual
33	QAPI Status Reports	Report on status of QAPI activities.	Quarterly
34	QAPI Annual Report	<p>Report that provides an assessment of the effectiveness of the Contractor's QAPI program, included documentation for necessary changes. Examples of information the report will include are:</p> <ul style="list-style-type: none"> <li>- Progress in implementing QAPI strategies and activities;</li> <li>- Effectiveness of QAPI program activities in impacting quality;</li> <li>- Findings of whether QAPI activities are completed timely and whether commitment of additional resources is necessary;</li> <li>- Findings that will drive change in program strategy, administration, or activities; and</li> <li>- Plan for implementing changes, including updated workplan.</li> </ul>	Annually
35	Performance Improvement Projects Status Reports	Baseline, interim and final results reports that are to each be submitted in the format outlined in the Health Plan Performance Improvement Project document. Additional progress reports on the status of PIPs may be requested with report elements to be determined based on specific PIP.	Quarterly

No	Report Name	Description	Frequency
36	Audited HEDIS Reports	<p>Report audited HEDIS data annually as follows:</p> <ul style="list-style-type: none"> <li>- Submit the Final Auditor's Report issued by the NCQA certified audit organization and an electronic (preferred) or printed copy of the interactive data submission system tool.</li> <li>- For each measure reported, provide trending of results from previous years in chart and table format. Where applicable, indicate benchmark data and performance goals established for the reporting year. Include values for the denominator and numerator used to calculate the measures.</li> <li>- For all reportable Effectiveness of Care and Access/Availability of Care measures, stratify each measure by Medicaid eligibility category, race, ethnicity, gender and age.</li> </ul>	Annually
37	Other Quality and Performance Measurements Reports	Report of quality and performance measures other than HEDIS as specified by the Department, including stratification.	Quarterly and Annually
38	Member Satisfaction Survey Report	<p>Submit a copy of all survey results. Examples of information that will be included are as follows:</p> <ul style="list-style-type: none"> <li>- A description of the survey conducted, and survey tool attached as an Exhibit;</li> <li>- A description of the survey methodology;</li> <li>- The number and percentage of Enrollees targeted to survey, by population grouping if specific Enrollee populations targeted;</li> <li>- Response rate by Enrollee population;</li> <li>- Comprehensive analysis of survey findings and action plan of interventions conducted or planned to address identified issues.</li> </ul> <p>Include an evaluation describing the effectiveness of the previous' years interventions. After the first submission, submit updates on Contractor progress in implementing the action plan forty-five (45) days after the end of each quarter.</p>	Dependent on survey timing
39	Provider Satisfaction Survey Report	<p>Submit a copy of all survey results. Examples of information that will be included are as follows:- A description of the survey conducted, and survey tool attached as an Exhibit; - A description of the survey methodology; - The number and percentage of providers targeted to survey, by population grouping if specific Enrollee populations targeted; - Response rate by provider type - Comprehensive analysis of survey findings and action plan of interventions conducted or planned to address identified issues. Include an evaluation describing the effectiveness of the previous' years interventions. After the first submission, submit updates on Contractor progress in implementing the action plan forty-five (45) days after the end of each quarter.</p>	Dependent on survey timing

No	Report Name	Description	Frequency
40	Enrollee Appeals and Grievance Activity	<p>Document the number and types of informal and formal grievances and appeals received by or on behalf of Enrollees based on Category of Service. Examples of information that will be reported include:</p> <ul style="list-style-type: none"> <li>- Number and types of grievances and appeals received, including identification of the top 10 types;</li> <li>- Disposition of all grievances and appeals (e.g., service denials or complaints, payment, quality of care) and status;</li> <li>- Number of grievances and appeals resolved by type of resolution (e.g., upheld, overturned);</li> <li>- The type of service and dollar amount for all overturned denials; and</li> <li>- Average turnaround times for resolution by type of grievance or appeal based on monthly totals.</li> </ul> <p>In accordance with KRS 205.534, information shall be by provider category, as prescribed by the Department, and at a minimum include inpatient acute care hospital services, inpatient psychiatric hospital services, outpatient hospital services, residential behavioral health services, and outpatient behavioral health services.</p>	Monthly
41	Provider Appeals and Grievance Activity	<p>Document the number and types of informal and formal grievances and appeals received by or on behalf of Enrollees based on Billing Provider Type/Category. Examples of information that will be reported include:</p> <ul style="list-style-type: none"> <li>- Number and types of grievances and appeals received</li> <li>- Disposition of all grievances and appeals (e.g., service denials or complaints, payment, quality of care), status and final outcomes</li> <li>- Number of grievances and appeals resolved by type of resolution (e.g., upheld, overturned)</li> <li>- The type of service and dollar amount for all overturned denials</li> <li>- Average turnaround times for resolution by type of grievance or appeal based on monthly totals.</li> </ul> <p>In accordance with KRS 205.534, information shall be by provider category, as prescribed by the Department, and at a minimum include inpatient acute care hospital services, inpatient psychiatric hospital services, outpatient hospital services, residential behavioral health services, and outpatient behavioral health services.</p>	Monthly
42	KY HEALTH Grievance Activity - Members and Providers	<p>KY HEALTH Report provides summarized activity for both Member Grievances and Provider Grievances voiced to the MCO during the reporting period. Grievance means the definition established in 42 CFR 438.400. MCOs are to report:</p> <ul style="list-style-type: none"> <li>- All Grievances received during the reporting period;</li> <li>- All Grievances received in prior periods that are resolved in the reporting period; All Grievances received in prior periods that have not been resolved.</li> </ul>	
<b>Pharmacy Reports</b>			
43	Pharmacy Fraud, Waste and Abuse report	Report by Prescriber, Pharmacies, and Enrollees. Include all cases acted upon during the reporting period. New cases, action taken on existing cases, and closed cases are to be identified and the outcome of the investigation documented. Report shall specify date of case, description of allegation/complaint, key findings, recoupment, and coordination activities with the Department and OIG.	Quarterly
<b>Capitation Payment Reports</b>			
44	Capitation Payment Request	Report of all Enrollees that the MCO identifies for which payment has not been received or an incorrect payment has been made. Only those months equal to or prior to the MMIS Managed Care Reconciliation Month (MMIS Recon Month) are to be reported.	Monthly
45	Capitation Duplicate Payment	Provides information for duplicate payments.	Monthly

No	Report Name	Description	Frequency
46	Capitation Adjustment Requests	Provides information for Enrollees who the Contractor thinks an inaccurate capitation payment was made. The capitation adjustment requests are limited to the capitation payments made for the MMIS Recon Month or capitation payments that were made as retroactive payments that will not be adjusted though the MMIS Recon processes because the capitation month is prior to the MMIS Recon Month.	Monthly
<b>Claims Payment Reports</b>			
47	Co-payments	Report on the Enrollees' co-payments, including recognition of the accumulation indicators for maximum out-of-pocket co-payments and cost sharing capitations per period that are shared through system files transmissions.	
48	Encounter Data Comparison Report	Compares what is reported in financials to what is submitted in encounter data with an accounting of discrepancies.	Quarterly
49	Prompt Payment	Copy of the quarterly Prompt Payment Report and any revisions submitted to the Department of Insurance (DOI) required as referenced in the DOI HIPMCICPB Prompt Payment Reporting Manual. Any revisions of the documents submitted to the DOI are also to be submitted to the DMS at the same time.	Quarterly
50	Original Claims Processed	<p>Provides the number of original clean claims processed during a reporting period reported by Billing Provider Type and claim status. There are four claim statuses to be included in the report:</p> <ol style="list-style-type: none"> <li>1. Received;</li> <li>2. Pay;</li> <li>3. Deny; and</li> <li>4. Suspended</li> </ol> <p>In accordance with KRS 205.534, information shall be by provider category, as prescribed by the Department, and at a minimum include inpatient acute care hospital services, inpatient psychiatric hospital services, outpatient hospital services, residential behavioral health services, and outpatient behavioral health services.</p>	Monthly
51	Original Claims Inventory	Provides the number of original clean claims paid during a reporting period and length of time from receipt of a clean original claim to claim payment; the number of original clean claims denied during a reporting period and length of time from receipt of a clean original claim to claim denial; the number of original clean claims in a suspended status during a reporting period and length of time from receipt of an original claim.	
52	KY HEALTH Original Claims Processed	<p>Provides the number of original clean claims processed during a reporting period reported by Billing Provider Type and claim status. There are four claim statuses to be included in the report:</p> <ol style="list-style-type: none"> <li>1. Received;</li> <li>2. Pay;</li> <li>3. Deny; and</li> <li>4. Suspended</li> </ol> <p>Information shall be by provider category, as prescribed by the Department, and at a minimum include inpatient acute care hospital services, inpatient psychiatric hospital services, outpatient hospital services, residential behavioral health services, and outpatient behavioral health services.</p>	Monthly

No	Report Name	Description	Frequency
53	Post Payment Billing Recovery	Reports all recoveries for monies collected from commercial insurance carriers during the reporting period from claims that were paid prior to the commercial insurance carrier being identified. Reports should include recoveries for pharmacy and non-pharmacy. If the Contractor has delegated recovery functions for any service to subcontractors, the amounts recovered by the subcontractors should also be broken out.	Quarterly
54	COB Savings	Reports the Medicare crossover claims denied during the reporting period because the claim was submitted without first having been submitted to Medicare for payment.	Monthly
55	Medicare Cost Avoidance		Monthly
56	Non-Medicare Cost Avoidance	The report lists the claims that were denied during the reporting period because the claim was submitted without first having been submitted to another Insurer for payment. The report is not to include Medicare crossover claims.	Monthly
57	Potential Subrogation	Provides report for cases where an Enrollee has had an accident and there is potential for a liable third party or subrogation claim.	Monthly
58	Third Party Liability	Report all third party liability (TPL) claim types in monthly recoveries reports (dental, vision, pharmacy, inpatient, professional, behavioral health, and non-emergency transportation). Clearly define how the Contractor should report cost avoidance figures. An accurate indicator of actual cost avoidance would be the TPL amount applied on the claims for beneficiaries with other primary coverage. These amounts would more accurately reflect the claims amount that was "cost avoided" due to coverage by a third party.	
59	Out-of- Network Provider Report	Provides report of visits to out-of-network providers by provider type, including number of visits, number of visits prior authorized, reasons for out-of-network usage, and claims payment information. Assessment should be included for trends in use of out-of-network providers, including details about use to fill gaps in provider network and initiatives the Contractor is implementing to address gaps.	Quarterly
60	Payment of Abortion Procedures	Claim listing of abortion procedures paid by the Contractor within the reporting period. The report is required even if no procedures were paid during the reporting period. Attachments to be provided with the report include: 1. Claim Form 2. Pre-Op and/or Post-Op Notes 3. Physician Certificate 4. Remittance Advice The Department keeps all originals and provides CMS a copy of the Abortion Procedures Report, along with copies of all attachments stamped CONFIDENTIAL with confidential information redacted (except the last four numbers of the Social Security Number as required by CMS).	Quarterly
61	Monthly Benefit Payments	The Monthly Benefit Payments report provides MCO financial activity for the Medicaid expansion population, Kentucky Children's Health Insurance Program (KCHIP), and all other Medicaid populations by Month and State Category of Service. Report only includes financial activity related to Benefits including claims, claim adjustments, mass adjustments, sub-capitation, and other financial payments/recoupment activity not processed as part of claims activity. Categories of Service are grouped by Medicaid Mandatory and Medicaid Optional Services. Criteria to properly identify and report EPSDT services and KCHIP services are to be applied as defined by the Department.	Monthly



No	Report Name	Description	Frequency
62	Quarterly Benefits Payment	Provides the Contractor's financial activity for the Medicaid and Kentucky Children's Health Insurance Program (KCHIP) by Region, month and State Category of Service. Report only includes financial activity related to Benefits including claims, claim adjustments, mass adjustments, subcapitation, and other financial payments/recoupment activity not processed as part of claims activity. Categories of Service are grouped by Medicaid Mandatory and Medicaid Optional Services. Criteria to properly identify and report EPSDT services and KCHIP services are to be applied as defined by the Department.	Quarterly
63	Provider Outstanding Accounts Receivables	The Provider Outstanding Account Receivables report contains all accounts receivable that have reached one hundred eighty (180) days or older in age. If there are no accounts receivable one hundred eighty (180) days or older as of the last day of the reporting period then the report is to be submitted with the 'Total' values set to \$0.00 and the following comment located at the bottom of the report: 'NO ACCOUNTS RECEIVABLE 180 DAYS OR OLDER TO REPORT AS OF THE END OF THE REPORTING PERIOD'	Monthly
64	Provider-Preventable Conditions	Report of all identified provider preventable conditions in a form and frequency as specified by the Commonwealth and required in 42 CFR 438.3 (g).	Quarterly
<b>Program Integrity Reports</b>			
65	SUR Algorithms	The SUR Algorithm report identifies potential overpayments to providers determined to be erroneous, abusive or otherwise inconsistent with the Department's and/or Contractor policy. The report is to include only those providers for which a demand letter was sent. MCO algorithms that are routinely run are to be identified, documented and provided to the Department prior to the first submission of the SUR Algorithms Report. If the MCO modifies and/or creates specially designed algorithms that are used in reporting any subsequent SUR Algorithm report, the Contractor is to provide to the Department at the time of report submission documentation related to the algorithm including the algorithm name, algorithm description and algorithm logic.	Monthly
66	Provider Fraud Waste and Abuse	The Provider Fraud Waste and Abuse report should include all cases acted upon during the reporting period. New cases, action taken on existing cases, and closed cases are to be identified and the outcome of the investigation documented. Report shall specify date of case, description of allegation/complaint, key findings, recoupment, and coordination activities with the Department and OIG.	Quarterly
67	Member Fraud Waste and Abuse	The Enrollee Fraud Waste and Abuse report should include all cases acted upon during the reporting period. New cases, action taken on existing cases, and closed cases are to be identified and the outcome of the investigation documented. Report shall specify date of case, description of allegation/complaint, key findings, recoupment, and coordination activities with the Department and OIG.	Quarterly

No	Report Name	Description	Frequency
68	Medicaid Program Lock-In Report	The report includes the monthly savings for the total number of Enrollees admitted during the month and sub-categorized by the billing provider type codes, total savings created by the Lock-in Program reported on a quarterly basis, and the total number of Enrollees who have been admitted and discharged into the Lock-In Program for the month reported. The report also lists the total number of currently active Enrollees assigned to the Lock-In Program. Analysis of success of the program is required.	Monthly
69	Medicaid Program Violation Letters and Collections	The report lists the complaints received and actions taken regarding potential Medicaid program violations (MPV) by an Enrollee. The Contractor is to open a case for each complaint received and document the related activity for all active/open cases during the reporting period. A copy of each MPV letter with signature that is mailed during the reporting period is to be provided as an attachment when the Member Violation Letters and Collections report is submitted.	Monthly
70	Explanation of Member Benefits (EOMB)	The report identifies the Contractor's activity in verifying Enrollee benefits for which the Contractor received, processed, and paid a claim in accordance with 42 CFR 455.20. A minimum of five hundred (500) claims is to be sampled for purpose of complying with 42 CFR 455.20. An EOMB is to be mailed within forty-five (45) days of payment of claims.	Monthly
71	Overpayment Recoveries	Report on overpayment recoveries as required in 42 C.F.R. § 438.604(a)(7).	Annual
<b>Utilization Management Program Reports</b>			
72	Prior Authorizations	Lists the Prior Authorization (PA) activity during the reporting period, including the number of requests for service authorizations and the number approved or denied in accordance with KRS 205.534. Information shall be by provider category, as prescribed by the Department, and at a minimum include inpatient acute care hospital services, inpatient psychiatric hospital services, outpatient hospital services, residential behavioral health services, and outpatient behavioral health services.  All PAs required by the Contractor are to be listed regardless of level of activity during the reporting period. Indicate any additions or deletion of a prior authorization requirement/policy from program requirements during the reporting period. Assess trends in requests made authorizations approved or denied, and effectiveness in managing care.	Monthly
73	Utilization Report	Provides a summary of Contractor findings of over- and under-utilized services for the reporting period and trended over timeframes as determined by Department.	Quarterly
74	Utilization of Subpopulations and Individuals with Special Healthcare Needs	<ul style="list-style-type: none"> <li>- Utilization of Ambulatory Care by Age Breakdown</li> <li>- Utilization of Emergency and Ambulatory Care Resulting in Hospital Admission</li> <li>- Emergency Care by ICD-10 Diagnosis</li> <li>- Home Health Utilization</li> <li>- Utilization of Ambulatory Care by Provider Type and Category of Aid</li> </ul>	Quarterly

No	Report Name	Description	Frequency
75	Behavioral Health Services In/Out State Facility Utilization	Contractor should provide Special Services. Report will contain Behavioral Health services placement information for Enrollees. Identify in and out of state BH facility utilization for all Enrollees under age twenty-one (21), all Enrollees under age twenty-one (21) who are in a facility for ten (10) days or longer in and out of the state of Kentucky for a BH service no matter what service they are receiving. If the Enrollee is in a facility and receiving an EPSDT Special Service, it should be reported.	Monthly
76	Utilization Management Program Annual Evaluation	Provide findings from annual Utilization Management Program evaluation, including an assessment of effectiveness in improving clinical and service outcomes. Include a discussion of identified changes, if any, the Contractor plans to make to the program to address challenges or increase effectiveness.	Annual
<b>Population Health Management Program Reports</b>			
77	Population Health Management Program Report	<p>Provides summary statistics by month by eligibility category and total Enrollees such as:</p> <ul style="list-style-type: none"> <li>- Number of Enrollees requested to complete Health Risk Assessment (HRA) and number/percent who completed.</li> <li>- Number/percent of Enrollees who completed HRA or were referred from other sources to complete Enrollee Needs Assessment and number/percent who completed. Information should be provided by source type.</li> <li>- Number/percent of Enrollees referred for management of chronic conditions and percent who are participating or opted out.</li> <li>- Number/percent of Enrollees referred for complex care management and percent who are participating or opted out.</li> <li>- Number/percent of Enrollees who were discharged or dropped out from a PHM Program by program and by reason.</li> <li>- Number/percent of Enrollees who refused participation.</li> </ul> <p>Information provided must also include information about conditions being addressed, including statistics such as percent of Enrollees with specified conditions receiving PHM Program services by risk level.</p> <p>Provides a summary of key programmatic considerations, such as trends the Contractor has identified, short term and intermediate outcomes data, successes and ongoing challenges, efforts to decrease Enrollee opt out and also to increase Enrollee participation in their own care management, key challenges that have been encountered and how the Contractor has or is working to resolve. Information should also be provided for health promotion and wellness activities during the reporting period and the Contractor's findings for success of those activities.</p>	Quarterly and Annually

No	Report Name	Description	Frequency
78	PHM Program Oversight Report	<p>Report provides information to assure Contractor is providing oversight of the PHM Program to assure compliance with PHM Program requirements and processes and the quality and appropriateness of care provided to Enrollees. Examples of areas to be addressed are as follows, but are not comprehensive:</p> <ul style="list-style-type: none"> <li>- Enrollee identification and assessment occurs according to Contractor's processes and stratification methodologies.</li> <li>- Referrals for varying levels of PHM Programs are processed in accordance with identified procedures and timelines.</li> <li>- Care managers are assigned and care plans are developed for Enrollees identified as in need of this level of care.</li> <li>- Multi-disciplinary teams are formed and meeting as identified in care plans, as applicable to specific Enrollees.</li> <li>- Face-to-face engagement with Enrollee occurs as deemed necessary in care plans.</li> </ul> <p>Report will include Contractor findings, opportunities for improvement, and activities the Contractor will conduct to address opportunities.</p>	Quarterly and Annually
79	PHM Staffing Report	Report provides information to assure that the Contractor has and maintains staffing levels needed by type and specialty to provide adequate services to the enrollees participating in PHM programs. The report should detail number of staff by type, titles, professional specification (RN, SW, CSW etc.) and average monthly caseloads by risk level.	Quarterly
<b>Behavioral Health Reports</b>			
80	Behavioral Health Adults and Children Population	The report identifies the behavioral health populations as defined by the Contract to whom services have been provided during the reporting period. The populations in this report should be consistent with the populations across all reports. Count an individual as an adult if at any time during the reporting period the individual was 18 years old or older. Specific sections of this report require a look back of 24 months from the quarter end date of the reporting period. Both paid and denied claims should be counted when determining if a service has been rendered.	Quarterly

No	Report Name	Description	Frequency
81	Mental Health Statistics Improvement Project Adult Survey Findings Report	<p>The Contractor shall annually implement the Mental Health Statistics Improvement Program (MHSIP) Adult Survey. The Contractor shall administer the 28-item Mental Health Statistics Improvement Program (MHSIP) Adult Survey plus eight (8) additional items for the Social Connectedness and Functioning National Outcome Measures (for adult behavioral health members).</p> <p>The Contractor may contact the Department for Behavioral Health, Developmental and Intellectual Disabilities (DBHDID) to obtain a current version of the survey tools. The Contractor shall submit a plan for administration (sampling strategy, survey methodology, etc.) to DBHDID prior to survey administration. DBHDID shall review and approve any behavioral health member survey instruments and plan for administration and shall provide a written response to the Contractor within fifteen (15) days of receipt. The Contractor shall provide the Department a copy of all survey results in the format prescribed. Survey results shall include counts of Members surveyed by MCO Region and report percentages of Members who report positively about the following domains:</p> <ul style="list-style-type: none"> <li>• Access</li> <li>• Quality and Appropriateness</li> <li>• Outcomes</li> <li>• Treatment Planning</li> <li>• General Satisfaction with Services</li> </ul>	Annual
82	Youth Services Satisfaction Caregiver Survey	<p>The Contractor shall annually implement the Youth Services Satisfaction Caregiver Survey (YSSF). The Contractor shall administer the 21-item Youth Services Survey Family Version (YSSF) plus additional 4 items for the Social Connectedness National Outcome Measure (for parents /caregiver of child members). The Contractor may contact the Department for Behavioral Health, Developmental and Intellectual Disabilities (DBHDID) to obtain a current version of the survey tools. The Contractor shall submit a plan for administration (sampling strategy, survey methodology, etc.) to DBHDID prior to survey administration. DBHDID shall review and approve any Behavioral Health member survey instruments and plan for administration and shall provide a written response to the Contractor within fifteen (15) days of receipt. The Contractor shall provide the Department a copy of all survey results in the format prescribed. Survey results shall include counts of Members surveyed by MCO Region and report percentages of Youth Members who report positively about the following domains:</p> <ul style="list-style-type: none"> <li>• Access</li> <li>• Outcomes</li> <li>• Treatment Planning</li> <li>• Family Members Reporting high Cultural Sensitivity of Staff</li> <li>• General Satisfaction with Services</li> </ul>	Annual
83	IMD Report Institution for Mental Diseases	Report of the status of all of the Contractor's Enrollee who have been admitted to IMD that Exceeds 15 Days and all Enrollees who have been admitted to IMD 15 Days or Under.	Monthly
84	Evidence-based Practices Report	Report of EBPs for behavioral health care employed by the Contractor and network providers.	Quarterly

No	Report Name	Description	Frequency
Other			
85	Overview of Activities Related to EPSDT, Pregnant Women, Maternal and Infant Death	Provide an overview of activities related to EPSDT, Pregnant Women, Maternal and Infant Death programs and trends noted in prenatal visit appropriateness, birth outcomes, including death, and program interventions. Describe activities of the EPSDT staff, including outreach, education, and care management. Provide data on levels of compliance during the report period (including screening rates) with EPSDT regulations.	Quarterly
86	Absent Parent Canceled Court Order Information		

