

# ORIGINAL

DHH - CF - 1  
Revised 2011-06

CONTRACT BETWEEN STATE OF LOUISIANA  
DEPARTMENT OF HEALTH AND HOSPITALS

CFMS: 728797

DHH: 060160

Medical Vendor Administration

Agency # 305

AND

MCNA Insurance Company, d/b/a MCNA Dental Plans

FOR

Personal Services  Professional Services  Consulting Services  Social Services

1) Contractor (Legal Name if Corporation) MCNA Insurance Company, d/b/a MCNA Dental Plans	5) Federal Employer Tax ID# or Social Security # 52245896800 (Must be 11 Digits)
2) Street Address 200 West Cypress Creek Road, Suite 500	6) Parish(es) Served ST
City Fort Lauderdale	State FL
Zip Code 33309	7) License or Certification #
3) Telephone Number (800) 494-8262	8) Contractor Status Subrecipient: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Corporation: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No For Profit: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Publicly Traded: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
4) Mailing Address (if different)	
City	State
Zip Code	8a) CFDA#(Federal Grant #)

9) Brief Description Of Services To Be Provided:

Contractor will function as a risk-bearing, Prepaid Ambulatory Health Plan health care delivery system that provides specified core dental benefits and services for eligible Louisiana Medicaid enrollees as defined in the Louisiana Medicaid State Plan, administrative rules and Medicaid Policy and Procedure manuals. See Attachment B and Exhibits 5-8 for additional details and requirements.

10) Effective Date 07-01-2014

11) Termination Date 06-30-2017

12) This contract may be terminated by either party upon giving thirty (30) days advance written notice to the other party with or without cause but in no case shall continue beyond the specified termination date.

13) Maximum Contract Amount 484,300,137 See Attachment C for additional details

14) Terms of Payment

If progress and/or completion of services are provided to the satisfaction of the Initialing Office/Facility, payments are to be made as follows:

See Attachment C for additional details.

Contractor obligated to submit final invoices to Agency within fifteen (15) days after termination of contract.

PAYMENT WILL BE MADE ONLY UPON APPROVAL OF:	First Name Mary T. C.	Last Name Johnson
	Title Medicaid Deputy Director	Phone Number (225)342-3426

15) Special or Additional Provisions which are incorporated herein, if any (IF NECESSARY, ATTACH SEPARATE SHEET AND REFERENCE):

Attachment A: HIPAA Addendum  
Attachment B: Statement of Work  
Attachment C: Contract Maximum Amount and Terms of Payment  
Attachment D: Additional terms and Conditions  
Attachment E: Rate Certification  
Attachment F: Performance Measurement Goals

Exhibit 1: Board Resolution  
Exhibit 2: Multi-Year and Out of State Justification Letter  
Exhibit 3: RFP305PUR-DHHRFP-DENTAL-PAHP-MVA  
Exhibit 4: Appendices to RFP305PUR-DHHRFP-DENTAL-PAHP-MVA  
Exhibit 5: Addenda to RFP305PUR-DHHRFP-DENTAL-PAHP-MVA  
Exhibit 6: Contractor's proposal  
Exhibit 7: Emergency Preparedness Plan

During the performance of this contract, the Contractor hereby agrees to the following terms and conditions:

1. Contractor hereby agrees to adhere as applicable to the mandates dictated by Titles VI and VII of the Civil Rights Act of 1964, as amended; the Vietnam Era Veterans' Readjustment Assistance Act of 1974; Americans with Disabilities Act of 1990 as amended; the Rehabilitation Act of 1973 as amended; Sec. 202 of Executive Order 11246 as amended, and all applicable requirements imposed by or pursuant to the regulations of the U. S. Department of Health and Human Services. Contractor agrees not to discriminate in the rendering of services to and/or employment of individuals because of race, color, religion, sex, age, national origin, handicap, political beliefs, disabled veteran, veteran status, or any other non-merit factor.
2. Contractor shall abide by the laws and regulations concerning confidentiality which safeguard information and the patient/client confidentiality. Information obtained shall not be used in any manner except as necessary for the proper discharge of Contractor's obligations. (The Contractor shall establish, subject to review and approval of the Department, confidentiality rules and facility access procedures.)
3. The State Legislative Auditor, Office of the Governor, Division of Administration, and Department Auditors or those designated by the Department shall have the option of auditing all accounts pertaining to this contract during the contract and for a three year period following final payment. Contractor grants to the State of Louisiana, through the Office of the Legislative Auditor, Department of Health and Hospitals, and Inspector General's Office, Federal Government and/or other such officially designated body the right to inspect and review all books and records pertaining to services rendered under this contract, and further agrees to guidelines for fiscal administration as may be promulgated by the Department. Records will be made available during normal working hours.

