

**AMENDMENT #1  
TO THE CONTRACT  
BETWEEN  
THE DIVISION OF MEDICAID  
IN THE OFFICE OF THE GOVERNOR  
AND  
A CARE COORDINATION ORGANIZATION  
(CCO)**

(Magnolia Health Plan, Inc.)

**THIS AMENDMENT #1** modifies, revises, and amends the Contract entered into between the **DIVISION OF MEDICAID** in the **OFFICE OF THE GOVERNOR**, an administrative agency of the **STATE OF MISSISSIPPI** (hereinafter "DOM" or "Division"), and **MAGNOLIA HEALTH PLAN, INC.**, (hereinafter "CCO" or "Contractor").

**WHEREAS**, DOM is charged with the administration of the Mississippi State Plan for Medical Assistance in accordance with the requirements of Title XIX of the Social Security Act of 1935, as amended, and Miss. Code Ann. § 43-13-101, *et seq.*, (1972, as amended);

**WHEREAS**, CCO is an entity eligible to enter into a comprehensive risk contract in accordance with Section 1903(m) of the Social Security Act and 42 CFR § 438.6(b) and is engaged in the business of providing prepaid comprehensive health care services as defined in 42 CFR § 438.2. The CCO is licensed appropriately as defined by the Department of Insurance of the State of Mississippi pursuant to Miss. Code Ann. § 83-41-305 (1972, as amended);

**WHEREAS**, DOM contracted with the CCO to obtain services for the benefit of certain Medicaid beneficiaries and the CCO has provided to DOM continuing proof of the CCO's financial responsibility, including adequate protection against the risk of insolvency, and its capability to provide quality services efficiently, effectively, and economically during the term of the Contract, upon which DOM relies in entering into this Amendment Number One;

**WHEREAS**, pursuant to Section 1.B of the Contract, no modification or change to any provision of the Contract shall be made unless it is mutually agreed upon in writing by both parties and is signed by a duly authorized representative of the CCO and DOM as an amendment to the Contract; however, such amendment shall not be effective unless and until the Centers for Medicare & Medicaid Services ("CMS") approves of the change; and,

NOW, THEREFORE, in consideration of the foregoing recitals and of the mutual promises contained herein, DOM and CCO agree the Contract is amended as follows:

- I. Section 1.R, READINESS REVIEWS, of the Contract is hereby amended to add Paragraph two (2) to read as follows:

**R. Readiness Reviews**

Contractor shall comply with all requirements related to the assessment of Contractor's performance prior to implementation. The Division may, at its discretion, complete readiness reviews of Contractor prior to implementation of expansions and Contract renewals. This includes evaluation of all program components including information technology, administrative services, Provider Network management, and medical management. The readiness reviews will include desk reviews of materials Contractor must develop and onsite visits at Contractor's administrative offices. The Division may also conduct onsite visits to any Subcontractor's offices.

The Readiness Review for this Contract begins October 1, 2017 and ends on June 30, 2018. Following completion of the Readiness Review, the Special Open Enrollment Period begins July 1, 2018 and ends on August 31, 2018, with an effective date of October 1, 2018, to allow assignment of beneficiaries to the Contractors. During calendar year 2018, there will be one MississippiCAN Open Enrollment Period. The Annual Open Enrollment Period of October 1, 2018 to December 15, 2018 will be combined with the Special Open Enrollment Period.

- II. Section 4. A, ENROLLMENT OF MEMBERS WITH A CONTRACTOR, is hereby amended to read as follows:

**A. Enrollment of Members with a Contractor**

A Member shall have thirty (30) Calendar Days to select a Contractor and a PCP. Members who fail to make a voluntary Contractor selection within thirty (30) calendar days of their Enrollment will be auto enrolled to a Contractor by the Division. Auto-assignment rules will include provisions to:

1. Determine whether the Member was previously enrolled with a Contractor within the previous sixty (60) calendar days; and assign Member to that Contractor;
2. Determine whether an immediate family member is assigned to a Contractor and assign the Member to that Contractor;
3. Review paid claims data within the past six (6) months and assign Member to the Contractor that has a contract with a PCP with whom the Member has a history in the last six (6) months; and
4. If no previous assignment within sixty (60) days and no immediate family members already enrolled, or if the Member does not have a prior history with a PCP, then assign the Member to Contractor with a PCP closest to Member's home address.

5. If multiple Contractors meet this standard, then assignment will occur using a random process.

The Division reserves the right to modify the Enrollment and Auto Enrollment rules at its discretion.

Beginning July 1, 2018, there will be a Special Open Enrollment Period prior to the operational phase of this contract on October 1, 2018. The Division will implement a sixty (60) day open enrollment period to allow all Members the opportunity to choose among all contracted entities. Following open enrollment, a time-limited auto-assignment methodology will be used to ensure that each selected entity reaches a minimum threshold of twenty (20) percent of the program. Once such threshold has been reached, the Division will revert to the auto-assignment methodology outlined in Section 4.A of the contract. The Division will provide all Members information required by federal regulations.