## APPENDIX E. MEDICAL LOSS RATIO CALCULATION

Contract Requirement	Agree to Comply
<p>Unless specifically addressed below, the Medical Loss Ratio (MLR) calculation shall follow guidelines described in the Affordable Care Act. The formula to be used for the MLR Calculation is as follows:</p> $\text{Adjusted MLR} = [(i + q - s + n - r) / \{(p + s - n + r) - t - f - (s - n + r)\}] + c$ <p>Where,</p> <p>i = incurred claims</p> <p>q = expenditures on quality improving activities</p> <p>s = issuer's transitional reinsurance receipts</p> <p>p = earned premiums (excluding MCO tax)</p> <p>t = Federal and State taxes (excluding MCO tax)</p> <p>f = licensing and regulatory fees</p> <p>n = issuer's risk corridors and risk adjustment related payments</p> <p>r = issuer's risk corridors, and risk adjustment related receipts</p> <p>c = credibility adjustment, if any.</p>	✓
Additional guidance regarding financial items to excluded or included in the Numerator or Denominator of the Medical Loss Ratio calculation is as follows:	✓
<p>➤ <b>Numerator</b></p> <p><u>Incurred Claims</u></p> <ul style="list-style-type: none"> <li>•Direct claims that the MCO pays to providers (including under capitation contracts with health care professionals) for services or supplies covered under the managed care contract with DMS, provided to enrollees;</li> <li>•Direct claims that the MCO pays to providers (including under capitation contracts with health care professionals) for services or supplies defined under §438.3(e) that are in addition to services defined in the managed care contract with DMS, provided to enrollees</li> <li>•Incurred but not reported and unpaid claims reserves for the MLR Reporting year, including claims reported in the process of adjustment;</li> <li>•Percentage withholds from payments made to contracted providers;</li> <li>•Claims that are recoverable for anticipated coordination of benefits;</li> <li>•Claims payments recoveries received as a result of subrogation;</li> <li>•Changes in other claims-related reserves;</li> <li>•Claims payments recoveries as a result of fraud reductions efforts, not to exceed the amount of fraud reduction expenses;</li> <li>•Reserves for contingent benefits and the medical claim portion of lawsuits; and</li> <li>•The amount of incentive and bonus payments made to providers.</li> </ul> <p>-Value added benefits provided by the MCO and approved by DMS</p>	✓
<p>•<u>Deductions from Claims</u></p> <ul style="list-style-type: none"> <li>•Overpayment recoveries received from providers;</li> <li>•Prescription drug rebates received by the MCO or PIHP; and</li> <li>•State subsidies based on a stop-loss payment methodology.</li> </ul>	✓
<p>•<u>Solvency Funds</u></p> <ul style="list-style-type: none"> <li>•Payments made by an MCO to mandated solvency funds.</li> </ul>	✓
<p>•<u>Health Care Quality Activities May be included in numerator</u></p> <ul style="list-style-type: none"> <li>•Any MCO expenditure that is related to Health Information Technology and meaningful use, and is not considered incurred claims.</li> </ul>	✓



<ul style="list-style-type: none"> <li>• <u>Excluded from Claims</u> <ul style="list-style-type: none"> <li>• Amounts paid to third party vendors for secondary network savings;</li> <li>• Amounts paid to third party vendors for network development, administrative fees, claims processing, and utilization management; and</li> <li>• Amounts paid, including amounts paid to a provider, for professional or administrative services that do not represent compensation or reimbursement for State plan services, or services meeting the definition in §438.3(e) and provided to an enrollee, <b>except for Value Added Benefits as defined in the Incurred Claims subheader above.</b></li> <li>• Amounts paid to the State as remittance</li> <li>• Pass-through Payments made under 42 CFR 438.6(d)</li> </ul> </li> </ul>	✓
<p>➤ <b>Denominator</b></p> <ul style="list-style-type: none"> <li>• <u>Revenue</u> <ul style="list-style-type: none"> <li>• State capitation payments to the MCO for all enrollees under a risk contract less any unreturned withholds</li> <li>• State-developed one time payments, for specific life events;</li> <li>• Payments to the MCO for incentive arrangements or payments for the amount of a withhold the MCO earns in accordance with conditions in the contract</li> <li>• Unpaid cost sharing amounts that the MCO could have collected from enrollees under the contract</li> <li>• All changes to unearned premium reserves.</li> </ul> </li> </ul>	✓
<ul style="list-style-type: none"> <li>• <u>Exclusions</u> <ul style="list-style-type: none"> <li>• Federal and State taxes and licensing and regulatory fees. Taxes, licensing and regulatory fees               <ul style="list-style-type: none"> <li>• e.g. Health Insurer Fee</li> </ul> </li> <li>• Statutory assessments to defray the operating expenses of any State or Federal department.</li> <li>• State taxes and assessments</li> <li>• Pass-through Payments made under 42 CFR 438.6(d)</li> </ul> </li> </ul>	✓



**APPENDIX F. THIRD PARTY PAYMENTS/COORDINATION OF BENEFITS**

Contract Requirement	Agree to Comply
I. To meet the requirements of 42 CFR 433.138 through 433.139, the MCO shall be responsible for:	✓
<p>A. Maintaining an MIS that includes:</p> <ol style="list-style-type: none"> <li>1. Third Party Liability Resource File               <ol style="list-style-type: none"> <li>a) Cost Avoidance - Use automated daily and monthly TPL files to update the MCO's MIS TPL files as appropriate. This information is to cost avoid claims for members who have other insurance. The MCO shall obtain subscriber data and perform data matches directly with a specified list of insurance companies, as defined by DMS.</li> <li>b) Department for Community Based Services (DCBS) - Apply Third Party Liability (TPL) information provided electronically on a daily basis by DMS through its contract with DCBS to have eligibility caseworkers collect third party liability information during the Recipient application process and reinvestigation process.</li> <li>c) Workers' Compensation - The fiscal agent performs this function. The data is provided electronically on a quarterly basis. This data should be applied to TPL files referenced in I.A.1.a (Commercial Data Matching) in this Attachment.</li> </ol> </li> </ol>	✓
<ol style="list-style-type: none"> <li>2. Third Party Liability Billing File               <ol style="list-style-type: none"> <li>a) Commercial Insurance/Medicare Part B Billing - The MCO's MIS should automatically search paid claim history and recover from providers, insurance companies or Medicare Part B in a nationally accepted billing format for all claim types whenever other commercial insurance or Medicare Part B coverage is discovered and added to the MCO's MIS that was unknown to the MCO at the time of payment of a claim or when a claim could not be cost avoided due to federal regulations (pay and chase) which should have been paid by the health plan. Within sixty (60) Days from the date of identification of the other third party resource billings must be generated and sent to liable parties.</li> <li>b) Medicare Part A - The MCO's MIS should automatically search paid claim history and generate reports by Provider of the billings applicable to Medicare Part A coverage whenever Medicare Part A coverage is discovered and added to the MCO's MIS that was unknown to the MCO at the time of payment of a claim. Providers who do not dispute the Medicare coverage should be instructed to bill Medicare immediately. The MCO's MIS should recoup the previous payment from the Provider within sixty (60) days from the date the reports are sent to the Providers, if they do not dispute that Medicare coverage exists.</li> </ol> </li> </ol>	✓

<p>c) Manual Research/System Billing - System should include capability for the manual setup for billings applicable to workers' compensation, casualty, absent parents and other liability coverages that require manual research to determine payable claims</p>	
<p>3. Questionnaire File</p> <ul style="list-style-type: none"> <li>• MAID</li> <li>• Where it was sent</li> <li>• Type of Questionnaire Sent</li> <li>• Date Sent</li> <li>• Date Followed Up</li> <li>• Actions Taken</li> </ul> <p>All questionnaires should be tracked in a Questionnaire history file on the MIS</p>	✓
<p>B. Coordination of Third Party Information (COB)</p> <p>1. Division of Child Support Enforcement (DCSE) Provide county attorneys and the Division of Child Support Enforcement (DCSE) upon request with amounts paid by the MCO in order to seek restitution for the payment of past medical bills and to obtain insurance coverage to cost avoid payment of future medical bills.</p> <p>2. Casualty Recoveries Provide the necessary information regarding paid claims in order to seek recovery from liable parties in legal actions involving Members.</p> <p>In cases where an attorney has been retained, a lawsuit filed or a lump sum settlement offer is made, the MCO shall notify Medicaid within five days of identifying such information so that recovery efforts can be coordinated when the Department has a claim for the same accident.</p>	✓
<p>C. Claims</p> <p>1. Processing</p> <p>a) MCO MIS edits:</p> <ul style="list-style-type: none"> <li>• Edit and cost avoid Claims when Member has Medicare coverage;</li> <li>• Edit and cost avoid Claims when Provider indicates other insurance on claim but does not identify payment or denial from third party;</li> <li>• Edit and cost avoid Claims when Provider indicates services provided were work related and does not indicate denial from workers' compensation carrier;</li> <li>• Edit and cost avoid or pay and chase as required by federal regulations when Member has other insurance coverage. When cost avoiding, the MCO's MIS should supply the Provider with information on the remittance advice that would be needed to bill the other insurance, such as carrier name, address, policy #, etc.;</li> <li>• Edit Claims as required by federal regulations for accident/trauma diagnosis codes. Claims with the accident/trauma diagnosis codes should be flagged and accumulated for ninety (90) Days and if the amount accumulated exceeds \$250, a questionnaire should be sent to the Member in an</li> </ul>	✓


<p>effort to identify whether other third party resources may be liable to pay for these medical bills;</p> <ul style="list-style-type: none"> <li>• The MCO is prohibited from cost avoiding Claims when the source of the insurance coverage was due to a court order. All Claims with the exception of hospital Claims must be paid and chased. Hospital claims may be cost avoided; and</li> <li>• A questionnaire should be generated and mailed to Members and/or Providers for claims processed with other insurance coverage indicated on the claim and where no insurance coverage is indicated on the MCO's MIS Third Party Files.</li> </ul>	
<p>2. Encounter Record</p> <p>a) TPL Indicator</p> <p>b) TPL Payment</p>	
<p>II. DMS shall be responsible for the following:</p> <ol style="list-style-type: none"> <li>1. Provide the MCO with an initial third party information tape;</li> <li>2. Provide electronic computerized files of third party information transmitted from DCBS;</li> <li>3. Provide the MCO with a copy of the information received from the Labor Cabinet on a quarterly basis;</li> <li>4. Provide the MCO with a list of the Division of Child Support Contracting Officials.</li> <li>5. Refer calls from attorneys to the MCO in order for their Claims to be included in casualty settlements; and</li> <li>6. Monitoring Encounter Claims and reports submitted by the MCO to ensure that the MCO performs all required activities</li> </ol>	


**APPENDIX G. MANAGEMENT INFORMATION SYSTEM REQUIREMENTS**

Contract Requirement	Agree to Comply
The Contractor's MIS must enable the Contractor to provide format and file specifications for all data elements as specified below for all of the required seven subsystems.	✓
<b>Member Subsystem</b> The primary purpose of the member subsystem is to accept and maintain an accurate, current, and historical source of demographic information on Members to be enrolled by the Contractor.	✓
The maintenance of enrollment/member data is required to support Claims and encounter processing, third party liability (TPL) processing and reporting functions. The major source of enrollment/member data will be electronically transmitted by the Department to the Contractor on a daily basis in a HIPAA 834 file format. The daily transaction file will include new, changed and terminated member information. The Contractor shall be required to process and utilize the daily transaction files prior to the start of the next business day. A monthly HIPAA 834 file of members will be electronically transmitted to the Contractor. The Contractor must reconcile Member and Capitation Payment information with the Department for Medicaid Services.	✓
Specific data item requirements for the Contractor's Member subsystem shall contain such items as maintenance of demographic data, matching Primary Care Providers with Members, maintenance information on Enrollments/Disenrollments, identification of TPL information, tracking EPSDT preventive services and referrals.	✓
A. Inputs The Recipient Data Maintenance function will accept input from various sources to add, change, or close records on the file(s). Inputs to the Recipient Data Maintenance function include: <ol style="list-style-type: none"> <li>1. Daily and monthly electronic member eligibility updates (HIPAA ASC X12 834)</li> <li>2. Claim/encounter history – sequential file; file description to be determined</li> <li>3. Social demographic information</li> <li>4. Initial Implementation of the Contract, the following inputs shall be provide to the contractor:               <ul style="list-style-type: none"> <li>• Initial Member assignment file (sequential file; format to be supplemented at contract execution); a file will be sent approximately sixty (60) calendar days prior to the Contractor effective date of operations</li> <li>• Member claim history file – twelve (12) months of member claim history (sequential file; format to be supplemented at Contract execution)</li> <li>• Member Prior Authorizations in force file (medical and pharmacy; sequential file; format will be supplemented at Contract execution)</li> </ul> </li> </ol>	✓

<p>B. Processing Requirements</p> <p>The Recipient Data Maintenance function must include the following capabilities:</p> <ol style="list-style-type: none"> <li>1. Accept a daily/monthly member eligibility file from the Department in a specified format.</li> <li>2. Transmit a file of health status information to the Department in a specified format.</li> <li>3. Transmit a file of social demographic data to the Department in a specified format.</li> <li>4. Transmit a primary care provider (PCP) enrollment file to the Department in a specified format.</li> <li>5. Edit data transmitted from the Department for completeness and consistency, editing all data in the transaction.</li> <li>6. Identify potential duplicate Member records during update processing.</li> <li>7. Maintain on-line access to all current and historical Member information, with inquiry capability by case number, Medicaid Recipient ID number, social security number (SSN), HIC number, full name or partial name, and the ability to use other factors such as date of birth and/or county code to limit the search by name.</li> <li>8. Maintain identification of Member eligibility in special eligibility programs, such as hospice, etc., with effective date ranges/spans and other data required by the Department.</li> <li>9. Maintain current and historical date-specific managed care eligibility data for basic program eligibility, special program eligibility, and all other Member data required to support Claims processing, Prior Authorization processing, managed care processing, etc.</li> <li>10. Maintain and display the same values as the Department for eligibility codes and other related data.</li> <li>11. Produce, issue, and mail a managed care ID card pursuant to the Department's approval within Department determined time requirements.</li> <li>12. Identify Member changes in the primary care provider (PCP) and the reason(s) for those changes to include effective dates.</li> <li>13. Monitor PCP capacity and limitations prior to Enrollment of a Member to the PCP.</li> <li>14. Generate and track PCP referrals if applicable.</li> <li>15. Assign applicable Member to PCP if one is not selected within thirty (30) Days, except Members with SSI without Medicare, who are allowed ninety (90) Days.</li> </ol>	✓
<p>C. Reports</p> <p>Reports for Member function are described in Appendix D.</p>	✓

<p>D. On-line Inquiry Screens</p> <p>On-line inquiry screens that meet the user interface requirements of this section and provide access to the following data:</p> <ol style="list-style-type: none"> <li>1. Member basic demographic data</li> <li>2. Member liability data</li> <li>3. Member characteristics and service utilization data</li> <li>4. Member current and historical managed care eligibility data</li> <li>5. Member special program data</li> <li>6. Member social/demographic data</li> <li>7. Health status data</li> <li>8. PCP data</li> </ol>	✓
<p>E. Interfaces</p> <p>The Member Data Maintenance function must accommodate an external electronic interface (HIPAA ASC X12 834, both 4010A1 and 5010 after January 1, 2012) with the Department.</p>	✓
<p><b>Third Party Liability (TPL) Subsystem</b></p> <p>In order to ensure that federal third party liability requirements are met and to maximize savings from available Third Party Resources, identification and recovery of Third Party Resources must be a joint effort between the Department and the Contractor. The Department will provide Contractor with the Medicare effective dates.</p>	✓
<p>The Third Party Liability (TPL) processing function permits the Contractor to utilize the private health, Medicare, and other third-party resources of its Members and ensures that the Contractor is the payer of last resort. This function works through a combination of cost avoidance (non- payment of billed amounts for which a third party may be liable) and post-payment recovery (post- payment collection of Contractor paid amounts for which a third party is liable).</p>	✓
<p>Cost avoidance is the preferred method for processing claims with TPL. This method is implemented automatically by the MIS through application of edits and audits which check claim information against various data fields on recipient, TPL, reference, or other MIS files. Post- payment recovery is primarily a back-up process to cost avoidance, and is also used in certain situations where cost avoidance is impractical or unallowable.</p>	✓
<p>The TPL information maintained by the MIS must include Member TPL resource data, insurance carrier data, health plan coverage data, threshold information, and post payment recovery tracking data. The TPL processing function will assure the presence of this information for use by the Edit/Audit Processing, Financial Processing, and Claim Pricing functions, and will also use it to perform the functions described in this subsection for TPL Processing.</p>	✓
<p>A. Inputs</p> <p>The following are required inputs to the TPL function of the MIS:</p> <ol style="list-style-type: none"> <li>1. Member eligibility, Medicare, and TPL, information from the Department via proprietary file formats.</li> </ol>	✓

<ol style="list-style-type: none"> <li>2. Enrollment and coverage information from private insurers/health plans, state plans, and government plans.</li> <li>3. TPL-related data from claims, claim attachments, or claims history files, including but not limited to:           <ul style="list-style-type: none"> <li>• diagnosis codes, procedure codes, or other indicators suggesting trauma or accident;</li> <li>• indication that a TPL payment has been made for the claim (including Medicare);</li> <li>• indication that the Member has reported the existence of TPL to the Provider submitting the claim;</li> <li>• Indication that TPL is not available for the service claimed.</li> </ul> </li> <li>4. Correspondence and phone calls from Members, carriers, and Providers and DMS.</li> </ol>	
<p>B. Processing Requirements</p> <p>The TPL processing function must include the following capabilities:</p> <ol style="list-style-type: none"> <li>1. Maintain accurate third-party resource information by Member including but not limited to:           <ul style="list-style-type: none"> <li>• Name, ID number, date of birth, SSN of eligible Member;</li> <li>• Policy number or Medicare HIC number and group number;</li> <li>• Name and address of policyholder, relationship to Member,</li> <li>• SSN of policyholder;</li> <li>• Court-ordered support indicator;</li> <li>• Employer name and tax identification number and address of policyholder;</li> <li>• Type of policy, type of coverage, and inclusive dates of coverage;</li> <li>• Date and source of TPL resource verification; and</li> <li>• Insurance carrier name and tax identification and ID.</li> </ul> </li> <li>2. Provide for multiple, date-specific TPL resources (including Medicare) for each Member.</li> <li>3. Maintain current and historical information on third-party resources for each Member.</li> <li>4. Maintain third-party carrier information that includes but is not limited to:           <ul style="list-style-type: none"> <li>• Carrier name and ID</li> <li>• Corporate correspondence address and phone number</li> <li>• Claims submission address(s) and phone number</li> </ul> </li> <li>5. Identify all payment costs avoided due to established TPL, as defined by the Department.</li> </ol>	

<ol style="list-style-type: none"> <li>6. Maintain a process to identify previously paid claims for recovery when TPL resources are identified or verified retroactively, and to initiate recovery within sixty (60) Days of the date the TPL resource is known to the Contractor.</li> <li>7. Maintain an automated tracking and follow-up capability for all TPL questionnaires.</li> <li>8. Maintain an automated tracking and follow-up capability for post payment recovery actions which applies to health insurance, casualty insurance, and all other types of recoveries, and which can track individual or group claims from the initiation of recovery efforts to closure.</li> <li>9. Provide for the initiation of recovery action at any point in the claim processing cycle.</li> <li>10. Maintain a process to adjust paid claims history for a claim when a recovery is received.</li> <li>11. Provide for unique identification of recovery records.</li> <li>12. Provide for on-line display, inquiry, and updating of recovery case records with access by claim, Member, carrier, Provider or a combination of these data elements.</li> <li>13. Accept, edit and update with all TPL and Medicare information received from the Department through the Member eligibility update or other TPL updates specified by the Department.</li> <li>14. Implement processing procedures that correctly identify and cost avoid claims having potential TPL, and flag claims for future recovery to the appropriate level of detail.</li> <li>15. Provide verified Member TPL resource information generated from data matches and claims, to the Department for Medicaid Services, in an agreed upon format and media, on a monthly basis.</li> </ol>	
<p>C. Reports</p> <p>The following types of reports must be available from the TPL Processing function by the last day of the month for the previous month:</p> <ol style="list-style-type: none"> <li>1. Cost-avoidance summary savings reports, including Medicare but identifying it separately;</li> <li>2. Listings and totals of cost-avoided claims;</li> <li>3. Listings and totals of third-party resources utilized;</li> <li>4. Reports of amounts billed and collected, current and historical, from the TPL recovery tracking system, by carrier and Member;</li> <li>5. Detailed aging report for attempted recoveries by carrier and Member;</li> <li>6. Report on the number and amount of recoveries by type; for example, fraud collections, private insurance, and the like;</li> <li>7. Report on the unrecoverable amounts by type and reason, carrier, and other relevant data, on an aged basis and in potential dollar ranges;</li> </ol>	




<ul style="list-style-type: none"> <li>8. Report on the potential trauma and/or accident claims for claims that meet specified dollar threshold amounts;</li> <li>9. Report on services subject to potential recovery when date of death is reported;</li> <li>10. Unduplicated cost-avoidance reporting by program category and by type of service, with accurate totals and subtotals;</li> <li>11. Listings of TPL carrier coverage data;</li> <li>12. Audit trails of changes to TPL data.</li> </ul>	
<p>D. On-line Inquiry Screens</p> <p>On-line inquiry screens that meet the user interface requirements of this section and provide the following data:</p> <ul style="list-style-type: none"> <li>1. Member current and historical TPL data</li> <li>2. TPL carrier data</li> <li>3. Absent parent data</li> <li>4. Recovery cases</li> </ul> <p>Automatically generate letters/questionnaires to carriers, employers, Members, and Providers when recoveries are initiated, when TPL resource data is needed, or when accident information is required and was not supplied with the incoming claim.</p> <p>Automatically generate claim facsimiles, which can be sent to carriers, attorneys, or other parties.</p> <p>Provide absent parent canceled court order information generated from data matches with the Division of Child Support Enforcement, to the Department, in an agreed upon format and media, on an annual basis.</p>	✓
<p><b>Provider Subsystem</b></p> <p>The provider subsystem accepts and maintains comprehensive, current and historical information about Providers eligible to participate in the Contractor's Network. The maintenance of provider data is required to support Claims and encounter processing, utilization/quality processing, financial processing and report functions. The Contractor shall electronically transmit provider enrollment information to the Department on a monthly basis, by the first Friday of the month following the month reported.</p>	✓
<p>The Contractor's provider subsystem shall contain such items as demographic data, identification of provider type, specialty codes, maintenance of payment information, identification of licensing, credentialing/re-credentialing information, and monitoring of Primary Care Provider capacity for enrollment purposes.</p>	✓
<p>The Contractor shall demonstrate compliance with standards of provider network capacity and member access to services by producing reports illustrating that services, service locations, and service sites are available and accessible in terms of timeliness, amount, duration and personnel sufficient to provide all Covered Services on an emergency or urgent care basis, 24 hours a day, seven days a week.</p>	✓
<p>The Department shall monitor the Contractor's Network capacity and member access by use of a Decision Support System. The Encounter Record submitted will be used to display Primary Care Provider location, Service Location, Member distribution, patterns of referral, quality measures, and other analytical data.</p>	✓