Contractor shall comply with federal and state laws and/or DHH Policy requiring an audit of the Contractor's operation as a whole or of specific program activities. Audit reports shall be sent within thirty (30) days after the completion of the audit, but no later than six (6) months after the end of the audit period. If an audit is performed within the contract period, for any period, four (4) copies of the audit report shall be sent to the Department of Health and Hospitals, Attention: Division of Fiscal Management, P.O. Box 91117, Baton Rouge, LA 70821-3797 and one (1) copy of the audit shall be sent to the originating DHH Office.

4. Contractor agrees to retain all books, records and other documents relevant to the contract and funds expended thereunder for at least four (4) years after final payment or as prescribed in 45 CFR 74:53 (b) whichever is longer. Contractor shall make available to the Department such records within thirty (30) days of the Department's written request and shall deliver such records to the Department's central office in Baton Rouge, Louisiana, all without expense to the Department. Contractor shall allow the Department to inspect, audit or copy records at the contractor's site, without expense to the Department.
5. Contractor shall not assign any interest in this contract and shall not transfer any interest in the same (whether by assignment or novation), without written consent of the Department thereto, provided, however, that claims for money due or to become due to Contractor from the Department under this contract may be assigned to a bank, trust company or other financial institution without advanced approval. Notice of any such assignment or transfer shall be promptly furnished to the Department and the Division of Administration, Office of Contractual Review.
6. Contractor hereby agrees that the responsibility for payment of taxes from the funds received under this contract shall be Contractor's. The contractor assumes responsibility for its personnel providing services hereunder and shall make all deductions for withholding taxes, and contributions for unemployment compensation funds.
7. Contractor shall obtain and maintain during the contract term all necessary insurance including automobile insurance, workers' compensation insurance, and general liability insurance. The required insurances shall protect the Contractor, the Department of Health and Hospitals, and the State of Louisiana from all claims related to Contractor's performance of this contract. Certificates of Insurance shall be filed with the Department for approval. Said policies shall not be canceled, permitted to expire, or be changed without thirty (30) days advance written notice to the Department. Commercial General Liability Insurance shall provide protection during the performance of work covered by the contract from claims or damages for personal injury, including accidental death, as well as claims for property damages, with combined single limits prescribed by the Department.
8. In cases where travel and related expenses are required to be identified separate from the fee for services, such costs shall be in accordance with State Travel Regulations. The contract contains a maximum compensation which shall be inclusive of all charges including fees and travel expenses.
9. No funds provided herein shall be used to urge any elector to vote for or against any candidate or proposition on an election ballot nor shall such funds be used to lobby for or against any proposition or matter having the effect of law being considered by the legislature or any local governing authority. This provision shall not prevent the normal dissemination of factual information relative to a proposition or any election ballot or a proposition or matter having the effect of law being considered by the legislature or any local governing authority. Contracts with individuals shall be exempt from this provision.
10. Should contractor become an employee of the classified or unclassified service of the State of Louisiana during the effective period of the contract, Contractor must notify his/her appointing authority of any existing contract with State of Louisiana and notify the contracting office of any additional state employment. This is applicable only to contracts with individuals.

11. All non-third party software and source code, records, reports, documents and other material delivered or transmitted to Contractor by State shall remain the property of State, and shall be returned by Contractor to State, at Contractor's expense, at termination or expiration of this contract. All non-third party software and source code, records, reports, documents, or other material related to this contract and/or obtained or prepared by Contractor in connection with the performance of the services contracted for herein shall become the property of State, and shall be returned by Contractor to State, at Contractor's expense, at termination or expiration of this contract.

12. Contractor shall not enter into any subcontract for work or services contemplated under this contract without obtaining prior written approval of the Department. Any subcontracts approved by the Department shall be subject to conditions and provisions as the Department may deem necessary; provided, however, that notwithstanding the foregoing, unless otherwise provided in this contract, such prior written approval shall not be required for the purchase by the contractor of supplies and services which are incidental but necessary for the performance of the work required under this contract. No subcontract shall relieve the Contractor of the responsibility for the performance of contractual obligations described herein.

13. No person and no entity providing services pursuant to this contract on behalf of contractor or any subcontractor is prohibited from providing such services by the provisions of R.S. 42:1113 as amended in the 2008 Regular Session of the Louisiana Legislature.