All modifications to enrollment procedures are time limited at the Division's discretion. Therefore, during calendar year 2018, there will be one MississippiCAN enrollment period, wherein the Annual Open Enrollment Period of October 1, 2018 to December 15, 2018 will be combined with the Special Open Enrollment Period. The effective date of this Special Open Enrollment will be October 1, 2018. Beneficiaries already enrolled with an entity are given priority to continue their enrollment with that entity or change to another entity.

The Contractor will be required to serve eligible Medicaid beneficiaries across the entire state. The Contractor will receive a prepaid capitated monthly payment and will provide services through a full-risk arrangement.

The Division may, at its discretion, set and make subsequent changes to a threshold for the percentage of Members who can be enrolled with a single Contractor. Members will not be auto enrolled to a Contractor that exceeds this threshold unless a family member is enrolled in the Contractor or a historical Provider relationship exists with a Provider that does not participate in any other Contractor. The Division will provide the Contractors with a minimum of fourteen (14) days advance notice in writing when changing the threshold percentage.

The Division will notify Members and the Contractor within five (5) business days of the selection or Auto Enrollment. The Division's notice to the Member will be made in writing and sent via surface mail. Notice to the Contractor will be made via the Member Listing Report.

- III. Section 4. K, MEMBER LISTING REPORT, is hereby amended to add Paragraph three (3) to read as follows:

**K. Member Listing Report**

The Division or its Agent will prepare a Member Listing Report, prior to the first (1st) day of each month, listing all Members enrolled with the Contractor for that month. Adjustments will be made to each Member Listing Report to reflect corrections and the Enrollment or

Disenrollment of Members reported to the Division or its Agent on or about the twenty-fifth (25th) day of the preceding month. The Division or its Agent will prepare a daily roster listing all new Members and a monthly report listing all disenrolled or closed files. The Member Listing Report will be transmitted to the Contractor by electronic media. The Member Listing Report shall serve as the basis for Capitation Payments to the Contractor for the ensuing month.

The Member Listing Report shall be provided to the Contractor sufficiently in advance of the Member's Enrollment effective date to permit the Contractor to fulfill its identification card issuance and PCP notification responsibilities, described in Sections 6.C, Member Identification Card, and 4.B, Choice of a Network Provider, of this Contract, respectively. Should the Member Listing Report be delayed in its delivery to the Contractor, the applicable time frames for identification card issuance and PCP notification shall be extended by one (1) business day for each day the Member Listing Report is delayed. The Division and the Contractor shall reconcile each Member Listing Report as expeditiously as is feasible but no later than the twentieth (20th) day of each month.

The Division or its Agent will prepare a Member Listing Report, following the 2018 Special Open Enrollment Period, listing all Members enrolled with the Contractor beginning October 1, 2018. For subsequent periods of this contract, all other terms and conditions will remain unchanged.

- IV. Section 13. A, CAPITATION PAYMENTS, of the Contract is hereby amended to add Section 13. A. 10, Capitation Payments During Implementation and Operations, to read as follows:

10. Capitation Payments During Implementation and Operations

During the implementation year, July 1, 2017 to June 30, 2018, the Division will not make monthly capitation payments to any contracted entities under this contract. The Division will pay State Fiscal Year (SFY) 2018 monthly capitation payments to the contracted entities under the July 1, 2014 contract for work performed under the July 1, 2014 contract and amendments thereto. Starting July 1, 2018, the Division will pay the Contractors monthly capitation payments for SFY 2019 based on two separate capitation rate periods - July 1, 2018 through September 30, 2018, and October 1, 2018 through June 30, 2019. Because the operational period of this contract does not begin until October 1, 2018, and the new contracted entity will not have members during this rate period, the first rate period (July 1, 2018 to September 30, 2018) will include SFY 2019 monthly capitation payments to only the managed care contractors with members. At the conclusion of the Special Open Enrollment Period and starting October 1, 2018, the Division will pay all contracted entities SFY 2019 monthly capitation payments until June 30, 2019.

- V. Section 16. G, STOP WORK ORDER, of the Contract is hereby amended to delete and replace in its entirety the following clause:

**G. Stop Work Order**

1. **Order to Stop Work:** The Chief Procurement Officer, may, by written order to

Contractor at any time, and without notice to any surety, require Contractor to stop all or any part of the work called for by this contract. This order shall be for a specified period not exceeding ninety (90) calendar days after the order is delivered to Contractor, unless the parties agree to any further period. Any such order shall be identified specifically as a stop work order issued pursuant to this clause. Upon receipt of such an order, Contractor shall forthwith comply with its terms and take all reasonable steps to minimize the occurrence of costs allocable to the work covered by the order during the period of work stoppage. Before the stop work order expires, or within any further period to which the parties shall have agreed, the Chief Procurement Officer shall either:

- a. cancel the stop work order; or,
  - b. terminate the work covered by such order as provided in the Termination for Default clause or the Termination for Convenience clause of this contract.
2. **Cancellation or Expiration of the Order:** If a stop work order issued under this clause is canceled at any time during the period specified in the order, or if the period of the order or any extension thereof expires, Contractor shall have the right to resume work. An appropriate adjustment shall be made in the delivery schedule or Contractor price, or both, and the contract shall be modified in writing accordingly, if:
- a. the stop work order results in an increase in the time required for, or in Contractor's cost properly allocable to, the performance of any part of this contract; and,
  - b. Contractor asserts a claim for such an adjustment within 30 days after the end of the period of work stoppage; provided that, if the Chief Procurement Officer decides that the facts justify such action, any such claim asserted may be received and acted upon at any time prior to final payment under this contract.
3. **Termination of Stopped Work:** If a stop work order is not canceled and the work covered by such order is terminated for default or convenience, the reasonable costs resulting from the stop work order shall be allowed by adjustment or otherwise.