<p>A. Inputs</p> <p>The inputs to the provider Data Maintenance function include:</p> <ol style="list-style-type: none"> <li>1. Provider update transactions</li> <li>2. Licensure information, including electronic input from other governmental agencies</li> <li>3. Financial payment, adjustment, and accounts receivable data from the Financial Processing function.</li> </ol>	✓
<p>B. Processing Requirements</p> <p>The Provider Data Maintenance function must have the capabilities to:</p> <ol style="list-style-type: none"> <li>1. Transmit a provider enrollment file to the Department in a specified format;</li> <li>2. Maintain current and historical provider enrollment applications from receipt to final disposition (approval only);</li> <li>3. Maintain on-line access to all current and historical provider information, including Provider rates and effective dates, Provider program and status codes, and summary payment data;</li> <li>4. Maintain on-line access to Provider information with inquiry by Provider name, partial name characters, provider number, NPI, SSN, FEIN, CLIA number, Provider type and specialty, County, Zip Code, and electronic billing status;</li> <li>5. Edit all update data for presence, format, and consistency with other data in the update transaction;</li> <li>6. Edits to prevent duplicate Provider enrollment during an update transaction;</li> <li>7. Accept and maintain the National Provider Identification (NPI);</li> <li>8. Provide a Geographic Information System (GIS) to identify Member populations, service utilization, and corresponding Provider coverage to support the Provider recruitment, enrollment, and participation;</li> <li>9. Maintain on-line audit trail of Provider names, Provider numbers (including old and new numbers, NPI), locations, and status changes by program;</li> <li>10. Identify by Provider any applicable type code, NPI/TAXONOMY code, location code, practice type code, category of service code, and medical specialty and sub-specialty code which is used in the Kentucky Medicaid program, and which affects Provider billing, claim pricing, or other processing activities;</li> <li>11. Maintain effective dates for Provider membership, Enrollment status, restriction and on-review data, certification(s), specialty, sub-specialty, claim types, and other user-specified Provider status codes and indicators;</li> <li>12. Accept group provider numbers, and relate individual Providers to their groups, as well as a group to its individual member Providers, with effective date ranges/spans. A single group provider record must be able to identify an unlimited number of individuals who are associated with the group;</li> </ol>	✓


	<p>13. Maintain multiple, provider-specific reimbursement rates, including, but not necessarily limited to, per diems, case mix, rates based on licensed levels of care, specific provider agreements, volume purchase contracts, and capitation, with beginning and ending effective dates for a minimum of sixty (60) months.</p> <p>14. Maintain provider-specific rates by program, type of capitation, Member program category, specific demographic classes, Covered Services, and service area for any prepaid health plan or managed care providers;</p> <p>15. Provide the capability to identify a Provider as a PCP and maintain an inventory of available enrollment slots;</p> <p>16. Identify multiple practice locations for a single provider and associate all relevant data items with the location, such as address and CLIA certification;</p> <p>17. Maintain multiple addresses for a Provider, including but not limited to:</p> <ul style="list-style-type: none"> <li>• Pay to;</li> <li>• Mailing, and</li> <li>• Service location(s).</li> </ul> <p>18. Create, maintain and define provider enrollment status codes with associated date spans. For example, the enrollment codes must include but not be limited to:</p> <ul style="list-style-type: none"> <li>• Application pending</li> <li>• Limited time-span enrollment</li> <li>• Enrollment suspended</li> <li>• Terminated-voluntary/involuntary</li> </ul> <p>19. Maintain a National Provider Identifier (NPI) and taxonomies;</p> <p>20. Maintain specific codes for restricting the services for which Providers may bill to those for which they have the proper certifications (for example, CLIA certification codes);</p> <p>21. Maintain summary-level accounts receivable and payable data in the provider file that is automatically updated after each payment cycle;</p> <p>22. Provide the capability to calculate and maintain separate 1099 and associated payment data by FEIN number for Providers with changes of ownership, based upon effective dates entered by the Contractor;</p> <p>23. Generate a file of specified providers, selected based on the Department identified parameters, in an agreed upon Department approved format and media, to be provided to the Department on an agreed upon periodic basis; and</p> <p>24. Generate a file of provider 1099 information.</p> <p>25. Reports – Reports for Provider functions are as described in Appendix D.</p>	
C. On-line Inquiry Screens	On-line inquiry screens that meet the user interface requirements of this contract and provide access to the following data:	✓

<ol style="list-style-type: none"> <li>1. Provider eligibility history</li> <li>2. Basic information about a Provider (for example, name, location, number, program, provider type, specialty, sub-specialty, certification dates, effective dates)</li> <li>3. Provider group inquiry, by individual provider number displaying groups and by group number displaying individuals in group (with effective and end dates for those individuals within the group)</li> <li>4. Provider rate data</li> <li>5. Provider accounts receivable and payable data, including claims adjusted but not yet paid</li> <li>6. Provider Medicare number(s) by Medicare number, Medicaid number, and SSN/FEIN</li> <li>7. Demographic reports and maps from the GIS, for performing, billing, and/or enrolled provider, listing provider name, address, and telephone number to assist in the provider recruitment process and provider relations.</li> </ol>	
<p>D. Interfaces</p> <p>The Provider Data Maintenance function must accommodate an external interface with:</p> <ol style="list-style-type: none"> <li>1. The Department; and</li> <li>2. Other governmental agencies to receive licensure information.</li> </ol>	✓
<p><b>Reference Subsystem</b></p> <p>The reference subsystem maintains pricing files for procedures and drugs, and maintains other general reference information such as diagnoses, edit/audit criteria, edit dispositions and reimbursement parameters/modifiers. The reference subsystem provides a consolidated source of reference information which is accessed by the MIS during the performance of other functions, including Claims and encounter processing, TPL processing and utilization/quality reporting functions.</p>	✓
<p>The Contractor's reference subsystem shall contain such items as maintenance of procedure codes/NDC codes and diagnosis codes, identification of pricing files, maintenance of edit and audit criteria.</p>	✓
<p>The contractor must maintain sufficient reference data (NDC codes, HCPCS, CPT4, Revenue codes, etc.) to accurately process fee for service claims and develop encounter data for transmission to the Department as well as support Department required reporting.</p>	✓
<p>A. Inputs</p> <p>The inputs to the Reference Data Maintenance function are:</p> <ol style="list-style-type: none"> <li>1. NDC codes</li> <li>2. CMS - HCPCS updates</li> <li>3. ICD-9-CM or 10 and DSM III diagnosis and procedure updates</li> <li>4. ADA (dental) codes</li> </ol>	✓
<p>B. Processing Requirements</p> <p>The Reference Processing function must include the following capabilities:</p>	✓

	<ol style="list-style-type: none"> <li>1. Maintain current and historical reference data, assuring that updates do not overlay or otherwise make historical information inaccessible.</li> <li>2. Maintain a Procedure data set which is keyed to the five-character HCPCS code for medical-surgical and other professional services, ADA dental codes; a two- character field for HCPCS pricing modifiers; and the Department's specific codes for other medical services; in addition, the procedure data set will contain, at a minimum, the following elements for each procedure:           <ul style="list-style-type: none"> <li>• Thirty-six (36) months of date-specific pricing segments, including a pricing action code, effective beginning and end dates, and allowed amounts for each segment.</li> <li>• Thirty-six (36) months of status code segments with effective beginning and end dates for each segment.</li> <li>• Multiple modifiers and the percentage of the allowed price applicable to each modifier.</li> <li>• Indication of TPL actions, such as Cost Avoidance, Benefit Recovery or Pay, by procedure code.</li> <li>• Other information such as accident-related indicators for possible TPL, federal cost-sharing indicators, Medicare coverage and allowed amounts.</li> </ul> </li> <li>3. Maintain a diagnosis data set utilizing the three (3), four (4), and five (5) character for ICD-9-CM and 7 digits for ICD-10 and DSM III coding system, which supports relationship editing between diagnosis code and claim information including but not limited to:           <ul style="list-style-type: none"> <li>• Valid age</li> <li>• Valid sex</li> <li>• Family planning indicator</li> <li>• Prior authorization requirements</li> <li>• EPSDT indicator</li> <li>• Trauma diagnosis and accident cause codes</li> <li>• Description of the diagnosis</li> <li>• Permitted primary and secondary diagnosis code usage</li> </ul> </li> <li>4. Maintain descriptions of diagnoses.</li> <li>5. Maintain flexibility in the diagnosis file to accommodate expanded diagnosis codes with the implementation of ICD-10 by October 1, 2013.</li> <li>6. Maintain a drug data set of the eleven (11) digit National Drug Code (NDC), including package size, which can accommodate updates from a drug pricing service and the CMS Drug Rebate file updates; the Drug data set must contain, at a minimum:</li> </ol>	
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<ul style="list-style-type: none"> <li>• Unlimited date-specific pricing segments that include all prices and pricing action codes needed to adjudicate drug claims.</li> <li>• Indicator for multiple dispensing fees</li> <li>• Indicator for drug rebate including name of manufacturer and labeler codes.</li> <li>• Description and purpose of the drug code.</li> <li>• Identification of the therapeutic class.</li> <li>• Identification of discontinued NDCs and the termination date.</li> <li>• Identification of CMS Rebate program status.</li> <li>• Identification of strength, units, and quantity on which price is based.</li> <li>• Indication of DESI status (designated as less than effective), and IRS status (identical, related or similar to DESI drugs).</li> </ul> <p>7. Maintain a Revenue Center Code data set for use in processing claims for hospital inpatient/outpatient services, home health, hospice, and such.</p> <p>8. Maintain flexibility to accommodate multiple reimbursement methodologies, including but not limited to fee-for-service, capitation and carve-outs from Capitated or other “all inclusive” rate systems, and DRG reimbursement for inpatient hospital care, etc.</p> <p>9. Maintain pricing files based on:</p> <ul style="list-style-type: none"> <li>• Fee schedule</li> <li>• Per DIEM rates</li> <li>• Capitated rates</li> <li>• Federal maximum allowable cost (FMAC), estimated acquisition (EAC) for drugs</li> <li>• Percentage of charge allowance</li> <li>• Contracted amounts for certain services</li> <li>• Fee schedule that would pay at variable percentages.</li> <li>• (MAC) Maximum allowable cost pricing structure</li> </ul>	
<p>C. On-line Inquiry Screens</p> <p>Maintain on-line access to all Reference files with inquiry by the appropriate service code, depending on the file or table being accessed.</p> <p>Maintain on-line inquiry to procedure and diagnosis files by name or description including support for phonetic and partial name search.</p> <p>Provide inquiry screens that display:</p> <ul style="list-style-type: none"> <li>• All relevant pricing data and restrictive limitations for claims processing including historical information, and</li> <li>• All pertinent data for claims processing and report generation.</li> </ul>	

<p>D. Interfaces</p> <p>The Reference Data Maintenance function must interface with:</p> <ol style="list-style-type: none"> <li>1. ADA (dental) codes</li> <li>2. CMS-HCPCS updates;</li> <li>3. ICD-9, ICD-10, DSM, or other diagnosis/surgery code updating service; and</li> <li>4. NDC Codes.</li> </ol>	✓
<p><b>Financial Subsystem</b></p> <p>The financial function encompasses claim payment processing, adjustment processing, accounts receivable processing, and all other financial transaction processing. This function ensures that all funds are appropriately disbursed for claim payments and all post-payment transactions are applied accurately. The financial processing function is the last step in claims processing and produces remittance advice statements/explanation of benefits and financial reports.</p> <p>The Contractor's financial subsystem shall contain such items as: update of provider payment data, tracking of financial transactions, including TPL recoveries and maintenance of adjustment and recoupment processes.</p>	✓
<p>A. Inputs</p> <p>The Financial Processing function must accept the following inputs:</p> <ol style="list-style-type: none"> <li>1. On-line entered, non-claim-specific financial transactions, such as recoupments, mass adjustments, cash transactions, etc.;</li> <li>2. Retroactive changes to Member financial liability and TPL retroactive changes from the Member data maintenance function;</li> <li>3. Provider, Member, and reference data from the MIS.</li> </ol>	✓
<p>B. Processing Requirements</p> <p>The MIS must perform three types of financial processing: 1) payment processing; 2) adjustment processing; 3) other financial processing. Required system capabilities are classified under one of these headings in this subsection.</p>	✓
<p>C. Payment Processing</p> <p>Claims that have passed all edit, audit, and pricing processing, or which have been denied, must be processed for payment by the Contractor if the contractor has fee for service arrangements. Payment processing must include the capability to:</p> <ol style="list-style-type: none"> <li>1. Maintain a consolidated accounts receivable function and deduct/add appropriate amounts and/or percentages from processed payments.</li> <li>2. Update individual provider payment data and 1099 data on the Provider database.</li> </ol>	✓
<p>D. Adjustment Processing</p> <p>The MIS adjustment processing function must have the capabilities to:</p> <ol style="list-style-type: none"> <li>1. Maintain complete audit trails of adjustment processing activities on the claims history files.</li> </ol>	✓

<ol style="list-style-type: none"> <li>2. Update provider payment history and recipient claims history with all appropriate financial information and reflect adjustments in subsequent reporting, including claim-specific and non-claim-specific recoveries.</li> <li>3. Maintain the original claim and the results of all adjustment transactions in claims history; link all claims and subsequent adjustments by control number, providing for identification of previous adjustment and original claim number.</li> <li>4. Reverse the amount previously paid/recovered and then processes the adjustment so that the adjustment can be easily identified.</li> <li>5. Re-edit, re-price, and re-audit each adjustment including checking for duplication against other regular and adjustment claims, in history and in process.</li> <li>6. Maintain adjustment information which indicates who initiated the adjustment, the reason for the adjustment, and the disposition of the claim (additional payment, recovery, history only, etc.) for use in reporting the adjustment.</li> <li>7. Maintain an adjustment function to re-price claims, within the same adjudication cycle, for retroactive pricing changes, Member liability changes, Member or provider eligibility changes, and other changes necessitating reprocessing of multiple claims.</li> <li>8. Maintain a retroactive rate adjustment capability which will automatically identify all Claims affected by the adjustment, create adjustment records for them, reprocess them, and maintain a link between the original and adjusted Claim.</li> </ol>	
<p>E. Other Financial Processing</p> <p>Financial transactions such as stop payments, voids, reissues, manual checks, cash receipts, repayments, cost settlements, overpayment adjustments, recoupments, and financial transactions processed outside the MIS are to be processed as part of the Financial Processing function. To process these transactions, the MIS must have the capability to:</p> <p>1. Maintain the following information:</p> <ul style="list-style-type: none"> <li>• Program identification (for example, TPL recovery, rate adjustment);</li> <li>• Transaction source (for example, system generated, refund, Department generated);</li> <li>• Provider number/entity name and identification number;</li> <li>• Payment/recoupment detail (for example, dates, amounts, cash or recoupment);</li> <li>• Account balance;</li> <li>• Reason indicator for the transaction (for example, returned dollars from provider for TPL, unidentified returned dollars, patient financial liability adjustment);</li> <li>• Comment section;</li> <li>• Type of collection (for example, recoupment, cash receipt);</li> </ul>	



	<ul style="list-style-type: none"> <li>• Program to be affected;</li> <li>• Adjustment indicator; and</li> <li>• Internal control number (ICN) (if applicable).</li> </ul>	
2.	Accept manual or automated updates including payments, changes, deletions, suspensions, and write-offs, of financial transactions and incorporate them as MIS financial transactions for purposes of updating claims history, Provider/Member history, current month financial reporting, accounts receivable, and other appropriate files and reports.	
3.	Maintain sufficient controls to track each financial transaction, balance each batch, and maintain appropriate audit trails on the claims history and consolidated accounts receivable system, including a mechanism for adding user narrative.	
4.	<p>Maintain on-line inquiry to current and historical financial information with access by Provider ID or entity identification, at a minimum to include:</p> <ul style="list-style-type: none"> <li>• Current amount payable/due</li> <li>• Total amount of claims adjudication for the period</li> <li>• Aging of receivable information, according to user defined aging parameters</li> <li>• Receivable account balance and established date</li> <li>• Percentages and/or dollar amounts to be deducted from future payments</li> <li>• Type and amounts of collections made and dates</li> <li>• Both non-claim-specific, and</li> <li>• Data to meet the Department's reporting.</li> </ul>	
5.	Maintain a recoupment process that sets up Provider accounts receivable that can be either automatically recouped from claims payments or satisfied by repayments from the provider or both.	
6.	Maintain a methodology to apply monies received toward the established recoupment to the accounts receivable file, including the remittance advice date, number, and amount, program, and transfer that data to an on-line provider paid claims summary.	
7.	Identify a type, reason, and disposition on recoupments, payouts, and other financial transactions.	
8.	Provide a method to link full or partial refunds to the specific Claim affected, according to guidelines established by the Department.	
9.	Generate provider 1099 information annually, which indicate the total paid claims plus or minus any appropriate adjustments and financial transactions.	
10.	Maintain a process to adjust providers' 1099 earnings with payout or recoupment or transaction amounts through the accounts receivable transactions.	
11.	Maintain a process to accommodate the issuance and tracking of non-provider- related payments through the MIS (for example, a refund or an insurance company	

<p>overpayment) and adjust expenditure reporting appropriately.</p> <p>12. Track all financial transactions, by program and source, to include TPL recoveries, Fraud, Waste and Abuse recoveries, provider payments, drug rebates, and so forth.</p> <p>13. Determine the correct federal fiscal year within claim adjustments and other financial transactions are to be reported.</p> <p>14. Provide a method to direct payments resulting from an escrow or lien request to facilitate any court order or legal directive received.</p>	
<p>F. Reports</p> <p>Reports from the financial processing function are described in Appendix D and Contractor Reporting Requirements Section of Contract.</p>	✓
<p><b>Utilization/Quality Improvement</b></p> <p>The Contractor shall capture and maintain a patient-level record of each service provided to Members using CMS 1500, UBO4, NCPDP, HIPAA code sets or other Claim or Claim formats that shall meet the reporting requirements in this Contract. The computerized database must contain and hold a complete and accurate representation of all services covered by the Contractor, and by all providers and Subcontractors rendering services for the contract period. The Contractor shall be responsible for monitoring the integrity of the database and facilitating its appropriate use for such required reports as encounter data, and targeted performance improvement studies.</p>	✓
<p>Contractor shall comply with the requirements of 42 CFR 455.20 (a) by employing a selected sample method approved by CMS and the Department of verifying with Members whether the services billed by provider were received.</p>	✓
<p>The utilization/quality improvement subsystem combines data from other subsystems, and/or external systems, to produce reports for analysis which focus on the review and assessment of access, availability and continuity of services, quality of care given, detection of over and underutilization of services, and the development of user-defined reporting criteria and standards. This system profiles utilization of Providers and Members and compares them against experience and norms for comparable individuals.</p>	✓
<p>The subsystem shall support tracking utilization control function(s) and monitoring activities, including Geo Network for all Encounters in all settings particularly in-patient and outpatient care, emergency room use, outpatient drug therapy, EPSDT and out-of-area services. It shall complete provider profiles; occurrence reporting, including adverse incidents and complications, monitoring and evaluation studies; Members and Providers aggregate Grievances and Appeals; effects of educational programs; and Member/Provider satisfaction survey compilations. The subsystem may integrate the Contractor's manual and automated processes or incorporate other software reporting and/or analysis programs.</p>	✓
<p>The Contractor's utilization/quality improvement subsystem shall contain such items as: monitoring of primary care and specialty provider referral patterns processes to monitor and identify</p>	✓

deviations in patterns of treatment from established standards or norms, performance and health outcome measures using standardized indicators. The quality improvement subsystem will be based upon nationally recognized standards and guidelines, including but not limited to, a measurement system based upon the most current version of HEDIS published by the National Committee for Quality Assurance.	
<b>Surveillance Utilization Review Subsystem (SURS)</b> In accordance with 42 CFR 455, the Contractor shall establish a SURS function which provides the capability to identify potential fraud and/or abuse of providers or Members. The SURS component supports profiling, random sampling, groupers (for example Episode Treatment Grouper), ad hoc and targeted queries.	✓
The utilization/quality improvement function combines data from other external systems, such as Geo Network to produce reports for analysis which focus on the review and assessment of access and availability of services and quality of care given, detection of over and underutilization, and the development of user-defined reporting criteria and standards. This system profiles utilization of Providers and Members and compares them against experience and norms for comparable individuals.	✓
This system supports tracking utilization control function(s) and monitoring activities for inpatient admissions, emergency room use, and out-of-area services. It completes Provider profiles, occurrence reporting, monitoring and evaluation studies, and Member/Provider satisfaction survey compilations. The subsystem may integrate the Contractor's manual and automated processes or incorporate other software reporting and/or analysis programs.	✓
This system also supports and maintains information from Member surveys, Provider and Member Grievances, Appeal processes.	✓
A. Inputs The Utilization/Quality Improvement system must accept the following inputs: <ol style="list-style-type: none"> <li>1. Adjudicated Claims/encounters from the claims processing subsystem;</li> <li>2. Provider data from the provider subsystem;</li> <li>3. Member data from the Member subsystem.</li> </ol>	✓
B. Processing Requirements The Utilization/Quality Improvement function must include the following capabilities: <ol style="list-style-type: none"> <li>1. Maintain Provider credentialing and recredentialing activities.</li> <li>2. Maintain Contractor's processes to monitor and identify deviations in patterns of treatment from established standards or norms. Provide feedback information for monitoring progress toward goals, identifying optimal practices, and promoting continuous improvement.</li> <li>3. Maintain development of cost and utilization data by Provider and services.</li> <li>4. Provide aggregate performance and outcome measures using standardized quality indicators</li> </ol>	✓

	<p>similar to Medicaid HEDIS as specified by the Department.</p> <ol style="list-style-type: none"> <li>5. Support focused quality of care studies.</li> <li>6. Support the management of referral/utilization control processes and procedures.</li> <li>7. Monitor PCP referral patterns.</li> <li>8. Support functions of reviewing access, use and coordination of services (i.e. actions of peer review and alert/flag for review and/or follow-up; laboratory, x-ray and other ancillary service utilization per visit).</li> <li>9. Store and report Member satisfaction data through use of Member surveys, Grievance/Appeals processes, etc.</li> <li>10. Provide Fraud, Waste and Abuse detection, monitoring and reporting.</li> </ol>	
C. Reports	Utilization/quality improvement reports are listed in Appendices K and L.	✓
<b>Claims Control and Entry</b>	The Claims Control function ensures that all claims are captured at the earliest possible time and in an accurate manner. Claims must be adjudicated within the parameters of Prompt Pay standards set by CMS and the American Recovery and Reinvestment Act (ARRA).	✓
<b>Edit/Audit Processing</b>	The Claims processing subsystem collects, processes, and stores data on all health services delivered. The functions of this subsystem are Claims payment processing and capturing medical service utilization data. Claims are screened against the provider and Member subsystems. The Claims processing subsystem captures all medically related services, including medical supplies, using standard codes (e.g. HCPCS, ICD9-CM/ICD-10 CM/PCS diagnosis and procedure code, Revenue Codes, ADA Dental Codes and NDCs) rendered by medical providers to a Member regardless of remuneration arrangement (e.g. capitation/fee-for-service). The Contractor shall be required to electronically transmit Encounter Record to the Department on a weekly basis, or on a department approved schedule that is determined by the Contractor's financial schedule.	✓
	The Contractor's Claims processing/encounter subsystem shall contain such items as: apply edit and audit criteria to verify timely, accurate and complete Encounter Record; edit for prior-authorized Claims; identify error codes for Claims.	✓
	The Edit/Audit Processing function ensures that Claims are processed in accordance with Department and Contractor policy and the development of accurate encounters to be transmitted to the department. This processing includes application of non-history-related edits and history-related audits to the Claim. Claims are screened against Member and Provider eligibility information; pended and paid/denied claims history; and procedure, drug, diagnosis, and edit/audit information. Those Claims that exceed Program limitations or do not satisfy Program or processing requirements, suspend or deny with system assigned error messages related to the Claim.	✓