14. No claim for services furnished or requested for reimbursement by Contractor, not provided for in this contract, shall be allowed by the Department. In the event the Department determines that certain costs which have been reimbursed to Contractor pursuant to this or previous contracts are not allowable, the Department shall have the right to set off and withhold said amounts from any amount due the Contractor under this contract for costs that are allowable.

15. This contract is subject to and conditioned upon the availability and appropriation of Federal and/or State funds; and no liability or obligation for payment will develop between the parties until the contract has been approved by required authorities of the Department; and, if contract exceeds \$20,000, the Director of the Office of Contractual Review, Division of Administration in accordance with La. R.S. 39:1502..

16. The continuation of this contract is contingent upon the appropriation of funds from the legislature to fulfill the requirements of the contract. If the Legislature fails to appropriate sufficient monies to provide for the continuation of the contract, or if such appropriation is reduced by the veto of the Governor or by any means provided in the appropriations act to prevent the total appropriation for the year from exceeding revenues for that year, or for any other lawful purpose, and the effect of such reduction is to provide insufficient monies for the continuation of the contract, the contract shall terminate on the date of the beginning of the first fiscal year for which funds are not appropriated.

17. Any alteration, variation, modification, or waiver of provisions of this contract shall be valid only when reduced to writing, as an amendment duly signed, and approved by required authorities of the Department; and, if contract exceeds \$20,000, approved by the Director of the Office of Contractual Review, Division of Administration. Budget revisions approved by both parties in cost reimbursement contracts do not require an amendment if the revision only involves the realignment of monies between originally approved cost categories.

18. Any contract disputes will be interpreted under applicable Louisiana laws and regulations in Louisiana administrative tribunals or district courts as appropriate.

19. Contractor will warrant all materials, products and/or services produced hereunder will not infringe upon or violate any patent, copyright, trade secret, or other proprietary right of any third party. In the event of any such claim by any third party against DHH, the Department shall promptly notify Contractor in writing and Contractor shall defend such claim in DHH's name, but at Contractor's expense and shall indemnify and hold harmless DHH against any loss, expense or liability arising out of such claim, whether or not such claim is successful. This provision is not applicable to contracts with physicians, psychiatrists, psychologists or other allied health providers solely for medical services.

20. Any equipment purchased under this contract remains the property of the Contractor for the period of this contract and future continuing contracts for the provision of the same services. Contractor must submit vendor invoice with reimbursement request. For the purpose of this contract, equipment is defined as any tangible, durable property having a useful life of at least (1) year and acquisition cost of \$1000.00 or more. The contractor has the responsibility to submit to the Contract Monitor an inventory list of DHH equipment items when acquired under the contract and any additions to the listing as they occur. Contractor will submit an updated, complete inventory list on a quarterly basis to the Contract Monitor. Contractor agrees that upon termination of contracted services, the equipment purchased under this contract reverts to the Department. Contractor agrees to deliver any such equipment to the Department within 30 days of termination of services.

21. Contractor agrees to protect, indemnify and hold harmless the State of Louisiana, DHH, from all claims for damages, costs, expenses and attorney fees arising in contract or tort from this contract or from any acts or omissions of Contractor's agents, employees, officers or clients, including premises liability and including any claim based on any theory of strict liability. This provision does not apply to actions or omissions for which LA R.S. 40:1299.39 provides malpractice coverage to the contractor, nor claims related to treatment and performance of evaluations of persons when such persons cause harm to third parties (R.S. 13:5108.1(E)). Further it does not apply to premises liability when the services are being performed on premises owned and operated by DHH.

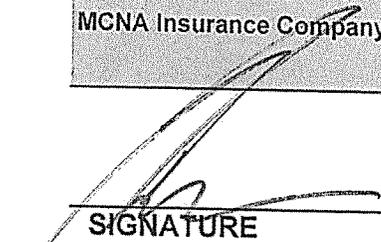
22. Any provision of this contract is severable if that provision is in violation of the laws of the State of Louisiana or the United States, or becomes inoperative due to changes in State and Federal law, or applicable State or Federal regulations.

23. Contractor agrees that the current contract supersedes all previous contracts, negotiations, and all other communications between the parties with respect to the subject matter of the current contract.