VI. Section 17. Q, BRIBES, GRATUITIES and KICKBACKS, of the Contract is hereby amended to delete and replace in its entirety the following clause:

**Q. Bribes, Gratuities and Kickbacks**

The receipt or solicitation of bribes, gratuities, and kickbacks is strictly prohibited.

No elected or appointed officer or other employee of the Federal Government or of the State of Mississippi shall benefit financially or materially from this Contract. No individual employed by the State of Mississippi shall be permitted any share or part of this Contract or any benefit that might arise therefrom.

The bidder, offeror, or Contractor represents that it has not violated, is not violating, and promises that it will not violate the prohibition against gratuities set forth in Section 6-204 PPRB OPSCR Rules and Regulations Page 139 Effective Date 5/6/2018 (Gratuities) of the Mississippi Public Procurement Review Board Office of Personal Service Contract Review Rules and Regulations.

- VII. Section 17. T, E-PAYMENT, of the Contract is hereby amended to delete and replace in its entirety the following clause:

**T. E-Payment**

Contractor agrees to accept all payments in United States currency via the State of Mississippi's electronic payment and remittance vehicle. The agency agrees to make payment in accordance with Mississippi law on "Timely Payments for Purchases by Public Bodies," which generally provides for payment of undisputed amounts by the agency within forty-five (45) days of receipt of invoice. Mississippi Code Annotated § 31-7-301 et seq..

- VIII. Section 17. V, PROCUREMENT REGULATIONS, of the Contract is hereby amended to delete and replace in its entirety the following clause:

**V. Procurement Regulations**

The contract shall be governed by the applicable provisions of the Mississippi Public Procurement Review Board Office of Personal Service Contract Review Rules and Regulations, a copy of which is available at 501 North West Street, Suite 701E, Jackson, Mississippi 39201 for inspection, or downloadable at <http://www.DFA.ms.gov>.

- IX. Section 17, FEDERAL, STATE, AND GENERAL REQUIREMENTS, of the Contract is hereby amended to add Section 17. Y, Approval Clause to read as follows:

**Y. Approval Clause**


It is understood that if this contract requires approval by the Public Procurement Review Board and/or the Mississippi Department of Finance and Administration Office of Personal Service Contract Review and this contract is not approved by the PPRB and/or OPSCR, it is void and no payment shall be made hereunder.

- X. All other terms and conditions will remain unchanged.

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IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives as follows:

**Mississippi Division of Medicaid**

By:   
\_\_\_\_\_  
Drew L. Snyder  
Executive Director

Date: 7/24/2018

**Magnolia Health Plan, Inc.**

By:   
\_\_\_\_\_  
Aaron Sisk  
Plan President and CEO

Date: 7/23/2018

STATE OF MISSISSIPPI  
COUNTY OF Hinds

THIS DAY personally came and appeared before me, the undersigned authority, in and for the aforesaid jurisdiction, the within named, **Drew L. Snyder**, in his official capacity as the duly appointed **Executive Director of the Division of Medicaid in the Office of the Governor**, an administrative agency of the State of Mississippi, who acknowledged to me, being first duly authorized by said agency that he signed and delivered the above and foregoing written Contractual Agreement for and on behalf of said agency, and as its official act and deed on the day and year therein mentioned.

GIVEN under my hand and official seal of office on this the 24<sup>th</sup> day of July, A.D., 2018.

Suzanne R. Smith  
NOTARY PUBLIC

MY COMMISSION EXPIRES:  
4/7/19  
STATE OF MISSISSIPPI  
NOTARY PUBLIC  
SARANNE R. SMITH  
Commission Expires  
April 7, 2019  
FRANKLIN COUNTY

STATE OF Mississippi  
COUNTY OF Hinds

THIS DAY personally came and appeared before me, the undersigned authority, in and for the aforesaid jurisdiction, the within named, **Aaron Sisk**, in his/her respective capacity as the **Plan President and CEO of Magnolia Health Plan, Inc.**, who acknowledged to me, being first duly authorized by said corporation that he/she signed and delivered the above and foregoing written Contractual Agreement for and on behalf of said corporation and as its official act and deed on the day and year therein mentioned.

GIVEN under my hand and official seal of office on this the 23 day of July, A.D., 2018.

Tanya Welch  
NOTARY PUBLIC

MY COMMISSION EXPIRES:  
11/28/2018

STATE OF MISSISSIPPI  
NOTARY PUBLIC  
ID # 97709  
LaTANYA WELCH  
Commission Expires  
Nov. 28, 2018  
HINDS COUNTY