Claims also need to be edited utilizing all components of the CMS mandated National Correct Coding Initiative (NCCI)	✓
<p>A. Inputs</p> <p>The inputs to the Edit/Audit Processing function are:</p> <ol style="list-style-type: none"> <li>1. The Claims that have been entered into the claims processing system from the claims entry function;</li> <li>2. Member, Provider, reference data required to perform the edits and audits.</li> </ol>	✓
<p>B. Processing Requirements</p> <p>Basic editing necessary to pass the Claims onto subsequent processing requires that the MIS have the capabilities to:</p> <ol style="list-style-type: none"> <li>1. Edit each data element on the Claim record for required presence, format, consistency, reasonableness, and/or allowable values.</li> <li>2. Edit to assure that the services for which payment is requested are covered.</li> <li>3. Edit to assure that all required attachments are present.</li> <li>4. Maintain a function to process all Claims against an edit/audit criteria table and an error disposition file (maintained in the Reference Data Maintenance function) to provide flexibility in edit and audit processing.</li> <li>5. Edit for prior authorization requirements and to assure that a prior authorization number is present on the Claim and matches to an active Prior Authorization on the MIS.</li> <li>6. Edit Prior-Authorized claims and cut back billed units or dollars, as appropriate, to remaining authorized units or dollars, including Claims and adjustments processed within the same cycle.</li> <li>7. Maintain edit disposition to deny Claims for services that require Prior Authorization if no Prior Authorization is identified or active.</li> <li>8. Update the Prior Authorization record to reflect the services paid on the Claim and the number of services still remaining to be used.</li> <li>9. Perform relationship and consistency edits on data within a single Claim for all Claims.</li> <li>10. Perform automated audit processing (e.g., duplicate, conflict, etc.) using history Claims, suspended Claims, and same cycle Claims.</li> <li>11. Edit for potential duplicate claims by taking into account group and rendering Provider, multiple Provider locations, and across Provider and Claim types.</li> <li>12. Identify exact duplicate claims.</li> <li>13. Perform automated audits using duplicate and suspect-duplicate criteria to validate against history and same cycle claims.</li> <li>14. Perform all components of National Correct Coding Initiative (NCCI) edits</li> </ol>	✓


15.	Maintain audit trail of all error code occurrences linked to a specific Claim line or service, if appropriate.	
16.	Edit and suspend each line on a multi-line Claim independently.	
17.	Edit each Claim record completely during an edit or audit cycle, when appropriate, rather than ceasing the edit process when an edit failure is encountered.	
18.	Identify and track all edits and audits posted to the claim from suspense through adjudication.	
19.	Update Claim history files with both paid and denied Claims from the previous audit run.	
20.	Maintain a record of services needed for audit processing where the audit criterion covers a period longer than thirty-six (36) months (such as once-in-a-lifetime procedures).	
21.	Edit fields in Appendices D and E for validity (numerical field, appropriate dates, values, etc.).	
<b>Claims Pricing</b> The Claims Pricing function calculates the payment amount for each service according to the rules and limitations applicable to each Claim type, category of service, type of provider, and provider reimbursement code. This process takes into consideration the Contractor allowed amount, TPL payments, Medicare payments, Member age, prior authorized amounts, and any co-payment requirements. Prices are maintained on the Reference files (e.g., by service, procedure, supply, drug, etc.) or provider-specific rate files and are date-specific.		✓
The Contractor MIS must process and pay Medicare Crossover Claims and adjustments.		✓
A.	<b>Inputs</b> The inputs into the Claims Pricing function are the Claims that have been passed from the edit/audit process. The Reference and Provider files containing pricing information are also inputs to this function.	✓
B.	<b>Processing Requirements</b> The Claims Pricing function for the Fee for Service contracts the vendor has with providers of the MIS must have the capabilities to: <ol style="list-style-type: none"> <li>1. Calculate payment amounts according to the fee schedules, per diems, rates, formulas, and rules established by the Contractor.</li> <li>2. Maintain access to pricing and reimbursement methodologies to appropriately price claims at the Contractor's allowable amount.</li> <li>3. Maintain flexibility to accommodate future changes and expanded implementation of co pays.</li> <li>4. Deduct Member liability amounts from payment amounts as defined by the Department.</li> <li>5. Deduct TPL amounts from payments amounts.</li> <li>6. Provide adjustment processing capabilities.</li> </ol>	✓

<b>Claims Operations Management</b> The Claims Operations Management function provides the overall support and reporting for all of the Claims processing functions.	✓
<b>A. Inputs</b>  The inputs to the Claims Operations Management function must include all the claim records from each processing cycle and other inputs described for the Claims Control and Entry function.	✓
<b>B. Processing Requirements</b> The primary processes of Claims Operations Management are to maintain sufficient on-line claims information, provide on-line access to this information, and produce claims processing reports. The claims operations management function of the MIS must: <ol style="list-style-type: none"> <li>1. Maintain Claim history at the level of service line detail.</li> <li>2. Maintain all adjudicated (paid and denied) claims history. Claims history must include at a minimum:             <ul style="list-style-type: none"> <li>• All submitted diagnosis codes (including service line detail, if applicable);</li> <li>• Line item procedure codes, including modifiers;</li> <li>• Member ID and medical coverage group identifier;</li> <li>• Billing, performing, referring, and attending provider ids and corresponding provider types;</li> <li>• All error codes associated with service line detail, if applicable;</li> <li>• Billed, allowed, and paid amounts;</li> <li>• TPL and Member liability amounts, if any;</li> <li>• Prior Authorization number;</li> <li>• Procedure, drug, or other service codes;</li> <li>• Place of service;</li> <li>• Date of service, date of entry, date of adjudication, date of payment, date of adjustment, if applicable.</li> </ul> </li> <li>3. Maintain non-claim-specific financial transactions as a logical component of Claims history.</li> <li>4. Provide access to the adjudicated and Claims in process, showing service line detail and the edit/audits applied to the Claim.</li> <li>5. Maintain accurate inventory control status on all Claims.</li> </ol>	✓
<b>C. Reports</b> The following reports must be available from the Claims processing function fifteen days after the end of each month: <ol style="list-style-type: none"> <li>1. Number of Claims received, paid, denied, and suspended for the previous month by provider type with a reason for the denied or suspended claim.</li> </ol>	✓

<ol style="list-style-type: none"> <li>2. Number and type of services that are prior-authorized (PA) for the previous month (approved and denied).</li> <li>3. Amount paid to providers for the previous month by provider type.</li> <li>4. Number of Claims by provider type for the previous month, which exceed processing timelines standards defined by the Department. Claim Prompt Pay reports as defined by ARRA</li> </ol>	
<p><b>Analysis and Reporting Function</b></p> <p>The analysis capacity function supports reporting requirements for the Contractor and the Department with regard to the QAPI program and managed care operations. The Contractor shall show sufficient capacity to support special requests and studies that may be part of the financial and quality systems. The reporting subsystem allows the Contractor to develop various reports to enable Contractor management and the Department to make informed decisions regarding managed care activity, costs and quality.</p>	✓
<p>The Contractor's reporting subsystem shall contain such items as: specifications for a decision support system; capacity to collect, analyze and report performance data sets such as may be required under this Contract; HEDIS performance measures; report on Provider rates, federally required services, reports such as family planning services, abortions, sterilizations and EPSDT services.</p>	✓



**APPENDIX H. COVERED SERVICES**

Contract Requirement	Agree to Comply
<p><b>I. Contractor Covered Services</b></p> <ul style="list-style-type: none"> <li>A. Alternative Birthing Center Services</li> <li>B. Ambulatory Surgical Center Services</li> <li>C. Behavioral Health Services – Mental Health and Substance Abuse Disorders</li> <li>D. Chiropractic Services</li> <li>E. Community Mental Health Center Services</li> <li>F. Dental Services, including Oral Surgery, Orthodontics and Prosthodontics</li> <li>G. Durable Medical Equipment, including Prosthetic and Orthotic Devices, and Disposable Medical Supplies</li> <li>H. Early and Periodic Screening, Diagnosis &amp; Treatment (EPSDT) screening and special services</li> <li>I. End Stage Renal Dialysis Services</li> <li>J. Family Planning Services in accordance with federal and state law and judicial opinion</li> <li>K. Hearing Services, including Hearing Aids for Members Under age 21</li> <li>L. Home Health Services</li> <li>M. Hospice Services (non-institutional only)</li> <li>N. Independent Laboratory Services</li> <li>O. Inpatient Hospital Services</li> <li>P. Inpatient Mental Health Services</li> <li>Q. Meals and Lodging for Appropriate Escort of Members</li> <li>R. Medical Detoxification, meaning management of symptoms during the acute withdrawal phase from a substance to which the individual has been addicted.</li> <li>S. Medical Services, including but not limited to, those provided by Physicians, Advanced Practice Registered Nurses, Physicians Assistants and FQHCs, Primary Care Centers and Rural Health Clinics</li> <li>T. Organ Transplant Services not Considered Investigational by FDA</li> <li>U. Other Laboratory and X-ray Services</li> <li>V. Outpatient Hospital Services</li> <li>W. Outpatient Mental Health Services</li> <li>X. Pharmacy and Limited Over-the-Counter Drugs including Mental/Behavioral Health Drugs</li> <li>Y. Podiatry Services</li> <li>Z. Preventive Health Services, including those currently provided in Public Health Departments, FQHCs/Primary Care Centers, and Rural Health Clinics</li> <li>AA. Psychiatric Residential Treatment Facilities (Level I and Level II)</li> </ul>	

BB. Specialized Case Management Services for Members with Complex Chronic Illnesses (Includes adult and child targeted case management) CC. Specialized Children's Services Clinics DD. Targeted Case Management EE. Therapeutic Evaluation and Treatment, including Physical Therapy, Speech Therapy, Occupational Therapy FF. Transportation to Covered Services, including Emergency and Ambulance Stretcher Services GG. Urgent and Emergency Care Services HH. Vision Care, including Vision Examinations, Services of Opticians, Optometrists and Ophthalmologists, including eyeglasses for Members Under age 21	
<b>II. Member Covered Services and Summary of Benefits Plan</b>	✓
A. General Requirements and Limitations The Contractor shall provide, or arrange for the provision of, health services, including Emergency Medical Services, to the extent services are covered for Members under the then current Kentucky State Medicaid Plan, as designated by the department in administrative regulations adopted in accordance with KRS Chapter 13A and as required by federal and state regulations, guidelines, transmittals, and procedures.	✓
This Appendix was developed to provide, for illustration purposes only, the Contractor with a summary of currently covered Kentucky Medicaid services and to communicate guidelines for the submission of specified Medicaid reports. The summary is not meant to act, nor serve as a substitute for the then current administrative regulations and the more detailed information relating to services which is contained in administrative regulations governing provision of Medicaid services (907 KAR Chapters 1, 3 4, 8, 9, 10, 11, 13, 15 and 17) and in individual Medicaid program services benefits summaries incorporated by reference in the administrative regulations. If the Contractor questions whether a service is a Covered Service or Non-Covered Service, the Department reserves the right to make the final determination, based on the then current administrative regulations in effect at the time of the contract.	✓
Administrative regulations and incorporated by reference Medicaid program services benefits summaries may be accessed by contacting: Kentucky Cabinet for Health and Family Services Department for Medicaid Services 275 East Main Street, 6th Floor Frankfort, Kentucky 40621	✓
Kentucky's Medicaid State Plan, administrative regulations, and incorporated by reference materials are also accessible via the Internet at <a href="http://www.chfs.ky.gov/dms/Regs.htm">http://www.chfs.ky.gov/dms/Regs.htm</a> .	✓
Kentucky Medicaid covers only Medically Necessary services. These services are considered by the Department to be those which are reasonable and necessary to establish a diagnosis and	✓






<p>provide preventive, palliative, curative or restorative treatment for physical or mental conditions in accordance with the standards of health care generally accepted at the time services are provided, including but not limited to services for children in accordance with 42 USC 1396d(r). Each service must be sufficient in amount, duration, and scope to reasonably achieve its purpose. The amount, duration, or scope of coverage must not be arbitrarily denied or reduced solely because of the diagnosis, scope of illness, or condition.</p>	
<p>The Contractor shall provide any Covered Services ordered to be provided to a Member by a Court, to the extent not in conflict with federal laws. The Department shall provide written notification to the Contractor of any court-ordered service. The Contractor shall additionally cover forensic pediatric and adult sexual abuse examinations performed by health care professional(s) credentialed to perform such examinations and any physical and sexual abuse examination(s) for any Member when the Department for Community Based Services is conducting an investigation and determines that the examination(s) is necessary.</p>	✓
<p><b>III. EMERGENCY CARE SERVICES (42 CFR 431.52)</b></p> <p>The Contractor must provide, or arrange for the provision of, all covered emergency care immediately using health care providers most suitable for the type of injury or illness in accordance with Medicaid policies and procedures, even when services are provided outside the Contractor's region or are not available using Contractor enrolled providers. Conditions related to provision of emergency care are shown in 42 CFR 438.144.</p>	✓
<p><b>IV. MEDICAID SERVICES COVERED AND NOT COVERED BY THE CONTRACTOR</b></p> <p>The Contractor must provide Covered Services under current administrative regulations. The scope of services may be expanded with approval of the Department and as necessary to comply with federal mandates and state laws. Certain Medicaid services are currently excluded from the Contractor benefits package, but continue to be covered through the traditional fee-for-service Medicaid Program. The Contractor will be expected to be familiar with these Contractor excluded services, designated Medicaid "wrap-around" services and to coordinate with the Department's providers in the delivery of these services to Members.</p>	✓
<p>Information relating to these excluded services' programs may be accessed by the Contractor from the Department to aid in the coordination of the services.</p>	✓
<p><b>A. Health Services Not Covered Under Kentucky Medicaid</b></p> <p>Under federal law, Medicaid does not receive federal matching funds for certain services. Some of these excluded services are optional services that the Department may or may not elect to cover. The Contractor is not required to cover services that Kentucky Medicaid has elected not to cover for Members.</p> <p>Following are services currently not covered by the Kentucky Medicaid Program:</p> <ul style="list-style-type: none"> <li>Any laboratory service performed by a provider without current certification in accordance with the Clinical Laboratory Improvement Amendment</li> </ul>	✓



<p>(CLIA). This requirement applies to all facilities and individual providers of any laboratory service;</p> <ul style="list-style-type: none"> <li>• Cosmetic procedures or services performed solely to improve appearance;</li> <li>• Hysterectomy procedures, if performed for hygienic reasons or for sterilization only;</li> <li>• Medical or surgical treatment of infertility (e.g., the reversal of sterilization, invitro fertilization, etc.);</li> <li>• Induced abortion and miscarriage performed out-of-compliance with federal and Kentucky laws and judicial opinions;</li> <li>• Paternity testing;</li> <li>• Personal service or comfort items;</li> <li>• Post mortem services;</li> <li>• Services, including but not limited to drugs, that are investigational, mainly for research purposes or experimental in nature;</li> <li>• Sex transformation services;</li> <li>• Sterilization of a mentally incompetent or institutionalized member;</li> <li>• Services provided in countries other than the United States, unless approved by the Secretary of the Kentucky Cabinet for Health and Family Services;</li> <li>• Services or supplies in excess of limitations or maximums set forth in federal or state laws, judicial opinions and Kentucky Medicaid program regulations referenced herein; and</li> <li>• Services for which the Member has no obligation to pay and for which no other person has a legal obligation to pay are excluded from coverage.</li> </ul>	
<p><b>V. Health Services Limited by Prior Authorization</b></p> <p>The following services are currently limited by Prior Authorization of the Department for Members. Other than the Prior Authorization of organ transplants, the Contractor may establish its own policies and procedures relating to Prior Authorization.</p>	✓
<ul style="list-style-type: none"> <li>• Early and Periodic Screening, Diagnosis and Treatment (EPSDT) Special Services</li> </ul> <p>The Contractor is responsible for providing and coordinating Early and Periodic Screening, Diagnosis and Treatment Services (EPSDT), and EPSDT Special Services, through the primary care provider (PCP), for any Member under the age of twenty-one (21) years.</p> <p>EPSDT Special Services must be covered by the Contractor and include any Medically Necessary health care, diagnostic, preventive, rehabilitative or therapeutic service that is Medically Necessary for a Member under the age of twenty-one (21) years to correct or ameliorate defects, physical and mental illness, or other conditions whether the needed service is covered by the Kentucky Medicaid State Plan in accordance with Section 1905 (a) of the Social Security Act.</p> <ul style="list-style-type: none"> <li>• Transplantation of Organs and Tissue (Must be in compliance with State Plan and 907 KAR 1:350.)</li> </ul>	✓

<ul style="list-style-type: none"> <li>Other Prior Authorized Medicaid Services</li> </ul>	
Other Medicaid services limited by Prior Authorization are identified in the individual program coverage areas in Section VI.	✓
<b>VI. Current Medicaid Programs' Services and Extent of Coverage</b> The Contractor shall cover all services for its Members at the appropriate level, in the appropriate setting and as necessary to meet Members' needs to the extent services are currently covered. The Contractor may expand coverage to include other services not routinely covered by Kentucky Medicaid, if the expansion is approved by the Department, if the services are deemed cost effective and Medically Necessary, and as long as the costs of the additional services do not affect the Capitation Rate.	✓
The Contractor shall provide covered services as required by statutes or administrative regulations. The current location of Covered Services can be found in the following regulations:	✓
<ul style="list-style-type: none"> <li>Alternative Birthing Center Services (907 KAR 1:180)</li> <li>Ambulatory Surgical Center (907 KAR 1:008)</li> <li>Behavioral Health Service Organization Services (907 KAR 15:020)</li> <li>Behavioral Health Services Provided by Independent Providers (907 KAR 15:010)</li> <li>Chemical Dependency Treatment Center Services (907 KAR 15:080)</li> <li>Chiropractic Services (907 KAR 3:125)</li> <li>Commission for Children with Special Health Care Needs (911 KAR Chapter 1) Coverage includes physician, EPSDT, dental, occupational therapy, physical therapy, speech therapy, durable medical equipment, genetic screening and counseling, audiological, vision, case management, laboratory and x-ray, psychological and hemophilia treatment and related services.</li> <li>Community Mental Health Center Primary Care Services (907 KAR 1:046)</li> <li>Community Mental Health Center Behavioral Health Services (907 KAR 1:044)</li> <li>Dental Health Services (907 KAR 1:026)</li> <li>Dialysis Center Services (907 KAR 1:400)</li> <li>Durable Medical Equipment, Medical Supplies, Orthotic and Prosthetic Devices (907 KAR 1:479)</li> <li>Early and Periodic Screening, Diagnosis and Treatment (EPSDT) Services (907 KAR 11:034)</li> <li>Family Planning Clinic Services (907 KAR 1:048 &amp; 1:434)</li> <li>Federally Qualified Health Clinics, Primary Care Clinics and Rural Health Center Services (907 KAR 1:054, 1:082, )</li> <li>Hearing Program Services (907 KAR 1:038)</li> <li>Home Health Services (907 KAR 1:030)</li> <li>Hospice Services – non-institutional (907 KAR 1:330 &amp; 1: 436)</li> <li>Hospital Inpatient Services (907 KAR 10:012)</li> <li>Hospital Outpatient Services (907 KAR 10:014)</li> <li>Independent Occupational Therapy Services (907 KAR 8:005 and 907 KAR 8:101)</li> </ul>	✓

<ul style="list-style-type: none"> <li>• Independent Physical Therapy Services (907 KAR 8:005 and 907 KAR 8:020)</li> <li>• Independent Speech Language Pathology Services (907 KAR 8:005 and 907 KAR 8:030)</li> <li>• Inpatient Psychiatric Hospital Services (907 KAR 10:016)</li> <li>• Laboratory Services (907 KAR 1:028)</li> <li>• Medical Necessity and Clinical Appropriate Determination Basis (907 KAR 3:130)</li> <li>• Medicare Non-Covered Services (907 KAR 1:006)</li> <li>• Mental Health Inpatient Services (907 KAR 10:012 &amp; 10:016)</li> <li>• Mental Health Outpatient Services (see physician, community mental health center, FQHC and RHC, 907 KAR Chapter 15)</li> <li>• Psychiatric Hospital Inpatient Services (907 KAR 10:016)</li> <li>• Psychiatric Hospital Outpatient Services ( 907 KAR 10:020)</li> <li>• Nursing Facility Services (907 KAR 1:022 &amp; 1:037)</li> <li>• Organ Transplants (907 KAR 1:350)</li> <li>• Other Laboratory and X-ray Provider Services (907 KAR 1:028)</li> <li>• Outpatient Pharmacy Prescriptions and Over-the-Counter Drugs including Behavioral Health Drugs (907 KAR 1:019, KRS 205.5631, 205,5632, 205.560)</li> <li>• Outpatient Psychiatric Hospital Behavioral Health Services (907 KAR 10:020)</li> <li>• Physicians and Nurses in Advanced Practice Medical Services (907 KAR 3:005 and 907 KAR 1:102)</li> <li>• Podiatry Services (907 KAR 1:270)</li> <li>• Preventive and Remedial Public Health Services (907 KAR 1:360)</li> <li>• Private Duty Nursing (907 KAR Chapter13)</li> <li>• Psychiatric Residential Treatment Facility Services – (907 KAR 9:005)</li> <li>• Residential Crisis Stabilization Unit Services (907 KAR 15:075)</li> <li>• Specialized Children's Services Clinics (907 KAR 3:160)</li> <li>• Sterilization, Hysterectomy and Induced Termination of Pregnancy Procedures (Sterilizations of both male and female Members are covered only when performed in compliance with 42 CFR 441.250, KRS 205.560 and <i>Glenda Hope, et al. v. Masten Childers, et al.</i>)</li> <li>• Substance Use Disorder Services (907 KAR 15:005, 907 KAR 15:010 – 15:025)</li> <li>• Targeted Case Management Services (907 KAR15:005, 907 KAR 15:040 - 15:065)</li> <li>• Tobacco Cessation Services (907 KAR 3:215)</li> <li>• Transportation, including Emergency and Non-emergency Ambulance (907 KAR 1:060)</li> <li>• Vaccines for Children (VFC) Program (907 KAR 1:680)</li> <li>• Vision Services (907 KAR 1:632)</li> </ul>	
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**APPENDIX I. TRANSITION/COORDINATION OF CARE PLANS**

Contract Requirement	Agree to Comply
<p>Upon receipt of a HIPAA 834 indicating that a Member is transferring from one Medicaid Managed Care Organization (Former MCO) to another MCO (New MCO), the Former MCO shall be responsible to contact the New MCO, the recipient and the recipient's providers in order to transition existing care. A Prior Authorization (PA) shall be honored by the New MCO for 90 days or until the recipient or provider is contacted by the New MCO regarding the PA. If the recipient and provider are not contacted by the New MCO, the existing Medicaid PA shall be honored until expired.</p>	
<p><b>Hospital Admission Prior to the Member's Transition.</b>          If the Member is an in-patient in any facility at the time of transition, the entity responsible for the Member's care at the time of admission shall continue to provide coverage for the Member at that facility, including all Professional Services, until the recipient is discharged from the facility for the current admission. An inpatient admission within fourteen (14) calendar days of discharge for the same diagnosis shall be considered a "current admission." The "same diagnosis" is defined as the first five digits of a diagnosis code.</p>	
<p><b>Outpatient Facility Services and Non-Facility Services</b>          Effective on the Member's Transition date, the New MCO will be responsible for outpatient services both facility and non-facility. Outpatient reimbursement includes outpatient hospital, ambulatory surgery centers, and renal dialysis centers.</p>	
<p><b>Nursing Homes</b>          Eligibility for Long Term Care in a Nursing Facility (NF) includes some financial requirements not needed for basic Medicaid eligibility. When an eligible member enters an NF the facility must receive a Level of Care (LOC) determination to ensure the member meets medical criteria for Nursing Facility. That LOC is passed electronically to the DCBS eligibility worker, triggering the eligibility determination for this additional benefit. That determination can generally be completed within thirty days. <i>Once LTC eligible, worker entries exempt the member from managed care effective with the next feasible month.</i> If the worker action is completed prior to cut off (eight business days before the end of the month), managed care ends at the last day of current month. If the action is after cut off, managed care ends the last day of the following month. During this transition, the MCO will be responsible for ancillary, physician and pharmaceuticals charges and the Department will reimburse for those services billed by Nursing Facility. Once exempt from Managed Care, the Department will be responsible for all eligible services associated with this recipient.</p>	
<p><b>Waiver Participation</b>          1915(c) Home and Community Based Services Wavier programs are simply added benefits for eligible members; however, the action that exempts those members from being subject to Managed Care resides with the DCBS eligibility worker. These services require a Level of Care (LOC). The LOC is passed electronically to the DCBS eligibility worker; receipt of the LCO triggers the eligibility worker to complete entries within the eligibility system. Those entries exempt the member from managed care effective the next feasible month. If the worker action is completed prior to cut off (eight business days before the end of the month), managed care ends at the last day of current month. If</p>	