**THIS CONTRACT CONTAINS OR HAS ATTACHED HERETO ALL THE TERMS AND CONDITIONS AGREED UPON BY THE CONTRACTING PARTIES. IN WITNESS THEREOF, THIS CONTRACT IS SIGNED ON THE DATE INDICATED BELOW.**

MCNA Insurance Company, d/b/a MCNA Dental Plans

STATE OF LOUISIANA  
DEPARTMENT OF HEALTH AND HOSPITALS

  
SIGNATURE

6/20/14  
DATE

SIGNATURE

DATE

Carlos A. Lacasa

NAME

NAME

Senior Vice President and General Counsel

TITLE

TITLE

[Redacted Signature Area]

Medical Vendor Administration

SIGNATURE

DATE

  
SIGNATURE

DATE

NAME

J. Ruth Kennedy

NAME

TITLE

Medicaid Director

TITLE

**APPROVED**  
Office of the Governor  
Office of Contractual Review

AUG 13 2014

  
DIRECTOR

## HIPAA Business Associate Addendum

This HIPAA Business Associate Addendum is hereby made a part of this contract in its entirety as Attachment A to the contract.

1. The Louisiana Department of Health and Hospitals ("DHH") is a Covered Entity, as that term is defined herein, because it functions as a health plan and as a health care provider that transmits health information in electronic form.
2. Contractor is a Business Associate of DHH, as that term is defined herein, because contractor either: (a) creates, receives, maintains, or transmits PHI for or on behalf of DHH; or (b) provides legal, actuarial, accounting, consulting, data aggregation, management, administrative, accreditation, or financial services for DHH involving the disclosure of PHI.
3. **Definitions:** As used in this addendum –
  - A. The term "HIPAA Rules" refers to the federal regulations known as the HIPAA Privacy, Security, Enforcement, and Breach Notification Rules, found at 45 C.F.R. Parts 160 and 164, which were originally promulgated by the U. S. Department of Health and Human Services (DHHS) pursuant to the Health Insurance Portability and Accountability Act ("HIPAA") of 1996 and were subsequently amended pursuant to the Health Information Technology for Economic and Clinical Health ("HITECH") Act of the American Recovery and Reinvestment Act of 2009.
  - B. The terms "Business Associate", "Covered Entity", "disclosure", "electronic protected health information" ("electronic PHI"), "health care provider", "health information", "health plan", "protected health information" ("PHI"), "subcontractor", and "use" have the same meaning as set forth in 45 C.F.R. § 160.103.
  - C. The term "security incident" has the same meaning as set forth in 45 C.F.R. § 164.304.
  - D. The terms "breach" and "unsecured protected health information" ("unsecured PHI") have the same meaning as set forth in 45 C.F.R. § 164.402.
4. Contractor and its agents, employees and subcontractors shall comply with all applicable requirements of the HIPAA Rules and shall maintain the confidentiality of all PHI obtained by them pursuant to this contract and addendum as required by the HIPAA Rules and by this contract and addendum.
5. Contractor shall use or disclose PHI solely: (a) for meeting its obligations under the contract; or (b) as required by law, rule or regulation (including the HIPAA Rules) or as otherwise required or permitted by this contract and addendum.
6. Contractor shall implement and utilize all appropriate safeguards to prevent any use or disclosure of PHI not required or permitted by this contract and addendum, including administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the electronic protected health information that it creates, receives, maintains, or transmits on behalf of DHH.
7. In accordance with 45 C.F.R. § 164.502(e)(1)(ii) and (if applicable) § 164.308(b)(2), contractor shall ensure that any agents, employees, subcontractors or others that create, receive, maintain, or transmit PHI on behalf of contractor agree to the same restrictions, conditions and requirements that apply to contractor with respect to such information, and it shall ensure that they implement reasonable and appropriate safeguards to protect such information. Contractor shall take all reasonable steps to ensure that its agents', employees' or subcontractors' actions or omissions do not cause contractor to violate this contract and addendum.
8. Contractor shall, within three (3) days of becoming aware of any use or disclosure of PHI, other than as permitted by this contract and addendum, report such disclosure in writing to the person(s) named in section 14 (Terms of Payment), page 1 of the CF-1. Disclosures which must be reported by contractor include, but are not limited to, any security incident, any breach of unsecured PHI, and any "breach of the security system" as defined in the Louisiana Database Security Breach Notification Law, La.R.S. 51:3071 *et seq.* At the option of DHH, any harm or damage resulting from any use or disclosure which violates this contract and addendum shall be mitigated, to the extent practicable, either: (a) by contractor at its own expense; or (b) by DHH, in which case contractor shall reimburse DHH for all expenses that DHH is required to incur in undertaking such mitigation activities.
9. To the extent that contractor is to carry out one or more of DHH's obligations under 45 C.F.R. Part 164, Subpart E, contractor shall comply with the requirements of Subpart E that apply to DHH in the performance of such obligation(s).
10. Contractor shall make available such information in its possession which is required for DHH to provide an accounting of disclosures in accordance with 45 CFR § 164.528. In the event that a request for accounting is made directly to contractor, contractor shall forward such request to DHH within two (2) days of such receipt. Contractor shall implement an appropriate record keeping process to enable it to comply with the requirements of this provision. Contractor shall maintain data on all disclosures of PHI for which accounting is required by 45 CFR § 164.528 for at least six (6) years after the date of the last such disclosure.
11. Contractor shall make PHI available to DHH upon request in accordance with 45 CFR § 164.524.
12. Contractor shall make PHI available to DHH upon request for amendment and shall incorporate any amendments to PHI in accordance with 45 CFR § 164.526.
13. Contractor shall make its internal practices, books, and records relating to the use and disclosure of PHI received from or created or received by contractor on behalf of DHH available to the Secretary of the U. S. DHHS for purposes of determining DHH's compliance with the HIPAA Rules.
14. Contractor shall indemnify and hold DHH harmless from and against any and all liabilities, claims for damages, costs, expenses and attorneys' fees resulting from any violation of this addendum by contractor or by its agents, employees or subcontractors, without regard to any limitation or exclusion of damages provision otherwise set forth in the contract.
15. The parties agree that the legal relationship between DHH and contractor is strictly an independent contractor relationship. Nothing in this contract and addendum shall be deemed to create a joint venture, agency, partnership, or employer-employee relationship between DHH and contractor.
16. Notwithstanding any other provision of the contract, DHH shall have the right to terminate the contract immediately if DHH determines that contractor has violated any provision of the HIPAA Rules or any material term of this addendum.
17. At the termination of the contract, or upon request of DHH, whichever occurs first, contractor shall return or destroy (at the option of DHH) all PHI received or created by contractor that contractor still maintains in any form and retain no copies of such information; or if such return or destruction is not feasible, contractor shall extend the confidentiality protections of the contract to the information and limit further uses and disclosure to those purposes that make the return or destruction of the information infeasible.

## Statement of Work

### Goal/Purpose

Contractor will function as a risk-bearing, Prepaid Ambulatory Health Plan health care delivery system responsible for providing specified core dental benefits and services for eligible Louisiana Medicaid enrollees as defined in the Louisiana Medicaid State Plan, administrative rules and Medicaid Policy and Procedure manuals.

### Entire Contract

The contract shall consist of the DHH-CF-1, together with all attachments and exhibits.

### Deliverables

The contractor will provide all deliverables outlined in Exhibits 5-7 related to:

- 1) Quality Assessment and Performance Improvement Program (QAPI)
  - Form a QAPI Committee
    - The QAPI Committee shall meet on a quarterly basis; and
    - A summary of the meeting minutes shall be submitted to DHH with other quarterly reports.
  - Develop a QAPI Work Plan
  - Submit QAPI reports annually
- 2) Clinical and Administrative Performance Measures
- 3) Performance Improvement Projects
- 4) Systems Components
- 5) Provider Network
- 6) Call Center
- 7) Member Services
- 8) Financial Reporting
- 9) Non-Financial Reporting
- 10) Member Materials and Marketing Activities
- 11) Enrollment Website
- 12) Emergency Management Plan
- 13) Fraud and Abuse Plan

### Performance Measures

The contractor will provide to DHH, or maintain, all items that document the completion of deliverables outlined in the contract, including but not limited to:

- 1) Quality Assessment and Performance Improvement Plans
  - Form a QAPI Committee
    - The QAPI Committee shall meet on a quarterly basis; and
    - A summary of the meeting minutes shall be submitted to DHH with other quarterly reports.
  - Develop a QAPI Work Plan and submit it to DHH within 30 calendar days from the date the contract is signed, but no later than prior to the readiness review, and annually thereafter.
  - Submit QAPI reports annually
- 2) Clinical and Administrative Performance Measure
  - Report to DHH on administrative measures contained in Attachment F on a quarterly basis.
  - Report to DHH on clinical measures contained in Attachment F on an annual basis 12 months after services begin.
- 3) Performance Improvement Projects (PIPs)
  - Perform a minimum of two DHH-approved PIPs.
  - Report to DHH on PIP outcomes on an annual basis.
- 4) Systems Performance
  - Exchange all required files with the Medicaid fiscal intermediary
  - Submit encounter data as required
  - Process all claims in a timely manner
    - Submit claims payment accuracy report monthly
    - Submit claims processing interest payments monthly
    - Submit denied claims report weekly
  - Submit refresh plan for review and approval annually