<p>the action is after cut off, managed care ends the last day of the following month. During this transition, the MCO will be responsible for all services except the additional Waiver benefits. The Waiver Services will be paid by the Department as fee for service. Coding in our billing system allows the Wavier Service to be processed during the transition period, once the eligibility worker has completed the necessary entries. Once exempt from Managed Care the Department will be responsible for all services associated with this recipient.</p>	
<p><b>Transplants</b>          Follow up care provided on or after the Member's Transition that is billed outside the Global Charges, will be the responsibility of the New MCO.</p>	
<p><b>Eligibility Issues</b>          For a Member who loses eligibility during an inpatient stay, an MCO is responsible for the care through discharge if the hospital is compensated under a DRG methodology or through the day of ineligibility if the hospital is compensated under a per diem methodology.</p>	



**APPENDIX J. CREDENTIALING PROCESS**

Contract Requirement	Agree to Comply
<b>Provider Enrollment Coversheet</b> <ol style="list-style-type: none"> <li>1. Provider Name</li> <li>2. Address-Physical &amp; telephone number</li> <li>3. Address-Pay-to-address</li> <li>4. Address-Correspondence</li> <li>5. E-mail address</li> <li>6. Address-1099 &amp; telephone number</li> <li>7. Fax Number</li> <li>8. Electronic Billing</li> <li>9. Specialty</li> <li>10. SSN/FEIN#</li> <li>11. License#/Certificate</li> <li>12. Begin and End date of Eligibility</li> <li>13. CLIA</li> <li>14. NPI</li> <li>15. Taxonomy</li> <li>16. Ownership (5%or more)</li> <li>17. Previous Provider Number (if applicable) this also includes Change in Ownership</li> <li>18. Existing provider number if EPSDT</li> <li>19. Tax Structure</li> <li>20. Provider Type</li> <li>21. DOB</li> <li>22. Supervising Physician (for Physician Assist)</li> <li>23. Map 347 (need group# and effective date)</li> <li>24. EFT (Account # and ABA #)</li> <li>25. Bed Data</li> <li>26. DEA (Effective and Expiration dates)</li> <li>27. Fiscal Year End Date</li> <li>28. Document Control Number</li> <li>29. Contractor Credentialing Date</li> <li>30. Credentialing Required</li> </ol>	
<b>Credentialing and Recredentialing Requirements</b> <p>This documentation shall include, but not be limited to, defining the scope of providers covered, the criteria and the primary source verification of information used to meet the criteria, the process used to make decisions and the extent of delegated credentialing and recredentialing arrangements. The Contractor shall have a process for receiving input from participating providers regarding credentialing and recredentialing of providers. Those providers accountable to a formal governing body for review of credentials shall include physicians, dentists, advanced registered nurse practitioners, audiologist, CRNA, optometrist, podiatrist, chiropractor, physician assistant and other licensed or certified practitioners. Providers required to be recredentialed by the Contractor per Department policy are physicians,</p>	

audiologists, certified registered nurse anesthetists, advanced registered nurse practitioners, podiatrists, chiropractors and physician assistants. However, if any of these providers are hospital-based, credentialing will be performed by the Department. The Contractor shall be responsible for the ongoing review of provider performance and credentialing as specified below:	
A. The Contractor shall verify that its enrolled network Providers to whom Members may be referred are properly licensed in accordance with all applicable Commonwealth law and regulations and have in effect such current policies of malpractice insurance as may be required by the Contractor.	✓
B. The process for verification of Provider credentials and insurance, and any additional facts for further verification and periodic review of Provider performance, shall be embodied in written policies and procedures, approved in writing by the Department.	✓
C. The Contractor shall maintain a file for each Provider containing a copy of the Provider's current license issued by the Commonwealth and such additional information as may be specified by the Department.	✓
D. The process for verification of Provider credentials and insurance shall be in conformance with the Department's policies and procedures. The Contractor shall meet requirements under KRS 205.560(12) related to credentialing. The Contractor's enrolled providers shall complete a credentialing application in accordance with the Department's policies and procedures.	✓
The process for verification of Provider credentials and insurance shall include the following:	✓
A. Written policies and procedures that include the Contractor's initial process for credentialing as well as its re-credentialing process that must occur, at a minimum, every three (3) years;	✓
B. A governing body, or the groups or individuals to whom the governing body has formally delegated the credentialing function;	✓
C. A review of the credentialing policies and procedures by the formal body;	✓
D. A credentialing committee which makes recommendations regarding credentialing;	✓
E. Written procedures, if the Contractor delegates the credentialing function, as well as evidence that the effectiveness is monitored;	✓
F. Written procedures for the termination or suspension of Providers; and	✓
G. Written procedures for, and implementation of, reporting to the appropriate authorities serious quality deficiencies resulting in suspension or termination of a provider.	✓
The contractor shall meet requirements under KRS 205.560(12) related to credentialing. Verification of Provider's credentials shall include the following:	✓

A. A current valid license or certificate to practice in the Commonwealth of Kentucky;	✓
B. A Drug Enforcement Administration (DEA) certificate and number, if applicable;	✓
C. Primary source of graduation from medical school and completion of an appropriate residency, or accredited nursing, dental, physician assistant or vision program as applicable; if provider is not board certified.	✓
D. Board certification if the practitioner states on the application that the practitioner is board certified in a specialty;	✓
E. Professional board certification, eligibility for certification, or graduation from a training program to serve children with special health care needs under twenty-one (21) years of age	✓
F. Previous five (5) years' work history;	✓
G. Professional liability claims history;	✓
H. Clinical privileges and performance in good standing at the hospital designated by the Provider as the primary admitting facility, for all providers whose practice requires access to a hospital, as verified through attestation;	✓
I. Current, adequate malpractice insurance, as verified through attestation;	✓
J. Documentation of revocation, suspension or probation of a state license or DEA/BNDD number;	✓
K. Documentation of curtailment or suspension of medical staff privileges;	✓
L. Documentation of sanctions or penalties imposed by Medicare or Medicaid;	✓
M. Documentation of censure by the State or County professional association; and	✓
N. Most recent information available from the National Practitioner Data Bank.	✓
O. Health and Human Services Office of Inspector General (HHS OIG)	✓
P. System for Award Management (SAM)	✓
The provider shall complete a credentialing application that includes a statement by the applicant regarding:	✓

A. The ability to perform the essential functions of the positions, with or without accommodation;	✓
B. Lack of present illegal drug use.	✓
C. History of loss of license and felony convictions;	✓
D. History of loss or limitation of privileges or disciplinary activity;	✓
E. Sanctions, suspensions or terminations imposed by Medicare or Medicaid; and	✓
F. Applicants attest to the correctness and completeness of the application.	✓
Before a practitioner is credentialed, the Contractor shall verify information from the following organizations and shall include the information in the credentialing files:	✓
A. National practitioner data bank, if applicable;	✓
B. Information about sanctions or limitations on licensure from the appropriate state boards applicable to the practitioner type; and	✓
C. Other recognized monitoring organizations appropriate to the practitioner's discipline.	✓
At the time of credentialing, the Contractor shall perform an initial visit to providers as it deems necessary and as required by law. (See 42 CFR Part 455 Subpart E.). The Contractor shall document a structured review to evaluate the site against the Contractor's organizational standards and those specified by this contract. The Contractor shall document an evaluation of the medical record documentation and keeping practices at each site for conformity with the Contractor's organizational standards and this contract.	✓
The Contractor shall have formalized recredentialing procedures. The Contractor shall formally recredential its providers at least every three (3) years. The Contractor shall comply with the Department's recredentialing policies and procedures. There shall be evidence that before making a recredentialing decision, the Contractor has verified information about sanctions or limitations on practitioner from:	✓
A. A current license to practice;	✓
B. The status of clinical privileges at the hospital designated by the practitioner as the primary admitting facility;	✓
C. A valid DEA number, if applicable;	✓
D. Board certification, if the practitioner was due to be recertified or become board certified since last credentialed or recredentialled;	✓

E. Five (5) year history of professional liability claims that resulted in settlement or judgment paid by or on behalf of the practitioner; and	✓
F. A current signed attestation statement by the applicant regarding: (1) The ability to perform the essential functions of the position, with or without accommodation; (2) The lack of current illegal drug use; (3) A history of loss, limitation of privileges or any disciplinary action; and (4) Current malpractice insurance. (5) Health and Human Services Office of Inspector General (HHS OIG) (6) System for Award Management (SAM)	✓
There shall be evidence that before making a recredentialing decision, the Contractor has verified information about sanctions or limitations on practitioner from:	✓
A. The national practitioner data bank;	✓
B. Medicare and Medicaid;	✓
C. State boards of practice, as applicable; and	✓
D. Other recognized monitoring organizations appropriate to the practitioner's specialty	✓
The Contractor shall have written policies and procedures for the initial and on-going assessment of organizational providers with whom it intends to contract or which it is contracted. Providers include, but are not limited to, hospitals, home health agencies, free-standing surgical centers, residential treatment centers, and clinics. At least every three (3) years, the Contractor shall confirm that the provider is in good standing with state and federal regulatory bodies, including the Department, and, has been accredited or certified by the appropriate accrediting body and state certification agency or has met standards of participation required by the Contractor.	✓
The Contractor shall have policies and procedures for altering conditions of the practitioners participation with the Contractor based on issues of quality of care and services. The Contractor shall have procedures for reporting to the appropriate authorities, including the Department, serious quality deficiencies that could result in a practitioner's suspension or termination.	✓
If a provider requires review by the Contractor's credentialing Committee, based on the Contractor's quality criteria, the Contractor will notify the Department regarding the facts and outcomes of the review in support of the State Medicaid credentialing process.	✓
The contractor shall use the provider type summaries listed at <a href="http://chfs.ky.gov/dms/provEnr/Provider+Type+Summaries.htm">http://chfs.ky.gov/dms/provEnr/Provider+Type+Summaries.htm</a>	✓

**APPENDIX K. MCO PROVIDER NETWORK FILE LAYOUT (EFFECTIVE 11-07-12)**

**WellCare of Kentucky will comply with the Department of Medicaid Services' expectations and requirements as specified in Appendix K. MCO Provider Network File Layout (Effective 11-07-12).**

Submit one delimited text file per network.

Submit one record for each provider to include the values indicated in the layout.

Field	Data Type	Length	Description	Valid Values
Provider Type	Character	2	Medicaid Provider Type	Utilize valid values from sheet titled Medicaid Provider Types
Provider Contracted	Character	1	Valid values are C or L. C=provider has a signed contract to be a participating provider in the network or L=provider has signed a letter of intent stating they will be a participating provider in the network.	Valid values are C or L. C=provider has a signed contract to be a participating provider in the network or L=provider has signed a letter of intent stating they will be a participating provider in the network.
Provider License	Character	10	Must be submitted for physicians and leave blank if physician is licensed in a state other than Kentucky.	Must be submitted for physicians and leave blank if physician is licensed in a state other than Kentucky.
National Provider Identifier (NPI)	Character	10	Must be submitted for providers required to have an NPI.	Must be submitted for providers required to have an NPI.
Medicaid Provider ID	Character	10	Provider ID assigned by Kentucky Medicaid. Must be submitted - if known.	Provider ID assigned by Kentucky Medicaid. Must be submitted - if known.
Primary Specialty Code	Character	3	Medicaid Provider Specialty	Utilize valid values from sheet titled Medicaid Provider Specialties.
Secondary Specialty Code	Character	3	Medicaid Provider Specialty	Utilize valid values from sheet titled Medicaid Provider Specialties
Name	Character	50	If a physician name, enter as last name, first name, MI	If a physician name, enter as last name, first name, MI.
Address Line 1	Character	50	Location street address line 1	DO NOT SUBMIT PO BOX OR MAILING ADDRESS. THIS MUST BE LOCATION ADDRESS!
Address Line 2	Character	50	Location street address line 2	DO NOT SUBMIT PO BOX OR MAILING ADDRESS. THIS MUST BE LOCATION ADDRESS!
City	Character	50	Location city	

Field	Data Type	Length	Description	Valid Values
State	Character	2	Location state	
Zip Code	Character	5	Location zip code	
County Code	Character	3	Location county	County Code of the Provider's location address. See the following list for Kentucky County Codes.
Phone Number	Character	15	Phone number excluding dashes	Do not include dashes, etc.
Latitude	Character	11	Latitude of the Provider's location address. Precision to the 6th digit. Must be in format 99.999999	Latitude of the Provider's location address. Precision to the 6th digit. Must be in format 99.999999
Longitude	Character	11	Longitude of the Provider's location address. Precision to the 6th digit. Must be in format -99.999999	Longitude of the Provider's location address. Precision to the 6th digit. Must be in format -99.999999
PCP Specialist or Both	Character	1	Valid entries are P, S or B. P=PCP, S=Specialty, B=Both. Leave blank for all other providers.	Valid entries are P, S or B. P=PCP, S=Specialty, B=Both. Leave blank for all other providers.
PCP Open or Closed Panel	Character	1	Mandatory for PCP. Valid entries are O or C. O=Open, C=Closed. Leave blank for all other providers.	Mandatory for PCP. Valid entries are O or C. O=Open, C=Closed. Leave blank for all other providers.
PCP Panel Size	Character	9	PCP Provider's maximum panel size	PCP Provider's maximum panel size
PCP Panel Enrollment	Character	9	PCP Provider's current panel enrollment count	PCP Provider's current panel enrollment count
Spanish	Character	1	Y = yes	Y - yes
Language 1	Character	3	Language code	See the following codes
Language 2	Character	3	Language code	See the following codes
Language 3	Character	3	Language code	See the following codes
Language 4	Character	3	Language code	See the following codes
MCO Medicaid Provider ID	Character	10	Provider ID assigned to the MCO by Kentucky Medicaid	Provider ID assigned to the MCO by Kentucky Medicaid.
Effective Date	Character	8 (CCYYMMDD)	Effective date that the provider joined the MCO and can provide services	Effective date that the provider joined the MCO and can provide services.

Field	Data Type	Length	Description	Valid Values
End Date	Character	8 (CCYYMMDD)	Last date the provider is contracted with the MCO. (If provider contract is open-ended send 22991231.)	Last date the provider is contract with the MCO. (If provider contract is open-ended send 22991231.)
Is Included in directory	Character	1	Y - yes, provider will be included in the state as well as MCO network directories. N - No, provider is still part of the network, but will not be included in the state as well as MCO network directories.	Y - yes, provider will be included in the state as well as MCO network directories. N - No, provider is still part of the network, but will not be included in the state as well as MCO network directories.
Reserved1		20	Reserved	Reserved
Reserved2		20	Reserved	Reserved
Reserved3		20	Reserved	Reserved
Reserved4		20	Reserved	Reserved
Reserved5		20	Reserved	Reserved



**Provider Types:**

Provider Type Code	Provider Type Description
01	General hospital
02	Mental Hospital
04	Psychiatric Residential Treatment Facility
10	ICF/MR Clinic
11	ICF/MR
12	Nursing Facility
13	Specialized Children Service Clinics
14	MFP Pre-Transition Services
15	Health Access Nurturing Development Svcs
17	Acquired Brain Injury
20	Preventive & Remedial Public Health
21	School Based Health Services
22	Commission for Handicapped Children
23	Title V/DSS
24	First Steps/Early Int.
25	Targeted Case Management
27	Adult Targeted Case Management
28	Children Targeted Case Management
29	Impact Plus
30	Community Mental Health
31	Primary Care
32	Family Planning Service
33	Support for Community Living (SCL)
34	Home Health
35	Rural Health Clinic
36	Ambulatory Surgical Centers
37	Independent Laboratory
38	Lab & X-Ray Technician
39	Dialysis Clinic
40	EPSDT Preventive Services
41	Model Waiver

42	Home and Community Based Waiver
43	Adult Day Care
44	Hospice
45	EPSDT Special Services
46	Home Care Waiver
47	Personal Care Waiver
50	Hearing Aid Dealer
52	Optician (528 - Optical clinic)
54	Pharmacy
55	Emergency Transportation
56	Non-Emergency Transportation
57	Net (Capitation)
58	Net Clinic (Capitation)
60	Dentist - Individual
61	Dental - Group
64	Physician Individual
65	Physician - Group
70	Audiologist
72	Nurse Midwife
73	Birthing Centers
74	Nurse Anesthetist
77	Optometrist - Individual
78	Certified Nurse practitioner
80	Podiatrist
82	Clinical Social Worker
85	Chiropractor
86	X-Ray / Misc. Supplier
87	Physical Therapist
88	Occupational Therapist
89	Psychologist
90	DME Supplier
91	CORF (Comprehensive Out-patient Rehab Facility)
92	Psychiatric Distinct Part Unit
93	Rehabilitation Distinct Part Unit
95	Physician Assistant
96	HMO/PHP
98	MCO (Managed Care Organization)
99	Not on File

**Medicaid Provider Specialties:**

Provider Specialty Code	Provider Specialty Description
010	Acute Care
012	Rehabilitation
014	Critical Access
015	Children's Specialty
016	Emergency
017	Ventilator Hospital
011	Psychiatric
013	Residential Treatment Center
038	ICF/MR Clinic
030	Nursing Facility
031	ICF/MR > 6 Beds
032	Pediatric Nursing Facility
033	Residential Care Facility
034	ICF/MR < 6 Beds
035	Skilled Nursing Facility
036	Respite Care - Facility Based
037	Assisted Living
179	Brain Injury
131	Specialized Children's Service Clinics
141	MFP \$15,000 Bucket
142	MFP \$2000 Visa Pro-card Expenditures
143	MFP \$2000 Check Expenditures
159	Health Access Nurturing Development Svcs Group
151	Health Access Nurturing Development Svcs
201	General Preventive Care
209	General Preventive Care Group
120	School Board
228	Commission For Handicapped Children Group
229	Commission For Handicapped Children
239	Title V/DSS
238	Title V/DSS Group

249	First Steps Early Int.
248	First Steps Early Int. Group
211	HIV Case Manager
214	High Risk Pregnant Women
215	TB Case Mgmt
216	OJA Targeted Case Management
221	MH Case Mgmt All Ages
222	MH Case Mgmt, Over 21, Public
223	MH Case Mgmt, Over 21, Contracted
224	MH Case Mgmt, Over 21, Private
226	MH Case Mgmt, Under 21, Contracted
227	MH Case Mgmt, Under 21, Private
225	MH Case Mgmt, Under 21, Public
291	Impact Plus DMH
292	Impact Plus DCBS
299	Impact Plus Other
110	Outpatient Mental Health Clinic
111	Community Mental Health Center (CMHC)
114	Health Service Provider in Psychology (HSPP)
118	Mental Health - DMHSAS
080	Federally Qualified Health Clinic (FQHC)
082	Medical Clinic
308	Family Planning Clinic Group
083	Family Planning Clinic
039	Supports for Community Living
050	Home Health Agency
051	Specialized Home Nursing Services
210	Care Coordinator for Pregnant Women
081	Rural Health Clinic (RHC)
020	Ambulatory Surgical Center (ASC)

280	Independent Lab
281	Mobile Lab
861	Other Laboratory And X-Ray
300	Free-standing Renal Dialysis Clinic
183	EPSDT Preventive Services
411	Model Waiver 1
412	Model Waiver 2
561	Home and Community Based Waiver
410	Adult Day Care
060	Hospice
150	Chiropractor
455	Prescribed Pediatric Extended Care Facility (PPEC)
550	EPSDT Services - OBSOLETE
551	General hospital
552	Psychiatric Hospital
553	Psychiatric Residential Treatment Facility
554	Commission for Handicapped Children
555	Children Targeted Case Management
556	Community Mental Health
557	Physician
558	Home Health
559	Rural Health Clinic
560	Independent Laboratory
563	Hearing Aid Dealer
564	Optician
565	Pharmacy
567	Dentist - Individual
568	Dental - Group
569	Physician Individual
570	Physician - Group
571	Audiologist
573	Optometrist
574	Certified Nurse practitioner
575	Podiatrist
579	DME Supplier
580	CORF
999	None on File

463	Provider of Case Management Services Only
464	Provider of Homemaker and Personal Care Services Only
465	Provider of Home Adaptations Only
466	Homemaker Personal Care & Home Adaptation Services
470	Provider of Case Management Services Only
471	Provider of Personal Care Coordination Services Only
472	Provider of Personal Care Assistance Services Only
473	Both Personal Care Coordinator and Care Assist Services
220	Hearing Aid Dealer
509	Hearing Aid Dealer Group
180	Optometrist
190	Optician
528	Multi-Specialty Group - Optician
240	Pharmacy
260	Ambulance
261	Air Ambulance
262	Bus
263	Taxi
264	Common Carrier (Ambulatory)
265	Common Carrier (Non-ambulatory)
266	Family Member / Private Auto
661	AMBULANCE Non-Emergency
073	NET (Non-Emergency Transportation)
671	Net Cap
672	NET - DOT
270	Endodontist
271	General Dentistry Practitioner
272	Oral Surgeon
273	Orthodontist
274	Pediatric Dentist
275	Periodontist
276	Oral Pathologist
277	Prosthesis
610	Multi-Specialty Group - Dental

543	Teleradiology
112	Psychologist
310	Allergist
311	Anesthesiologist
312	Cardiologist
313	Cardiovascular Surgeon
314	Dermatologist
315	Emergency Medicine Practitioner
316	Family Practitioner
317	Gastroenterologist
318	General Practitioner
319	General Surgeon
320	Geriatric Practitioner
321	Hand Surgeon
322	Internist
323	Neonatologist
324	Nephrologist
325	Neurological Surgeon
326	Neurologist
327	Nuclear Medicine Practitioner
328	Obstetrician/Gynecologist
329	Oncologist
330	Ophthalmologist
331	Orthopedic Surgeon
332	Otologist, Laryngologist, Rhinologist
333	Pathologist
334	Pediatric Surgeon
335	Maternal Fetal Medicine
336	Physical Medicine and Rehabilitation Practitioner
337	Plastic Surgeon
338	Proctologist
339	Psychiatrist
340	Pulmonary Disease Specialist
341	Radiologist
342	Thoracic Surgeon
343	Urologist
344	General Internist
345	General Pediatrician
346	Dispensing Physician
347	Radiation Therapist