- 5) Provider Network
  - Maintain adequate provider network
  - Maintain Provider Directory
  - Maintain Provider Manual
  - Conduct Provider Satisfaction Surveys annually
- 6) Call Center
  - Establish and maintain member call center
  - Establish and maintain provider call center
  - Submit draft training materials for telephone agents
  - Submit telephone and internet activity reports monthly
- 7) Member Services
  - Maintain grievance and appeals logs and submit to DHH monthly
  - Conduct Member Satisfaction Surveys annually
- 8) Financial Reporting
  - Submit audited financial statements annually
  - Submit unaudited financial statements monthly
  - Submit TPL collections annually
- 9) Non-Financial Reporting
  - Submit draft technical reports for DHH review and approval
  - Submit completed checklist of required reports
  - Maintain logs of submission of all contractually required reports
- 10) Member Education Materials
  - Submit to DHH for approval all member materials
  - Maintain copies of all member materials including obsolete versions
  - Maintain documentation that reading level software was utilized, including indicator used and reading level of the item
- 11) Enrollment Website
  - Submit website screenshots to DHH for approval
  - Maintain documentation that reading level software was utilized, including indicator used and reading level of the item
  - Maintain provider directories
- 12) Emergency Management Plan
  - Submit annually
- 13) Fraud and Abuse Plan
  - Submit for DHH for review and approval
  - Submit fraud and abuse activity report quarterly with an annual summary of activity

**Monitoring**

Contract monitoring will be at the direction of the Medicaid Deputy Director for managed care or their designee.

Mary Johnson  
 Department of Health and Hospitals  
 Bureau of Health Services Financing  
 Bayou Health Program  
 628 North 4th St.  
 Baton Rouge, LA 70821  
 Phone: (225) 342-1304  
 Email: [mary.johnson@la.gov](mailto:mary.johnson@la.gov)

Monitoring activities include:

- 1) Thorough review and analysis of required work plans and monthly, quarterly and annual reports, as well as review and monitoring of corrective action plans if required of the contractor by DHH;
- 2) Minimum of weekly status calls between Contractor and DHH Contract Monitor and/or designated Medicaid staff;
- 3) Face-to-face meetings between Contractor and DHH Contract Monitor and/or designated Medicaid staff as warranted;
- 4) Solicitation of feedback on Contractor's performance from the Medicaid fiscal intermediary;
- 5) Annual evaluation through an independent external quality review contractor;

- 6) Real-time monitoring of member services hotline calls;
- 7) Investigation of all complaints regarding the Contractor;
- 8) Monitoring grievances and appeals to determine appropriate resolution;
- 9) Periodic navigation of contractor website to determine performance;
- 10) Spot checking to determine that provider listings on contractor website accurately reflects information provided by the providers;
- 11) Unannounced and scheduled visits to contractor's Louisiana administrative office; and
- 12) "Secret shopper" calls to Member Services and Provider Services call centers.

**Payment: Fixed Rate**

See attachment C for details.

## Contract Maximum Amounts and Terms of Payment

### Maximum Contract Amounts:

The maximum contract amounts are based on the projected population to be enrolled into the DBP, in each contract year, times the monthly capitation rate per eligible.

The actuarially sound rates for the DBP are shown below:

<b>Contract year 1 July 1, 2014 to June 30, 2015</b>			
Rate Cell Description	Anticipated Member Months	Monthly Capitation Rate Per Eligible	Maximum Contract Amount
LaCHIP Affordable Plan	43,417	\$11.8500	\$514,491
Medicaid Children	7,987,109	\$15.4800	\$123,640,447
CHIP	1,496,461	\$15.4800	\$23,165,216
Medicaid Adult	3,707,726	\$1.2600	\$4,671,735
<b>Year 1 Total</b>			<b>\$151,991,890</b>

<b>Contract year 2 July 1, 2015 to June 30, 2016</b>			
Rate Cell Description	Anticipated Member Months	Monthly Capitation Rate Per Eligible	Maximum Contract Amount
LaCHIP Affordable Plan	46,153	\$12.2055	\$563,320
Medicaid Children	8,226,722	\$15.9444	\$131,170,146
CHIP	1,541,355	\$15.9444	\$24,575,981
Medicaid Adult	3,839,966	\$1.2978	\$4,983,508
<b>Year 2 Total</b>			<b>\$161,292,955</b>

<b>Contract year 3 July 1, 2016 to June 30, 2017</b>			
Rate Cell Description	Anticipated Member Months	Monthly Capitation Rate Per Eligible	Maximum Contract Amount
LaCHIP Affordable Plan	48,889	\$12.5717	\$614,616
Medicaid Children	8,466,335	\$16.4227	\$139,040,351
CHIP	1,586,249	\$16.4227	\$26,050,542
Medicaid Adult	3,972,206	\$1.3367	\$5,309,783
<b>Year 3 Total</b>			<b>\$171,015,292</b>
<b>3 year Contract Total</b>			<b>\$484,300,137</b>

### DHH reserves the right to re-negotiate the PMPM rates:

- a. If the rate floor is removed;
- b. If a result of federal or state budget reductions or increases;
- c. If due to the inclusion or removal of a Medicaid covered dental service(s) not incorporated in the monthly capitation rates; or
- d. In order to comply with federal requirements.

**Terms of Payment:**

1. DHH shall make monthly capitated payments for each member enrolled into the DBPM. Capitation rates are developed in accordance with 42 CFR 438.6 and include claims for retroactive coverage.
2. DBPM agrees to accept payment in full and shall not seek additional payment from a member for any unpaid costs, including costs incurred during the retroactive period of eligibility.
3. DHH reserves the right to defer remittance of the PMPM payment for June until the first Medicaid Management Information System (MMIS) payment cycle in July to comply with state fiscal policies and procedures.
4. The monthly capitated payment shall be based on Medicaid recipients eligible for DBPM participation during the month, as specified in III.B.3.B.11. i) ii. (p. 57, 2<sup>nd</sup> to last bullet), and paid in the weekly payment cycle nearest the 15th calendar day of the month.

**Effective Date of Enrollment**

DBPM enrollment for members in a given month will be effective at 12:01AM on the first (1st) calendar day of the month of Medicaid eligibility.

**Retainage**

The Department shall secure a retainage of 10% from all billings under the contract as surety for performance. The retainage amount may be released annually by the Department upon the DBPM's successful completion of contract deliverables each year during the contract term. Contractor shall be deemed to have successfully completed its contract deliverables in a contract year if the Department determines, exercising reasonable discretion, that contractor has substantially satisfied the performance requirements contained in Section III. B of the RFP. The Department shall provide contractor with an assessment of contractor's performance on a quarterly basis for tracking purposes.

## Additional Terms and Conditions

The following changes shall be made to the RFP language as incorporated into the contract. Additions are underlined.

Document/Location	Revised Language
RFP Sec. III.B.2.D.2	<p>Added last sentence:</p> <p>Although the DBPM shall provide the full range of required core dental benefits and services listed below, it may choose to provide services over and above those specified when it is cost effective to do so. The DBPM may offer additional benefits that are outside the scope of core dental benefits and services to individual members on a case-by-case basis, based on medical necessity, cost-effectiveness, the wishes of the member and/or member's family, the potential for improved health status of the member, and functional necessity. <u>The DBPM shall provide all needed services based on individual medical necessity for all members described in Group A below.</u></p>
RFP Sec. III.B.2.D	<p>EPSDT Services</p> <p>In accordance with 42 CFR §441.56(b)(1)(vi) and periodicity charts posted on Louisiana Medicaid's website at <a href="http://www.lamedicaid.com">www.lamedicaid.com</a>, the DBPM shall provide dental screening services furnished by direct referral to a dentist for children beginning at <del>3 years</del> <u>six (6) months</u> of age</p>
RFP Sec. III.B.2.D	<p>Emergency Dental Services</p> <p>Added #10: <u>The DBPM shall not deny payment for emergency dental care obtained from an out-of-network or out-of-state provider.</u></p>
RFP Sec. III.B.3.B.10.a.x.	<p>Monitor provider compliance with applicable access requirements, including but not limited to, appointment and wait times, <u>periodicity schedule</u>, and take corrective action for failure to comply. The DBPM shall conduct appointment availability surveys annually. The surveys shall be submitted within 30 days after the conclusion of each contract year.</p>
RFP Sec. III.B.3.B.10.e	<p>Added vi: <u>The DBPM shall assure in the coordinating of benefits to all specialists, in initiating and/or authorizing referrals, and monitoring the continuity of services.</u></p>
RFP Sec. III.B.3.B.10.h.iv	<p>The DBPM shall provide GEO mapping and coding of all network providers for each provider type by the deadline specified in the Schedule of Events, to geographically demonstrate network capacity. The DBPM shall provide updated GEO coding <u>as determined by mapping software</u> to DHH quarterly, or upon material change (as defined in the Glossary) or upon request <u>to allow the State to monitor compliance with travel distance standards.</u></p>
RFP Sec. III.B.3.B.10.j	<p>Addition of ii:</p> <p><u>The DBPM shall contact state agencies or community-based organizations, to educate them on services available through the DBPM and to develop outreach and educational activities.</u></p>
RFP Sec. III.B.3.B.11.g.iv	<p>Addition of last sentence</p> <p><u>The DBPM shall not deny payment for emergency dental care obtained from an out-of-network or out-of-state provider.</u></p>
RFP Sec.	<p>Addition of:</p>