348	Osteopathy
544	Immunology
545	Colon and Rectal Surgery
546	Medical Genetics
547	Preventive Medicine
293	Medicare Clinic
650	Multi-Specialty Group - Physician
200	Audiologist
709	Audiologist Group
095	Certified Nurse Midwife
729	Nurse Midwife Group
913	Birth Centers
094	Certified Registered Nurse Anesthetist (CRNA)
749	Multi-Specialty Group - Nurse Anesthetist
779	Multi-Specialty Group - Optometrist
090	Pediatric Nurse Practitioner
091	Obstetric Nurse Practitioner
092	Family Nurse Practitioner
093	Nurse Practitioner (Other)
789	Multi-Specialty Group - Nurse Practitioner
140	Podiatrist
809	Podiatrist Group
115	Certified Clinical Social Worker
116	Certified Social Worker
829	Clinic Social Worker Group
859	Chiropractor Group
251	Assistive Technology
542	Other Lab Toxicology
170	Physical Therapist
879	Physical Therapist Group
171	Occupational Therapist
889	Occupational Therapist Group
899	Psychologist Group
250	DME/Medical Supply Dealer
911	CORF
912	Other CORF Group
040	Rehabilitation Facility
100	Physician Assistant

101	Anesthesiology Assistant
959	Physician Assistant Group
071	Managed Care Organization

	(MCO)
072	IHS Case Manager

**Kentucky County Codes:**

County Code	County Description
001	Adair
002	Allen
003	Anderson
004	Ballard
005	Barren
006	Bath
007	Bell
008	Boone
009	Bourbon
010	Boyd
011	Boyle
012	Bracken
013	Breathitt
014	Breckinridge
015	Bullitt
016	Butler
017	Caldwell
018	Calloway
019	Campbell
020	Carlisle
021	Carroll
022	Carter
023	Casey
024	Christian
025	Clark
026	Clay
027	Clinton
028	Crittenden
029	Cumberland
030	Daviess
031	Edmonson
032	Elliott
033	Estill
034	Fayette
035	Fleming
036	Floyd
037	Franklin
038	Fulton
039	Gallatin
040	Garrard

041	Grant
042	Graves
043	Grayson
044	Green
045	Greenup
046	Hancock
047	Hardin
048	Harlan
049	Harrison
050	Hart
051	Henderson
052	Henry
053	Hickman
054	Hopkins
055	Jackson
056	Jefferson
057	Jessamine
058	Johnson
059	Kenton
060	Knott
061	Knox
062	Larue
063	Laurel
064	Lawrence
065	Lee
066	Leslie
067	Letcher
068	Lewis
069	Lincoln
070	Livingston
071	Logan
072	Lyon
073	McCracken
074	McCreary
075	McLean
076	Madison
077	Magoffin
078	Marion
079	Marshall
080	Martin
081	Mason

082	Meade
083	Menifee
084	Mercer
085	Metcalfe
086	Monroe
087	Montgomery
088	Morgan
089	Muhlenberg
090	Nelson
091	Nicholas
092	Ohio
093	Oldham
094	Owen
095	Owsley
096	Pendleton
097	Perry
098	Pike
099	Powell
100	Pulaski
101	Robertson
102	Rockcastle
103	Rowan
104	Russell
105	Scott
106	Shelby
107	Simpson
108	Spencer
109	Taylor
110	Todd
111	Trigg
112	Trimble
113	Union
114	Warren
115	Washington
116	Wayne
117	Webster
118	Whitley
119	Wolfe
120	Woodford
121	Guardianship
200	Out of State

220	Alabama
221	Alaska
222	Arizona
223	Arkansas
224	California
225	Colorado
226	Connecticut
227	Delaware
228	District Col
229	Florida
230	Georgia
231	Hawaii
232	Idaho
233	Illinois
234	Indiana
235	Iowa
236	Kansas
237	Louisiana
238	Maine
239	Maryland
240	Massachusetts
241	Michigan
242	Minnesota
243	Mississippi
244	Missouri
245	Montana
246	Nebraska
247	Nevada
248	New Hampshire
249	New Jersey
250	New Mexico
251	New York
252	North Carolina
253	North Dakota
254	Ohio
255	Oklahoma
256	Oregon
257	Pennsylvania
258	Puerto Rico
259	Rhode Island
260	South Carolina

261	South Dakota
262	Tennessee
263	Texas
264	Utah
265	Vermont
266	Virginia
267	Virgin Islands

268	Washington
269	West Virginia
270	Wisconsin
271	Wyoming
296	Canada



**Language Codes:**

<b>Language Code</b>	<b>Language Description</b>
001	Abkhazian
002	Afan (Oromo)
003	Afar
004	Afrikaans
005	Albanian
006	Amharic
007	Arabic
008	Armenian
009	Assamese
010	Zerbaijani
011	Bashkir
012	Basque
013	Bengali; Bangla
014	Bhutani
015	Bihari
016	Bislama
017	Breton
018	Bulgarian
019	Burmese
020	Byelorussian
021	Cambodian
022	Catalan
023	Chinese
024	Corsican
025	Croatian
026	Czech
027	Danish
028	Dutch
029	english
030	Esperanto
031	Estonian
032	Faroese
033	Fiji
034	Finnish
035	French
036	Frisian
037	Galican
038	Georgian

039	German
040	Greek
041	Greenlandic
042	Guarani
043	Gujarati
044	Hausa
045	Hebrew
046	Hindi
047	Hungarian
048	Icelandic
049	Indonesian
050	Interlingua
051	Ingerlingue
052	Inuktitut
053	Inupiak
054	Irish
055	Italian
056	Japanese
057	Javanese
058	Kannada
059	Kashmiri
060	Kazakh
061	Kinyarwanda
062	Kirghiz
063	Kurundi
064	Korean
065	Kurdish
066	Laothian
067	Latin
068	Latvian; Lettish
069	Lingala
070	Lithuanian
071	Macedonian
072	Malagasy
073	Malay
074	Malayalam
075	Maltese
076	Maori
077	Marathi
078	Moldavian

079	Mongolian
080	Nauru
081	Nepali
082	Norwegian
083	Occitan
084	Oriya
085	Pashto; Pushto
086	Persian (Farsi)
087	Polish
088	Portuguese
089	Punjabi
090	Quechua
091	Rhaeto-Romance
092	Romanian
093	Russian
094	Samoan
095	Sangho
096	Sanskrit
097	Scot Gaelic
098	Serbian
099	Serbo-Croatian

100	Seotho
101	Setswana
102	Shona
103	Sindhi
104	Singhalese
105	Siswati
106	Slovak
107	Slovenian
108	Somali
110	Sundanese
111	Swahili
112	Swedish
113	Tagalog
114	Tajik
115	Tamil
116	Tatar
117	Telugu
118	Thai
119	Tibetan
120	Tigrinya

**PROVIDER MASTER EXTRACT FILE LAYOUT FOR MCOS****Description:**

Full extract of Medicaid providers active in the last 6 months

**Destination(s):**

Each MCO

**Interface Id:**

524

**Frequency**

Daily

**Criteria:**

All providers that have been active within the last six months

**Header Record**

Field	Data Type	Start	End	Length	Description
RECORD ID	Char	1	2	2	Value 'HH' to denote header record
CREATE DATE	Char	3	12	10	Date file is created in MM/DD/CCYY format
FILE SENDER	Char	13	52	40	'KENTUCKY DEPARTMENT OF MEDICAID SERVICES'
FILE DESCRIPTION	Char	53	92	40	'INTERCHANGE PROVIDER FILE'
TIME PERIOD – MONTH	Char	93	94	2	Month this file is to be processed in MM format.
TIME PERIOD - YEAR	Char	95	98	4	Year this file is to be processed in CCYY format.
FILE DESTINATION	Char	99	138	40	'MCO NAME'
DESTINATION FILE NAME	Char	139	168	30	prd962xx.dat ( where xx stands for <b>01</b> for Coventry Health and Life Insurance Company <b>02</b> for WellCare Of Kentucky Inc. <b>03</b> for Kentucky Spirit Health Plan <b>04</b> for Humana CareSource <b>05</b> for Passport Health Plan
FILE ORIGIN	Char	169	208	40	'KYMMIS CORPORATION, FRANKFORT, KENTUCKY'
PROD OR TEST	Char	209	209	1	Indicates a production or test file - 'P' or 'T'
RECORD LENGTH	Number	210	214	5	Length of detail record (600 bytes)
CREATE PROGRAM	Char	215	222	8	'PRVP962D'
NEWLINE	Char	223	223	1	Newline character = 0x0a

**Detail Record**

Field	Data Type	Start	End	Length	Description
RECORD ID	Char	1	2	2	Value 'DD' to denote detail record
PROVIDER TYPE	Char	3	4	2	Two character code designating the Provider type (not changing from Legacy)
PROVIDER NUMBER	Char	5	14	10	Legacy (converted) providers will continue to have an 8 byte ID with spaces padded on the end, newly enrolled providers will have a 10 byte id.
MEDICAID BEGIN DATE	Char	15	22	8	CCYYMMDD format
MEDICAID END DATE	Char	23	30	8	CCYYMMDD format
STATUS CODE (END REASN)	Char	31	31	1	Code describing the reason for termination.
NAME TYPE	Char	32	32	1	'P' for Personal, 'B' for Business. If 'B' the name will be strung together in the Last, First, and MI fields.
LAST NAME	Char	33	58	26	Last Name
FIRST NAME	Char	59	70	12	First Name
MIDDLE INITIAL	Char	71	71	1	Middle Initial
TAX ID TYPE	Char	72	72	1	'F' for FEIN, 'S' for SSN
TAX ID NUMBER	Char	73	81	9	IRS Tax ID Number
SSN	Char	82	90	9	Provider's Social Security Number
LICENSE NUMBER	Char	91	100	10	Provider's License Number.
LICENSE END DATE	Char	101	108	8	License's expiration date in CCYYMMDD format.
BOARD CERTIFIED SPECIALTY	Char	109	111	3	Do not currently have this data. Field is filled with spaces.
LANGUAGE 1	Char	112	114	3	HIPAA defined language code. If not on file, field will be filled with spaces. (English will be assumed and not sent)
LANGUAGE 2	Char	115	117	3	HIPAA defined language code. If not on file, field will be filled with spaces. (English will be assumed and not sent)
LANGUAGE 3	Char	118	120	3	HIPAA defined language code. If not on file, field will be filled with spaces. (English will be assumed and not sent)
HOSPITAL AFFILIATION 1	Char	121	130	10	Medicaid number of hospital. (Do not currently have this data). Field will be filled with spaces.

Field	Data Type	Start	End	Length	Description
HOSPITAL AFFILIATION 2	Char	131	140	10	Medicaid number of hospital. (Do not currently have this data). Field will be filled with spaces.
HOSPITAL AFFILIATION 3	Char	141	150	10	Medicaid number of hospital. (Do not currently have this data). Field will be filled with spaces.
NPI	Char	151	160	10	National Provider Identifier
NPI EFFECTIVE DATE	Char	161	168	8	Date NPI becomes effective.
NPI END DATE	Char	169	176	8	Date NPI is terminated.
NP2 (if Any)	Char	177	186	10	National Provider Identifier 2
NPI2 EFFECTIVE DATE	Char	187	194	8	Date NPI2 becomes effective.
NPI2 END DATE	Char	195	202	8	Date NPI2 is terminated.
NP3 (if Any)	Char	203	212	10	National Provider Identifier 3
NPI3 EFFECTIVE DATE	Char	213	220	8	Date NPI3 becomes effective.
NPI3 END DATE	Char	221	228	8	Date NPI3 is terminated.
NUMBER OF BEDS	Char	229	234	6	Number of beds
PRACTICE TYPE	Char	235	235	1	Practice Type values 'A' thru 'H'.
PROVIDER SPECIALTY	Char	236	238	3	Provider primary specialty code.
TITLE	Char	239	253	15	Example 'MD', 'DDS', etc...
PRIMARY ADDRESS 1	Char	254	283	30	Primary (physical) address line 1.
PRIMARY ADDRESS 2	Char	284	313	30	Primary (physical) address line 2.
PRIMARY CITY	Char	314	343	30	Primary (physical) address city.
PRIMARY STATE	Char	344	345	2	Primary (physical) address state.
PRIMARY ZIP	Char	346	350	5	Primary (physical) address zip code.
PRIMARY ZIP+4	Char	351	354	4	Primary (physical) address zip code extension.
MAILING ADDRESS 1	Char	355	384	30	Mailing address line 1.
MAILING ADDRESS 2	Char	385	414	30	Mailing address line 2.
MAILING CITY	Char	415	444	30	Mailing address city.
MAILING STATE	Char	445	446	2	Mailing address state.
MAILING ZIP	Char	447	451	5	Mailing address zip code.
MAILING ZIP+4	Char	452	455	4	Mailing address zip code extension.
REMIT ADDRESS 1	Char	456	485	30	Remittance (pay-to) address line 1.
REMIT ADDRESS 2	Char	486	515	30	Remittance (pay-to) address line 2.
REMIT CITY	Char	516	545	30	Remittance (pay-to) address city.

Field	Data Type	Start	End	Length	Description
REMIT STATE	Char	546	547	2	Remittance (pay-to) address state.
REMIT ZIP	Char	548	552	5	Remittance (pay-to) address zip code.
REMIT ZIP+4	Char	553	556	4	Remittance (pay-to) address zip code extension.
GROUP AFFILIATION	Char	557	566	10	Medicaid provider number of group this individual provider is associated with.
PHONE NUMBER	Char	567	576	10	Provider's telephone number. In '9999999999' format.
DEA NUMBER	Char	577	585	9	Provider's DEA number.
UPIN	Char	586	591	6	Provider's UPIN Number.
TAXONOMY	Char	592	601	10	Provider's primary taxonomy code.
PROVIDER ATTESTATION	Char	602	602	1	Provider Attestation indicator – 'Y' or blank
PROVIDER ATTEST. EFF DATE	Char	603	610	8	Provider Attestation effective date
PROVIDER ATTEST. END DATE	Char	611	618	8	Provider Attestation end date
VACC FOR CHILDREN PROV	Char	619	619	1	Vaccine-for-Children Provider indicator – 'Y' or blank
VFC PROV CURRENT EFF DATE	Char	620	627	8	Vaccine for Children Provider current effective date
VFC PROV CURRENT END DATE	Char	628	635	8	Vaccine for Children Provider current end date
VFC PROV PREV. EFF DATE	Char	636	643	8	Vaccine for Children Provider previous effective date
VFC PROV PREV END DATE	Char	644	651	8	Vaccine for Children Provider previous end date
GROUP MEMBER INDICATOR	Char	652	652	1	Indicates whether the Provider is a member of a group – 'Y' = group 'N' = individual
NPI4	Char	653	662	10	National Provider Identifier 4
NPI4 EFFECTIVE DATE	Char	663	168	8	Date NPI4 becomes effective.
NPI4 END DATE	Char	671	176	8	Date NPI4 is terminated.
NPI5	Char	679	160	10	National Provider Identifier 5
NPI5 EFFECTIVE DATE	Char	689	170	8	Date NPI5 becomes effective.
NPI5 END DATE	Char	697	178	8	Date NPI5 is terminated.
NPI6	Char	705	714	10	National Provider Identifier 6

Field	Data Type	Start	End	Length	Description
NPI6 EFFECTIVE DATE	Char	715	724	8	Date NPI6 becomes effective.
NPI6 END DATE	Char	723	730	8	Date NPI6 is terminated.
NPI7	Char	731	740	10	National Provider Identifier 7
NPI7 EFFECTIVE DATE	Char	741	748	8	Date NPI7 becomes effective.
NPI7 END DATE	Char	749	756	8	Date NPI7 is terminated.
NPI8	Char	757	766	10	National Provider Identifier 8
NPI8 EFFECTIVE DATE	Char	767	774	8	Date NPI8 becomes effective.
NPI8 END DATE	Char	775	782	8	Date NPI8 is terminated.
NPI9	Char	783	792	10	National Provider Identifier 9
NPI9 EFFECTIVE DATE	Char	793	800	8	Date NPI9 becomes effective.
NPI9 END DATE	Char	801	808	8	Date NPI9 is terminated.
NPI10	Char	809	818	10	National Provider Identifier 10
NPI10 EFFECTIVE DATE	Char	819	826	8	Date NPI10 becomes effective.
NPI10 END DATE	Char	827	834	8	Date NPI10 is terminated.
NPI11	Char	835	844	10	National Provider Identifier 11
NPI11 EFFECTIVE DATE	Char	845	852	8	Date NPI11 becomes effective.
NPI11 END DATE	Char	853	860	8	Date NPI11 is terminated.
NPI12	Char	861	870	10	National Provider Identifier 12
NPI12 EFFECTIVE DATE	Char	871	878	8	Date NPI12 becomes effective.
NPI12 END DATE	Char	879	886	8	Date NPI12 is terminated.
NPI13	Char	887	896	10	National Provider Identifier 13
NPI13 EFFECTIVE DATE	Char	897	904	8	Date NPI13 becomes effective.
NPI13 END DATE	Char	905	912	8	Date NPI13 is terminated.
NPI14	Char	913	922	10	National Provider Identifier 14
NPI14 EFFECTIVE DATE	Char	923	930	8	Date NPI14 becomes effective.
NPI14 END DATE	Char	931	938	8	Date NPI14 is terminated.
NPI15	Char	939	948	10	National Provider Identifier 15
NPI15 EFFECTIVE DATE	Char	949	956	8	Date NPI15 becomes effective.
NPI15 END DATE	Char	957	964	8	Date NPI15 is terminated.
NPI16	Char	965	974	10	National Provider Identifier 16
NPI16 EFFECTIVE DATE	Char	975	982	8	Date NPI16 becomes effective.
NPI16 END DATE	Char	983	990	8	Date NPI16 is terminated.

Field	Data Type	Start	End	Length	Description
NPI17	Char	991	1000	10	National Provider Identifier 17
NPI17 EFFECTIVE DATE	Char	1001	1008	8	Date NPI17 becomes effective.
NPI17 END DATE	Char	1009	1016	8	Date NPI17 is terminated.
NPI18	Char	1017	1026	10	National Provider Identifier 18
NPI18 EFFECTIVE DATE	Char	1027	1034	8	Date NPI18 becomes effective.
NPI18 END DATE	Char	1035	1042	8	Date NPI18 is terminated.
NPI19	Char	1043	1052	10	National Provider Identifier 19
NPI19 EFFECTIVE DATE	Char	1053	1060	8	Date NPI19 becomes effective.
NPI19 END DATE	Char	1061	1068	8	Date NPI19 is terminated.
NPI20	Char	1069	1078	10	National Provider Identifier 20
NPI20 EFFECTIVE DATE	Char	1079	1086	8	Date NPI20 becomes effective.
NPI20 END DATE	Char	1087	1094	8	Date NPI20 is terminated.
NPI21	Char	1095	1104	10	National Provider Identifier 21
NPI21 EFFECTIVE DATE	Char	1105	1112	8	Date NPI21 becomes effective.
NPI21 END DATE	Char	1113	1120	8	Date NPI21 is terminated.
NPI22	Char	1121	1130	10	National Provider Identifier 22
NPI22 EFFECTIVE DATE	Char	1131	1138	8	Date NPI22 becomes effective.
NPI22 END DATE	Char	1139	1146	8	Date NPI22 is terminated.
NPI23	Char	1147	1156	10	National Provider Identifier 23
NPI23 EFFECTIVE DATE	Char	1157	1164	8	Date NPI23 becomes effective.
NPI23 END DATE	Char	1165	1172	8	Date NPI23 is terminated.
NPI24	Char	1173	1182	10	National Provider Identifier 24
NPI24 EFFECTIVE DATE	Char	1183	1190	8	Date NPI24 becomes effective.
NPI24 END DATE	Char	1191	1198	8	Date NPI24 is terminated.
NPI25	Char	1199	1208	10	National Provider Identifier 25
NPI25 EFFECTIVE DATE	Char	1209	1216	8	Date NPI25 becomes effective.
NPI25 END DATE	Char	1217	1224	8	Date NPI25 is terminated.
NPI26	Char	1225	1234	10	National Provider Identifier 26
NPI26 EFFECTIVE DATE	Char	1235	1242	8	Date NPI26 becomes effective.
NPI26 END DATE	Char	1243	1250	8	Date NPI26 is terminated.
NPI27	Char	1251	1260	10	National Provider Identifier 27
NPI27 EFFECTIVE DATE	Char	1261	1268	8	Date NPI27 becomes effective.



Field	Data Type	Start	End	Length	Description
NPI27 END DATE	Char	1269	1276	8	Date NPI27 is terminated.
NPI28	Char	1277	1286	10	National Provider Identifier 28
NPI28 EFFECTIVE DATE	Char	1287	1294	8	Date NPI28 becomes effective.
NPI28 END DATE	Char	1295	1303	8	Date NPI28 is terminated.
NPI29	Char	1303	1312	10	National Provider Identifier 29
NPI29 EFFECTIVE DATE	Char	1313	1320	8	Date NPI29 becomes effective.
NPI29 END DATE	Char	1321	1328	8	Date NPI29 is terminated.
NPI30	Char	1329	1338	10	National Provider Identifier 30
NPI30 EFFECTIVE DATE	Char	1339	1346	8	Date NPI30 becomes effective.
NPI30 END DATE	Char	1347	1354	8	Date NPI30 is terminated.
FILLER	Char	1355	1454	100	For future expansion. Field filled with all spaces.
NEWLINE	Char	1455	1455	1	Newline character = 0x0a

**Trailer Record**



Field	Data Type	Start	End	Length	Description
RECORD ID	Char	1	2	2	Value 'TT' to denote trailer record
DETAIL RECORDS	Number	3	11	9	Total number of detail records in the file.
TOTAL RECORDS	Number	12	20	9	Total number of records (including header and trailer) in the file.
NEWLINE	Char	21	21	1	Newline character = 0x0a

**APPENDIX L. EARLY AND PERIODIC SCREENING, DIAGNOSIS AND TREATMENT PROGRAM (EPSDT)**

<b>Contract Requirement</b>	<b>Agree to Comply</b>
<b>Periodicity Schedule</b>	✓
<b>Infancy</b> -- < 1 month -- 2 months -- 4 months -- 6 months -- 9 months -- 12 months	✓
<b>Early Childhood</b> -- 15 months -- 18 months -- 24 months -- 30 months -- 3 years -- 4 years	✓
<b>Middle Childhood</b> -- 5 years -- 6 years -- 8 years -- 10 years	✓
<b>Adolescence</b> -- 11 years -- 12 years -- 13 years -- 14 years -- 15 years -- 16 years -- 17 years -- 18 years -- 19 years -- 20 years	✓
<b>Required Components - Initial and Periodic Health Assessments</b> Initial and periodic health assessments shall follow the American Academy of Pediatrics (AAP) standards unless otherwise directed by the Department."	✓
<b>Special Services</b>  EPSDT provides any Medically Necessary diagnosis and treatment for Members under the age of 21 indicated as the result of an EPSDT health assessment or any other encounter with a licensed or certified health care professional, even if the service is not otherwise covered by the Kentucky Medicaid Program. These services which are not otherwise covered by the Kentucky Medicaid Program are called EPSDT Special Services.	✓
The Contractor shall provide EPSDT Special Services as required by 42 USC Section 1396 and by 907 KAR 1:034, Section 7 and Section 8.	✓
The Contractor shall provide the following medically necessary health care, diagnostic services, preventive services, rehabilitative services, treatment and other measures, described in 42 USC Section 1396d(a), to all members under the age of 21	✓

<ul style="list-style-type: none"> <li>(a) Inpatient Hospital Services;</li> <li>(b) Outpatient Services; Rural Health Clinics; Federally Qualified Health Center Services;</li> <li>(c) Other Laboratory and X-Ray Services;</li> <li>(d) Early and Periodic Screening, Diagnosis, and Treatment Services; Family Planning Services and Supplies;</li> <li>(e) Physicians Services; Medical and Surgical Services furnished by a Dentist;</li> <li>(f) Medical Care by Other Licensed Practitioners;</li> <li>(g) Home Health Care Services;</li> <li>(h) Private Duty Nursing Services;</li> <li>(i) Clinic Services;</li> <li>(j) Dental Services;</li> <li>(k) Physical Therapy and Related Services;</li> <li>(l) Prescribed Drugs including Mental/Behavioral Health Drugs, Dentures, and Prosthetic Devices; and Eyeglasses;</li> <li>(m) Other Diagnostic, Screening, Preventive and Rehabilitative Services;</li> <li>(n) Nurse-Midwife Services;</li> <li>(o) Hospice Care;</li> <li>(p) Case Management Services;</li> <li>(q) Respiratory Care Services;</li> <li>(r) Services provided by a certified pediatric nurse practitioner or certified family Nurse practitioner (to the extent permitted under state law);</li> <li>(s) Other Medical and Remedial Care Specified by the Secretary; and</li> <li>(t) Other Medical or Remedial Care Recognized by the Secretary but which are not covered in the Plan Including Services of Christian Science Nurses, Care and Services Provided in Christian Science Sanitariums, and Personal Care Services in a Recipient's Home.</li> </ul>	✓
Those EPSDT diagnosis and treatment services and EPSDT Special Services which are not otherwise covered by the Kentucky Medicaid Program shall be covered subject to Prior Authorization by the Contractor, as specified in 907 KAR 1:034, Section 9. Approval of requests for EPSDT Special Services shall be based on the standard of Medical Necessity specified in 907 KAR 1:034, Section 9.	✓
The Contractor shall be responsible for identifying Providers who can deliver the EPSDT special services needed by Members under the age of 21, and for enrolling these Providers into the Contractor's Network, consistent with requirements specified in this Contract	✓




**APPENDIX M. PROGRAM INTEGRITY REQUIREMENTS**

<b>Contract Requirement</b>	<b>Agree to Comply</b>
<p><b>I. ORGANIZATION</b></p> <p>The Contractor shall establish a Program Integrity Unit (PIU) to identify Fraud, Waste and Abuse and refer to the Department any suspected Fraud or Abuse of Members and Providers. The Program Integrity Unit (PIU) shall be organized so that:</p> <ul style="list-style-type: none"> <li>(a) Required Fraud, Waste and Abuse activities are conducted by staff with separate authority to direct PIU activities and functions specified in this Appendix on a continuous and on-going basis;</li> <li>(b) Written policies, procedures, and standards of conduct demonstrate the organization's commitment to comply with all applicable contract requirements and standards and federal and state laws, regulations and standards;</li> <li>(c) The unit establishes, controls, evaluates and revises Fraud, Waste and Abuse detection, deterrent and prevention procedures to ensure compliance with all applicable contract requirements and standards and Federal and State laws, regulations and requirements;</li> <li>(d) The staff consists of a compliance officer in addition to auditing and clinical staff;</li> <li>(e) The unit prioritizes work coming into the unit to ensure that cases with the greatest potential program impact are given the highest priority. Allegations or cases having the greatest program impact include cases involving:               <ul style="list-style-type: none"> <li>(1) Multi-State fraud or problems of national scope, or Fraud or Abuse crossing partnership boundaries,</li> <li>(2) High dollar amount of potential overpayment, or</li> <li>(3) Likelihood for an increase in the amount of Fraud or Abuse or enlargement of a pattern;</li> </ul> </li> <li>(f) Ongoing education is provided to Contractor staff on Fraud, Waste and Abuse trends including CMS initiatives;</li> <li>(g) Contractor attends any training given by the Commonwealth/Fiscal Agent, its designees, or other Contractor's organizations provided reasonable advance notice is given to Contractor of the scheduled training; and</li> <li>(h) There are a minimum of two (2) full-time investigators:               <ul style="list-style-type: none"> <li>(1) With a minimum of three (3) years of Medicaid fraud, waste and abuse investigatory experience</li> <li>(2) Located in the United States; and</li> <li>(3) Dedicated 100% to the Kentucky Medicaid Program.</li> </ul> </li> </ul>	
<p><b>II. FUNCTION</b></p> <p>Contractor and/or Contractor's PIU, shall:</p> <ul style="list-style-type: none"> <li>(a) Prevent Fraud, Waste and Abuse by identifying vulnerabilities in the Contractor's program including identification of Member and Provider Fraud, Waste and Abuse and taking appropriate action including but not limited to the following:               <ul style="list-style-type: none"> <li>(1) Recovery of overpayments,</li> <li>(2) Changes to policy,</li> <li>(3) Dispute resolution meetings, and</li> <li>(4) Appeals;</li> </ul> </li> <li>(b) Proactively detect incidents of Fraud, Waste and Abuse that exist within the Contractor's program through the use of algorithms, investigations and record reviews;</li> </ul>	

<ul style="list-style-type: none"> <li>(c) Determine the factual basis of allegations concerning Fraud or Abuse made by Members, Providers and other sources;</li> <li>(d) Initiate appropriate administrative actions to collect overpayments adhering to state requirements;</li> <li>(e) At the closure of an initial investigation:           <ul style="list-style-type: none"> <li>(1) Upon finding a factual basis for potential Fraud, Waste, or Abuse, refer to the Department for possible civil and/or criminal prosecution, and administrative sanctions; or</li> <li>(2) Upon finding no factual basis for the potential of Fraud, Waste or Abuse, request and receive the Department's written permission to administratively collect overpayments in excess of \$500; or</li> <li>(3) Upon finding no factual basis for potential Fraud, Waste, or Abuse, or overpayment, request and receive the Department's written permission to close the investigation without further action of the Contractor and/or Contractor's PIU.</li> </ul> </li> <li>(f) Initiate and maintain network and outreach activities to ensure effective interaction and exchange of information with all internal components of the Contractor as well as outside groups;</li> <li>(g) Make and receive recommendations to enhance the ability of the Parties to prevent, detect and deter Fraud, Waste or Abuse;</li> <li>(h) Provide for prompt response to detected offenses, and for development of corrective action initiatives relating to the Contractor's contract;</li> <li>(i) Provide for internal monitoring and auditing of Contractor and its subcontractors; and supply the Department with reports on a quarterly or as-requested basis on its activity or ad hoc as necessary;</li> <li>(j) Be subject to on-site reviews; and fully comply with requests from the Department to supply documentation and records;</li> <li>(k) Collect outstanding debt owed to the Department from members or providers; and provide monthly reports of activity and collections to the Department;</li> <li>(l) Allow the Department to collect and retain any overpayments if the Contractor has not taken appropriate action to collect the overpayment after one hundred and eighty (180) days;</li> <li>(m) The Contractor shall, as requested by the Department, remit the amount of provider overpayments not identified by the contractor within ninety (90) calendar days of notification by the Department unless otherwise notified in writing by the Department or its contracted entity;</li> <li>(n) Conduct continuous and on-going reviews of all MIS data including, Member and Provider Grievances and appeals, for the purpose of identifying potentially fraudulent acts;</li> <li>(o) Conduct regular post-payment audits of Provider billings, investigate payment errors, produce printouts and queries of data and report the results of their work to the Department;</li> <li>(p) Conduct on-site and desk audits of Providers and report the results including identified overpayments and recommendations to the Department;</li> <li>(q) Locally maintain cases under investigation for possible Fraud, Waste or Abuse activities and provide these lists and entire case files to the Department and OIG upon demand;</li> <li>(r) Designate a contact person to work with staff, investigators and attorneys from the Department, OIG and any other agent or contractor of the Department;</li> </ul>	
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<ul style="list-style-type: none"> <li>(s) Ensure the integrity of PIU referrals to the Department and shall not subject referrals to the approval of the Contractor's management or officials;</li> <li>(t) Comply with the expectations of 42 CFR 455.20 by employing a method of verifying with a Member whether the services billed by Provider were received by randomly selecting a minimum sample of 500 claims on a monthly basis;</li> <li>(u) Run algorithms on billed claims data over a time span sufficient to identify potential fraudulent billing patterns and develop a process and report quarterly or as otherwise requested to the Department all algorithms, issues identified, actions taken to address those issues and the overpayments collected;</li> <li>(v) Collect administratively from Members for overpayments that were declined prosecution for Medicaid Program Violations (MPV);</li> <li>(w) Comply with the program integrity requirements set forth in the Patient Protection and Affordable Care Act, specifically 42 CFR 438.608, and all applicable requirements and standards under this contract and any federal and state laws and regulations, and provide policies and procedures to the Department for review and approval;</li> <li>(x) Report to the Department any Provider denied enrollment by Contractor for any reason, including those contained in 42 CFR 455.106, within 5 days of the enrollment denial;</li> <li>(y) Recover overpayments from Providers;</li> <li>(z) Identify Providers for pre-payment review as a result of the Provider's activities in accordance with the contract;</li> <li>(aa) Conduct a minimum of three (3) on-site visits per quarter related to investigations of suspected fraud and abuse. The site visit shall be approved within a minimum of ten (10) calendar days by the Department;</li> <li>(bb) Notify the Department if there is an absence or vacancy in an investigator position that is longer than thirty (30) days, and include a contingency plan to remain compliant with the contract requirements in the interim; and</li> <li>(cc) Correct any weaknesses, deficiencies, or noncompliance items identified as a result of a review or audit conducted by the Department, CMS, or by any other State or Federal Agency or agents thereof that has oversight of the Medicaid program. Corrective action shall be completed the earlier of thirty (30) calendar days or the timeframes established by Federal and state laws and regulations.</li> </ul>	
<b>III. PATIENT ABUSE/MEMBER SAFETY</b> Incidents or allegations concerning physical or mental abuse of Members shall be immediately reported to the Department for Community Based Services in accordance with state law with copy to the Department and OIG. Potential Member safety issues related to investigations shall be reported in accordance with state law with a copy to the Department's Program Integrity Division Director and Program Quality & Outcomes Division Director.	✓
<b>IV. COMPLAINT SYSTEM</b> The Contractor's PIU shall have an operational system to receive, investigate and track the status of Fraud, Waste and Abuse complaints from Members, Providers and all other sources which may be made against the Contractor, Providers or Members. The system shall contain the following: <ul style="list-style-type: none"> <li>(a) Upon receipt of a complaint or other indication of potential Fraud or Abuse, the Contractor's PIU shall conduct an initial investigation to determine the validity of the complaint;</li> </ul>	✓

- (b) The PIU should review background information and MIS data; however, the initial investigation shall not include interviews with the subject concerning the alleged instance of Fraud or Abuse;
- (c) If the initial investigation results in a reasonable belief that the complaint does not constitute Fraud or Abuse, the PIU should not refer the case to the Department; however, the PIU shall take whatever remedial actions may be necessary, up to and including administrative recovery of identified overpayments of \$500 or less;
- (d) If the initial investigation results in a reasonable belief that Fraud or Abuse has occurred, the PIU shall refer the case and all supporting documentation to the Department;
- (e) The Department will review the referral and attached documentation, make a determination and notify the PIU as to whether the OIG will investigate the case or return it to the PIU for appropriate administrative action;
- (f) If, in the process of conducting an initial investigation, the PIU suspects a violation of either criminal Medicaid Fraud statutes or the Federal False Claims Act, the PIU shall immediately notify the Department of their findings and proceed only in accordance with instructions received from the Department;
- (g) If the Department determines that it will refer a case referred by the PIU to the OIG, the OIG will conduct a preliminary investigation, review the PIU's report and evidence, gather additional evidence if needed, and forward information, if warranted, to the Attorney General's Medicaid Fraud Control Unit, for appropriate action;
- (h) If the OIG opens an investigation based on a complaint received from a source other than the Contractor, the OIG will, upon completion of the preliminary investigation, provide a copy of the investigative report to the Department, the PIU, or if warranted, to MFCU, for appropriate actions;
- (i) If the OIG investigation results in a referral to the MFCU and/or the U.S. Attorney, the OIG will notify the Department and the PIU of the referral. The Department and the PIU shall only take actions concerning these cases in coordination with the law enforcement agencies that received the OIG referral;
- (j) Upon approval of the Department, Contractor shall suspend and escrow Provider payments in accordance with Section 6402 (h)(2) of the Affordable Care Act pending investigation of credible allegation of fraud; these efforts shall be coordinated through the Department;
- (k) Upon completion of the PIU's initial investigation, the PIU shall provide the Department a copy of their investigative report, which shall contain the following elements:
  - (1) Name and address of subject;
  - (2) Medicaid identification number;
  - (3) Source of complaint;
  - (4) State the complaint/allegation;
  - (5) Date assigned to the investigator;
  - (6) Name of investigator;
  - (7) Date of completion;
  - (8) Detail as to what timeframe was reviewed;
  - (9) How many member records were reviewed for that timeframe and the total of number of claims;
  - (10) The issues identified;
  - (11) Methodology used during investigation;
  - (12) Facts discovered by the investigation as well as the initial case report and supporting documentation;
  - (13) Attach all exhibits or supporting documentation;
  - (14) Include recommendations as considered necessary, for administrative action or policy revision;

<ul style="list-style-type: none"> <li>(15) Identify overpayment, if any, and include recommendation concerning collection;</li> <li>(16) Reason for closure of the report, if applicable;</li> <li>(17) Request to send as a referral for a preliminary investigation for a credible allegation of fraud, if applicable; and</li> <li>(13) Any other elements identified by CMS for fraud referral;</li> <li>(l) The Contractor's PIU shall provide the Department a quarterly Member and Provider status report of all cases including actions taken in adherence with state requirements, or case information shall be made available to the Department upon request;</li> <li>(m) The Contractor's PIU shall maintain access to a formal case tracking and case management system, which can report the status of a particular complaint or grievance process or the status of a specific identified overpayment or recoupment; and</li> <li>(n) The Contractor's PIU shall assure a Grievance and Appeal process for Members and Providers in accordance with 907 KAR 1:671.</li> </ul>	
<p>V. CASE TRACKING AND CASE MANAGEMENT</p> <p>(a) The Contactor shall have a case tracking and case management system to track member and provider cases;</p>	
<p>(b) The Contractor shall have the ability to query for ad hoc reporting or case status through the case tracking system for any period of time and shall be able to report the following for provider cases:</p> <ul style="list-style-type: none"> <li>(1) PIU Case number,</li> <li>(2) Provider name,</li> <li>(3) Provider number,</li> <li>(4) NPI (if applicable),</li> <li>(6) Source of Complaint,</li> <li>(7) OIG Referral Number (if applicable),</li> <li>(8) MAT Case Y/N (if applicable to report),</li> <li>(9) Date complaint received by Contractor,</li> <li>(10) Date opened,</li> <li>(11) Name of PIU investigator assigned,</li> <li>(12) Summary of Complaint,</li> <li>(13) Justification that a referral for a preliminary investigation was not warranted based upon the evidence in the case file,</li> <li>(14) PIU action(s) taken and date(s),</li> <li>(15) Amount of overpayment if any (please note potential overpayments of \$500 or more should be referred for preliminary investigation),</li> <li>(16) Administrative actions (if any) or referral with description, and</li> <li>(17) Closure Date* (if applicable) of initial investigation with approval from supervisor. Supervisor approval should demonstrate/attest verification of each component in the case file.</li> </ul>	
<p>(c) The Contractor shall have the ability to query for ad hoc reporting or case status through the case tracking system for any period of time and shall be able to report the following for member cases:</p> <ul style="list-style-type: none"> <li>(1) PIU Case number,</li> <li>(2) Member name,</li> <li>(3) Member number,</li> <li>(4) Date of Birth (if known),</li> <li>(5) Social Security Number (if known),</li> <li>(6) Source of Complaint,</li> <li>(7) OIG Referral Number (if applicable),</li> </ul>	



(8) Date complaint received by Contractor, (9) Date opened, (10) Name of PIU investigator assigned, (11) Summary of Complaint, (12) Justification that a preliminary investigation was not warranted based upon the evidence in the case file, (13) PIU action(s) taken and date(s) within the ten (10) day review period, (14) Amount of overpayment if any, (15) Administrative actions (if any) or referral with description, (16) Closure Date* (if applicable) of initial investigation with approval from supervisor. Supervisor approval should demonstrate/attest verification of each component in the case file.	
<b>VI. REPORTING</b>  (a) The Contractor's PIU shall report on a monthly basis provider internal referrals (tips) and the disposition of the prior month's internal referrals, and on a quarterly basis, as required by the Department, all activities and processes for each investigative case for that quarter to the Department. The Contractor shall have the ability to report all aspects of a member or provider file from opening to closure upon request, including overpayments identified, overpayment adjusted and recoupments of overpayments;	✓
(b) If any employee or subcontractor employee of the Contractor discovers or is made aware of an incident of possible Member or Provider Fraud, Waste or Abuse, the incident shall be immediately reported to the PIU Coordinator;	✓
(c) The Contractor's PIU shall immediately report all cases of suspected Fraud, Waste, Abuse or inappropriate practices by Subcontractors, Members, Providers or employees to the Department in adherence to state requirements;	✓
(d) The Contractor shall adhere to all ad hoc reporting requests whether one time or recurring in accordance with Section 37.0 "Contractor Reporting Requirements" of this contract;	✓
(e) The Contractor shall report all overpayments identified as prescribed by the Department;	✓
(f) The Contractor shall report the collection of provider overpayments and prepayment cost avoidance in relation to the quarterly total of Monthly Benefit Payments;	✓
(g) The Contractor shall report the escrow of provider payments in adherence to state requirements;	✓
(h) The Contractor shall report site visits conducted in adherence to state requirements; and	✓
(d) The Contractor is required to report the following data elements to the Department on a quarterly basis, in an excel format: (1) PIU Case number; (2) Provider /Member name; (3) Provider Medicaid ID/Member Medicaid number; (5) Date complaint received by Contractor; (6) Provider NPI (if nonmember case); (7) Source of complaint, (8) OIG Case Number; (9) Date complaint or referral received; (10) Date case opened; (11) MAT related (Y or N);	✓

(12) Summary of Complaint with timeframe reviewed; (13) Initial investigation (Y or N); (14) Actions taken with date(s); (15) Referred to DMS (with appropriate code); (16) Date referred to DMS (if applicable); (17) Provider on prepayment (Y or N); (18) Overpayment identified, and (19) Date case closed (if applicable).	
<b>VII. AVAILABILITY AND ACCESS TO DATA</b> The contractor shall:	✓
(a) Gather, produce, and maintain records including, but not limited to, ownership disclosure, for all Providers and subcontractors, submissions, applications, evaluations, qualifications, member information, enrollment lists, grievances, Encounter data, desk reviews, investigations, investigative supporting documentation, finding letters and subcontracts for a period of 5 years after contract end date;	✓
(b) Regularly report enrollment, Provider and Encounter data in a format that is useable by the Department, the OIG and any other agent or contractor of the Department;	✓
(c) Backup, store and be able to recreate reported data upon demand for the Department, the OIG and any other agent or contractor of the Department;	✓
(d) Permit reviews, investigations or audits of all books, records or other data, at the discretion of the Department, the OIG, any other agent or contractor of the Department or other authorized federal or state agency; and, shall provide access to Contractor records and other data on the same basis and at least to the same extent that the Department would have access to those same records;	✓
(e) Produce records in electronic format for review and manipulation by the Department, the OIG and any other agent or contractor of the Department;	✓
(f) Allow designated Department staff, the OIG, and any other agent or contractor of the Department read access to ALL data in the Contractor's MIS systems;	✓
(g) Provide Contractor's PIU access to any and all records and other data of the Contractor for purposes of carrying out the functions and responsibilities specified in this Contract;	✓
(h) Fully cooperate with the Department, the OIG, any other agent or contractor of the Department, the United States Attorney's Office and other law enforcement agencies in the investigation of Fraud or Abuse cases; and	✓
(i) Provide identity and cover documents and information for law enforcement investigators under cover.	✓

**APPENDIX N. PAID CLAIMS LISTING REQUIREMENTS**

Contract Requirement	Agree to Comply
<b><u>Hospitals:</u></b>	✓
1. The Contractor shall supply a paid claims listing to each contracted Hospital and to the Department for Medicaid Services (the Department) for each contracted hospital within sixty (60) days of the last day of the Hospital's fiscal year end date and a second set of data fourteen (14) months after the Hospital's fiscal year end date. The paid claims listing shall be in a format as required by the Department. The paid claims listing shall include all claims with discharge dates within the Hospital's fiscal year that are paid from the first day of the Hospital's fiscal year to ninety (90) days after the end of the Hospital's fiscal year. For all hospitals, the MCO shall provide separate reports for adjudicated claims associated with both inpatient services and outpatient services provided to eligible Members.	✓
2. The Contractor shall supply a summary of payments outside claims payments. The summary should illustrate the amount of the payment, its purpose and its application to Inpatient or Outpatient services, reported for the hospital fiscal year end.	✓
<b><u>Federally Qualified Health Centers (FQHC) and Rural Health Clinics (RHC)</u></b> Upon request, the Contractor shall supply a paid claims listing to each contracted FQHC or RHC to the Department for Medicaid Services (the Department) within ninety (90) days of the last day of the state fiscal year. The paid claims listing shall include all claims with dates for service falling within the state fiscal year that are paid within the same fiscal year.	✓
<b><u>NOTE: The vendor shall provide paid claims listing reports for other program areas as needed.</u></b>	✓

## APPENDIX O. MCO CAPITATION RECONCILIATION INBOUND/OUTBOUND FILE LAYOUTS

**WellCare of Kentucky will comply with the Department of Medicaid Services' expectations and requirements as specified in Appendix O. MCO Capitation Reconciliation Inbound/Outbound File Layouts.**

There are two (2) capitation reconciliation file types with an inbound and outbound file for each.

'Report 230': Contains all Members and capitation months that the MCO identifies for which a capitation payment has not been received.

'Report 250': Contains all Members and capitation months for which the MCO believes an inaccurate capitation payment was made. This file is to also include potential duplicate capitation payments.

Format: Inbound and outbound files to use semi-colon delimited text.

Naming Convention:

Where XX is the MCO two character designation

Inbound (MCO to CHFS):  
 XX\_Reports\_YYMMDD\_Report230

XX\_Reports\_YYMMDD\_Report250

Outbound (CHFS to MCO):  
 CHFS\_XX\_YYMMDD\_Report230

CHFS\_XX\_YYMMDD\_Report250

File Transmission: Move-IT

Frequency:

MCO to submit the Inbound files once per month.

CHFS to provide the Outbound files, under normal circumstances, on the Monday following the MCO Inbound submission.

### Inbound File Layout for 'Report 230'

Field	Data Type	Format	Comments
MCO_ID	Char(10)		MCO Medicaid ID
MEDICAID_ID	Char(12)		Member Medicaid ID that the MCO is requesting payment for
CAP_MONTH	int (6)	YYYYMM	Month that the MCO is requesting payment for
AMT_EXPECTED	Decimal(8,2)		Cap payment amount the MCO is expecting

### Inbound File Layout for 'Report 250'

Field	Data Type	Format	Comments
MCO_ID	Char(10)		MCO Medicaid ID
ADJUST_CDE	Char(2)		Type of adjustment for the record
CAP_MONTH	int (6)	YYYYMM	Month that the MCO received an incorrect payment
MEDICAID_ID	Char(12)		Member Medicaid ID that the MCO received a payment for

PD_AMT	Decimal (8,2)		Cap payment amount the MCO received
AMT_EXPECTED	Decimal (8,2)		Cap payment amount the MCO is expecting

Outbound File Layout for 'Report 230'

Field	Data Type	Format	Comments
MEDICAID_ID	Char(12)		Data from MCO Inbound file to be returned
CAP_MONTH	int (6)	YYYYMM	Data from MCO Inbound file to be returned
RECON_DTE	Int (8)	YYYYMMDD	Date MCO transaction was processed for reconciliation
SAK_CAPITATION_PD	Int (9)		Cap Payment Unique Identifier: provided when cap already paid
FIN_DTE_PD	Int (8)	YYYYMMDD	MMIS Financial Paid Date: provided when cap already paid
AMT_PD	Decimal(8,2)		Cap Amount Paid: provided when cap already paid
MEDICAID_ID_PD	Char(12)		Medicaid ID that the Cap Was Paid Under: provided when cap already paid
MESSAGE_CDE	Char(4)		Code value for the message being returned
MESSAGE	Varchar(255)		Findings based on current active MMIS data

## Outbound File Layout for 'Report 250'

Field	Data Type	Format	Comments
CAP_MONTH	int (6)	YYYYMM	Data from MCO Inbound file to be returned
MEDICAID_ID	Char(12)		Data from MCO Inbound file to be returned
RECON_DTE	Int (8)	YYYYMMDD	Date MCO transaction was processed for reconciliation
MESSAGE_CDE	Char(4)		Code value for the message being returned
MESSAGE	Varchar(255)		Findings based on current active MMIS data

## Valid values for the ADJUST\_CDE in the Inbound 'Report 250'

ADJUST_CDE	COMMENT
OP	Overpayment: MCO believes the capitation payment received was too high because the member qualifies under a different Category of Aid and/or resides in a different region.
UP	Underpayment: MCO believes the capitation payment received was too low because the member qualifies under a different Category of Aid and/or resides in a different region.
PR	Prorate: MCO believes the capitation payment received was incorrectly prorated based on the Member's Effective date and/or Category of Aid

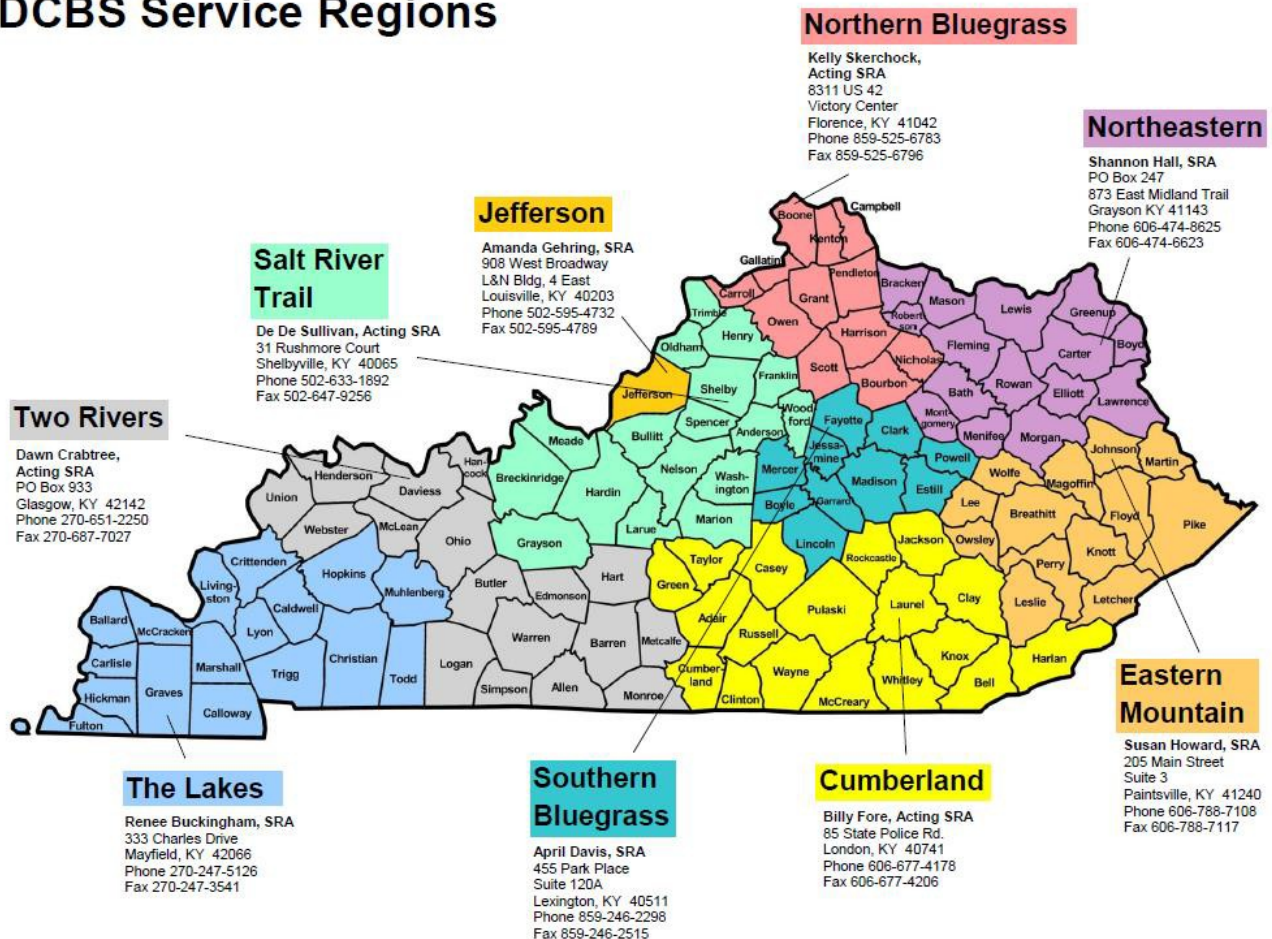
## Valid Values for MESSAGE\_CDE and MESSAGE in the Outbound 'Report 230' and Outbound 'Report 250'

MESSAGE_CDE	MESSAGE	Report
M_01	MEMBER NOT MEDICAID ELIGIBLE DURING CAP MONTH	All
M_02	MEMBER NOT ASSIGNED TO MCO DURING CAP MONTH	All
M_03	RECORD REPORTED TO DMS MEMBER SERVICES FOR ADDITIONAL RESEARCH	All
M_04	CAPITATION PAYMENT WAS PAID FOR CAP MONTH	230
M_05	CURRENT DATA SHOWS CAP PAYMENT FOR CAP MONTH WILL BE PAID DURING NEXT RECON	230
M_06	CURRENT DATA SHOWS PAID AMOUNT WAS CORRECT	250
M_07	CURRENT DATA SHOWS PAID AMOUNT WAS AN OVERPAYMENT	250
M_08	CURRENT DATA SHOWS PAID AMOUNT WAS AN UNDERPAYMENT	250
M_09	CURRENT DATA SHOWS PAID AMOUNT WAS NOT PRORATED CORRECTLY	250
M_10	MMIS DATA DOES NOT INDICATE THE PAYMENTS ARE DUPLICATE	250
M_11	MMIS DATA INDICATES THE PAYMENTS ARE DUPLICATE - RESEARCH ITEM OPENED	250
M_12	MEMBER MEDICAID ID IS INVALID	All

## APPENDIX P. DEPARTMENT FOR COMMUNITY BASED SERVICES AND DEPARTMENT OF JUVENILE JUSTICE MAPS

WellCare of Kentucky will comply with the Department of Medicaid Services' expectations and requirements as specified in Appendix P. Department for Community Based Services and Department of Juvenile Justice Maps.

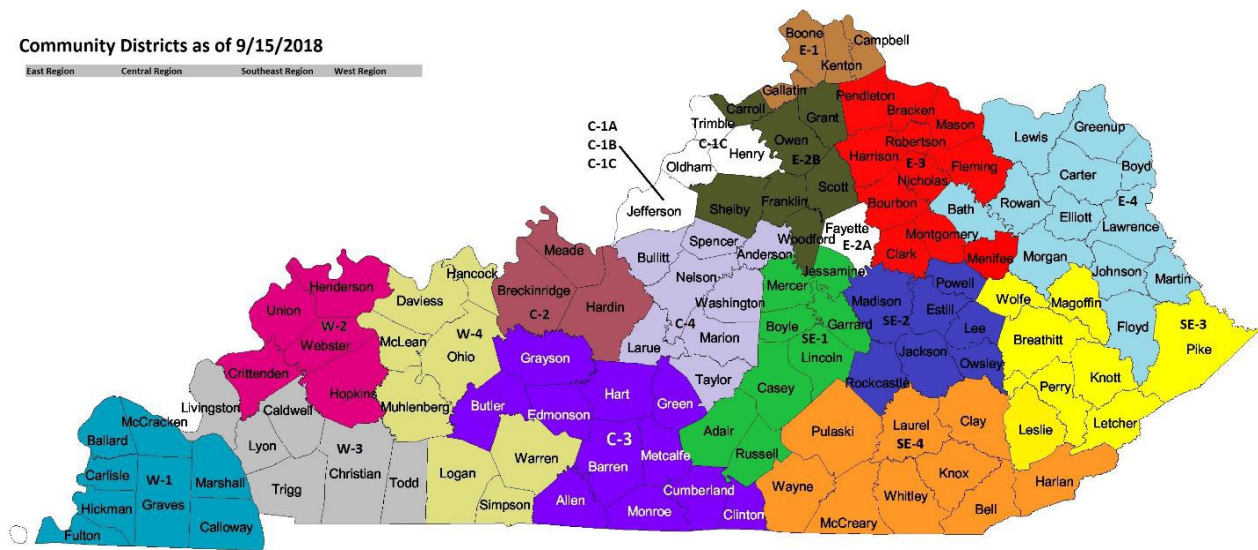
## DCBS Service Regions



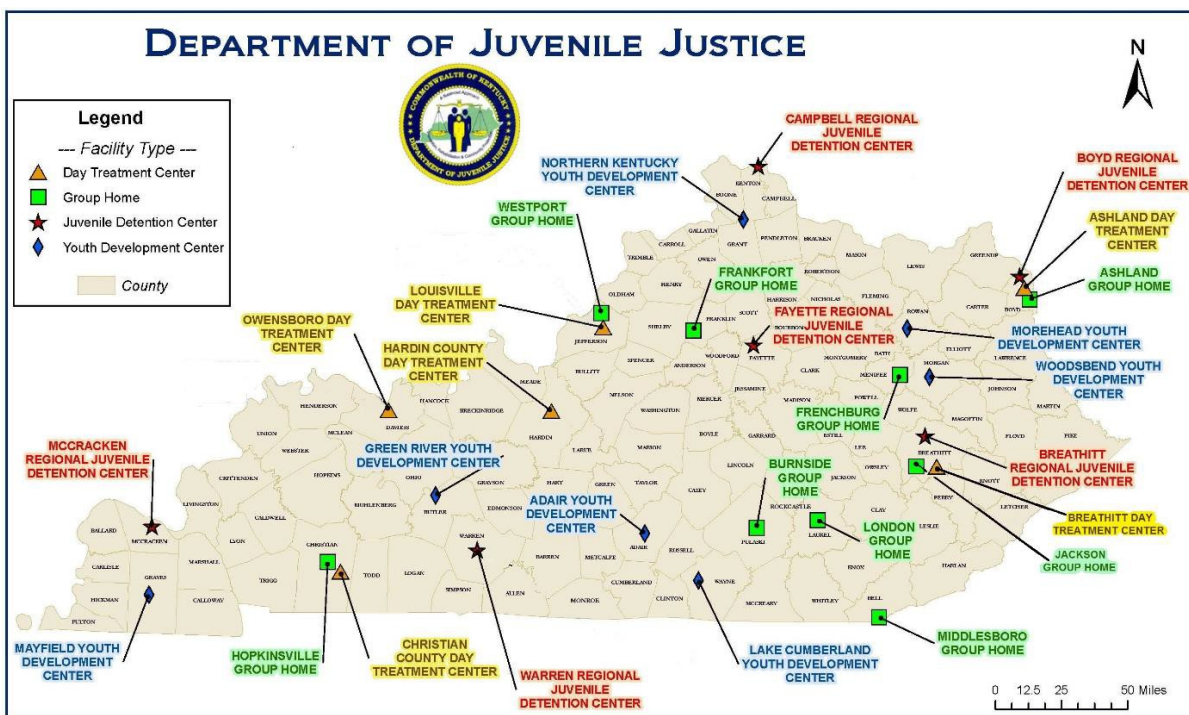


## Department of Juvenile Justice Community Districts

Community Districts as of 9/15/2018



## Department of Juvenile Justice Facilities Map





**APPENDIX Q. CABINET FOR HEALTH AND FAMILY SERVICES CONTRACTOR SECURITY REQUIREMENTS**

Contract Requirement	Agree to Comply
The Contractor is required to constantly assess their security program, adhere to most recent standards, practices, rules, regulations, laws, best practices and adapt as these may change or present new requirements. This includes, but not limited to, technology, reporting, standards, approach, strategy, and practices.	✓
<b>CHFS and The Commonwealth maintain the right to audit at any time without any notice.</b>	✓
<b>Compliance with Commonwealth IT Enterprise Policy and Standards</b>	✓
The Contractor solution shall adhere to the most recent federal and Commonwealth standards as outlined below:	✓
<p>A. The Commonwealth Office of Technology (COT) IT Enterprise Policy and Standards provide guidelines, policies, directional statements and sets of standards so that technology choices can be made based on business objectives and service delivery. These documents are located here:</p> <ul style="list-style-type: none"> <li>• COT Standards: <a href="https://technology.ky.gov/Governance/Pages/KITS.aspx">https://technology.ky.gov/Governance/Pages/KITS.aspx</a></li> <li>• COT Policies: <a href="https://technology.ky.gov/policy/Pages/policies.aspx">https://technology.ky.gov/policy/Pages/policies.aspx</a></li> </ul>	✓
<p>B. CHFS Policy and Standards reflect a set of principles for information, technology, applications, and organization which shall be followed for any solution that will be hosted and maintained by Contractor. CHFS OATS also has standards to which any solution that will be hosted and maintained by Contractor shall also adhere. These documents are located here:</p> <ul style="list-style-type: none"> <li>• CHFS Standards: <a href="https://chfs.ky.gov/agencies/os/oats/Pages/itstandards.aspx">https://chfs.ky.gov/agencies/os/oats/Pages/itstandards.aspx</a></li> <li>• CHFS Policies: <a href="https://chfs.ky.gov/agencies/os/oats/Pages/ITpolicies.aspx">https://chfs.ky.gov/agencies/os/oats/Pages/ITpolicies.aspx</a></li> </ul>	✓
C. In the event that the Contractor solution components hosted and maintained by Contractor deviate from the Policies and Standards referenced above, Contractor shall outline the reasons and benefits to the Commonwealth for that deviation. Any exceptions to these Policies and Standards must follow the CHFS OATS Policy 070-203.	✓
<b>Compliance with Federal Regulations and Standards</b>	✓
Contractor shall be responsible for ensuring that its work performed under this Contract, including all deliverables, will meet the requirements of all applicable federal and state laws, regulations, policies and guidance, including any amendments or updates thereto during the life of the Contract. Adherence to these laws, policies, regulations and guidance shall be a requirement of the Contractor solution.	✓
<p>The relevant laws, regulations, policies and guidance include, but are not limited to:</p> <ul style="list-style-type: none"> <li>• Title XIX of the Social Security Act, the Medicaid statute</li> <li>• The Office of the National Health Coordinator for Health Information Technology</li> <li>• Health Insurance Portability and Accountability Act (HIPAA) and any related regulations and guidance</li> <li>• Medicaid Information Technology Architecture (MITA) CMS Minimum Acceptable Risk Standards for Exchanges (MARS-E) v2.0</li> <li>• Kentucky Revised Statute KRS 61.931 to 61.934</li> <li>• NIST Special Publication SP800-53 R4 Security and Privacy Controls for Federal Information Systems and Organizations</li> <li>• IRS 1075 rule</li> </ul>	✓

<b>Attestation Report</b>  Contractor shall provide a copy of the SOC2 type 2 (or by its superseded standard) report to CHFS Office of Administrative and Technology Services (OATS) Security at least on annual basis.	✓						
<b>Privacy, Confidentiality, and Ownership of Information</b>  CHFS is the designated owner of all data and shall approve all access to that data. Contractor shall not have ownership of Commonwealth data at any time. Contractor shall be in compliance with privacy policies established by governmental agencies or by state or federal law. Such privacy policy statements may be developed and amended periodically by the Commonwealth.	✓						
<b>Information Security Requirements</b>  CHFS requires security assurance for functional, technical, and infrastructure components to ensure the systems meet all information security requirements throughout the project lifecycle. This includes physical, technical, and administrative controls.	✓						
Security assessment scenarios and strategies shall be approved by the CHFS Security Team prior to execution and all evidentiary artifacts shall be provided to CHFS and the CHFS Security Team as required.	✓						
A security assessment shall be performed by Contractor key applicable milestones throughout the project lifecycle with subsequent evidentiary artifacts provided to CHFS and the CHFS Security Team.	✓						
Contractor shall provide artifacts for Control Assessments, HIPAA Risk Assessments, Vulnerability assessments, or other security-related artifacts as required by CHFS.	✓						
As required to develop a secure solution, Contractor shall provide artifacts detailing secure code review processes used throughout the Software Development Lifecycle (SDLC) process. Artifacts shall be provided throughout the secure code review processes as requested by CHFS.	✓						
<b>Plan of Action &amp; Milestones (POAM) – Vulnerability Management</b>  Weaknesses or findings (as identified by audit or other assessment methods) shall be documented in a CHFS-prescribed POAM template. Contractor shall maintain and remediate the gaps detailed within each POAM and provide bi-weekly status updates to designated CHFS personnel. Any necessary exception (due to business, functional, or technical) that impacts the resolution of a POAM shall follow the CHFS OATS Policy 070.203.	✓						
POAM remediation timelines (from the date of Weakness, Vulnerability, or Gap Identified): <table border="0" data-bbox="276 1312 1218 1417"> <tr> <td>• High Risk POAM Items</td><td>30 Days</td></tr> <tr> <td>• Moderate Risk POAM Items</td><td>6 Months</td></tr> <tr> <td>• Low Risk POAM Items</td><td>1 Year</td></tr> </table>	• High Risk POAM Items	30 Days	• Moderate Risk POAM Items	6 Months	• Low Risk POAM Items	1 Year	✓
• High Risk POAM Items	30 Days						
• Moderate Risk POAM Items	6 Months						
• Low Risk POAM Items	1 Year						
<b>HIPPA Risk Assessment</b>  The Cabinet for Health and Family Services (CHFS) Office of Administrative and Technology Services (OATS) must establish an acceptable level of security controls to be implemented through a risk assessment procedure. Following the guidance on risk assessment requirements under the Health Insurance Portability and Accountability Act (HIPAA) Security Rule 45CFR164.308(a)(1)(ii)(A), states that all Electronic Personal Health Information (ePHI) that is created, received, maintained or transmitted by CHFS, is subject to the Security Rule. The Security Rule requires agencies to evaluate risks and vulnerabilities in their environments and to implement reasonable and appropriate security measures to protect against reasonably anticipated threats or hazards to the security or integrity of ePHI. This rule serves as the foundational element in the process of achieving compliance, and establishes several objectives that any methodology adopted must achieve. Risk assessments are conducted to identify risks in a particular system, assessing the risk and taking steps to reduce the risk to an acceptable level.	✓						

Critical systems that store HIPAA, Internal Revenue Services (IRS), Social Security Administration (SSA), and/or ePHI data require risk assessments on an annual basis. A risk assessment will also be conducted at the onset of any new development as part of the System Development Life Cycle (SDLC) and systems that have major system change/modifications. These ongoing risks assessments are the responsibility of an appointed designee (Data Owner) within each program area to ensure compliance with applicable security controls. This process helps CHFS implement security best practices with regard to conducting, reviewing, documenting and tracking internal inspections	✓
Upon completion of a risk assessment, the Contractor will document and follow a mitigation plan for the identified risks.	✓
<b>Disaster Recovery (DR) drill suggestions</b>  CHFS Information Security representatives will be invited to all meetings and provided key information that pertains to the actual performance of the drill. (e.g. In the most recent drill there was information pertinent to the exercise that was discussed earlier in the week, but not communicated to CHFS.)	✓
Test processing in the DR environment with a realistic number of users. Testing must mirror the workload as closely to what would be needed in a true outage.	✓
Identify metrics for DR success. By having specific goals and measuring if those goals were met will give a clearer overall view into if the drill was a success.	✓
Contractor must conduct create a Business Continuity Plan (BCP) and a Disaster Recovery (DR) plan. These plans must be tested and updated annually	✓
Provide a DR after action report (AAR). The report should detail what was a success, what did not succeed, what can be improved and a plan to address those items and improve the exercise	✓
<b>Incident Response (IR) suggestions</b>  Contractor must create an Incident Response Plan (IRP) and it must align with the CHFS OATS IRP. The Contractor IRP must be updated and tested at least once a year.	✓
Contractor shall report any Incident to CHFS along with a description of the Incident, the severity of the Incident (determined by a set of criteria, see Exhibit 1) and supporting information outlining the processes Contractor was following when the Incident occurred and/or was detected.	✓
Any pertinent documentation showing results or evidence of the Incident (the foregoing information and documentation collectively referred to as an "Incident Report"). This incident report should be provided to CHFS as soon as possible after an incident is determined but no longer than one hour after determination. This notification window to CHFS is to be as timely as possible to adhere to federal and state data breach reporting requirements (see Exhibit 2). An Incident Report shall include at a minimum the following information:  <ul style="list-style-type: none"> <li>• What was the incident</li> <li>• Investigation results</li> <li>• Impact of the incident</li> <li>• Remediation</li> <li>• Prevention</li> <li>• Steps to reproduce the Incident (if known by Contractor)</li> <li>• Screen shots related to the Incident (if any)</li> <li>• Information relating to the Contractor process affected by the Incident including any logs</li> </ul>	✓

The more comprehensive Contractor Incident Report, the better CHFS will be able to properly assess the severity of the Incident.	✓										
<p>Exhibit 1:</p> <table border="1"> <thead> <tr> <th>Level</th><th>Definition</th></tr> </thead> <tbody> <tr> <td>Level 1: Emergency Severity Incident</td><td>Defined as Incidents that have an Enterprise wide impact or pose a high risk to business operations resulting in financial impacts or failure to meet commitments to Customer patients or address significant security vulnerability.</td></tr> <tr> <td>Level 2: Urgent Severity Incident</td><td>Defined as Incidents that have an Enterprise wide impact or pose a high risk to business operations resulting in financial impacts or failure to meet commitments to Customer or address significant security vulnerability.</td></tr> <tr> <td>Level 3: Standard Severity Incidents</td><td>Defined as medium risk. Customer's business operations may be interrupted or delayed, but all Customer commitments can be met.</td></tr> <tr> <td>Level 4: Low Severity Incident</td><td>Incident poses no risk. Customer's business operations will not be affected.</td></tr> </tbody> </table>	Level	Definition	Level 1: Emergency Severity Incident	Defined as Incidents that have an Enterprise wide impact or pose a high risk to business operations resulting in financial impacts or failure to meet commitments to Customer patients or address significant security vulnerability.	Level 2: Urgent Severity Incident	Defined as Incidents that have an Enterprise wide impact or pose a high risk to business operations resulting in financial impacts or failure to meet commitments to Customer or address significant security vulnerability.	Level 3: Standard Severity Incidents	Defined as medium risk. Customer's business operations may be interrupted or delayed, but all Customer commitments can be met.	Level 4: Low Severity Incident	Incident poses no risk. Customer's business operations will not be affected.	✓
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Cabinet for Health and Family Services (CHFS), Office of Administrative & Technology Services (OATS) reserves the right to update these policies at any time throughout the life of the contract. Written communication of any changes will be made to the MCO detailing the effective date of such change. Any requests for exemption or changes to the policies outline herein would follow the contract modifications procedures.	✓										