III.B.3.B.11.h.iv	<u>Dental periodicity schedule;</u>
RFP Sec. III.B.3.B.11.p.ii.	Addition of:  <u>The process for credentialing shall be completed within ninety days.</u>
RFP Sec. VI.C.	<u>The Department shall secure a retainage of 10% from all billings under the contract as surety for performance. The retainage amount may be released annually by the Department <del>or</del> upon the DBPM's successful completion of contract deliverables each year during the contract term the retainage amount may be released on an annual basis. Contractor shall be deemed to have successfully completed its contract deliverables in a contract year if the Department determines, exercising reasonable discretion, that contractor has substantially satisfied the performance requirements contained in Section III. B of the RFP. The Department shall provide contractor with an assessment of contractor's performance on a quarterly basis for tracking purposes.</u>
Appendix E	Replaced by Attachment E of the contract
Appendix N	Replaced by Attachment F of the contract

**Entire Agreement Clause**

This contract, together with the RFP and addenda issued thereto by the Department, the proposal submitted by the Contractor in response to the Department's RFP, and any exhibits specifically incorporated herein by reference, constitute the entire agreement between the parties with respect to the subject matter.

**Order of Precedence Clause**

In the event of any inconsistent or incompatible provisions, this signed agreement (excluding the RFP and Contractor's proposal) shall take precedence, followed by the provisions of the RFP, and then by the terms of the Contractor's proposal.



Rui Dai, Ph.D., FSA, MAAA  
Senior Associate

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Ms. Mary Johnson  
BAYOU HEALTH Program Director  
Louisiana Department of Health and Hospitals  
Bureau of Health Services Financing  
628 North 4th Street  
P.O. Box 90230  
Baton Rouge, LA 70821-0629

April 16, 2014

**Subject:** Revised Louisiana Medicaid Dental Benefit Program Capitation Rate Certification

Dear Ms. Johnson

In partnership with the State of Louisiana (State), Mercer Government Human Services Consulting (Mercer) has developed statewide actuarially sound capitation rates for the Louisiana Medicaid Dental Benefit Program (DBP). These rates are applicable for the contract period July 1, 2014 through June 30, 2015. The revised certification replaces the certification dated April 2, 2014. This revision occurs to incorporate some comments about the health insurance provider fee imposed by section 9010 of the Affordable Care Act (ACA), beginning in 2014.

This document presents an overview of the rate development, as well as a certification of its actuarial soundness, for the purpose of seeking rate approval from the Centers for Medicare & Medicaid Services (CMS) under 42 CFR 438.6(c). This rate development process was based on Medicaid fee-for-service (FFS) dental claims. It resulted in the development of a range of actuarially sound rates for each rate cell. Mercer then worked with DHH to develop a single proposed set of actuarially sound rates for each rate cell, which are included and certified within this letter.

Medicaid benefit plan premium rates are "actuarially sound" if, for business in the state for which the certification is being prepared and for the period covered by the certification, projected premiums, including expected reinsurance and governmental stop-loss cash flows, governmental risk adjustment cash flows, and investment income, provide for all reasonable, appropriate, and attainable costs, including health benefits, health benefit settlement expenses, marketing, and administrative expenses, any government mandated assessments, fees, and taxes, and the cost of capital. Note: Please see pages 8 and 9 of the August 2005, Actuarial Certification of Rates for Medicaid Managed Care Programs, from the American Academy of Actuaries, [http://www.actuary.org/pdf/practnotes/health\\_medicaid\\_05.pdf](http://www.actuary.org/pdf/practnotes/health_medicaid_05.pdf).

## Dental Capitation Rates

The proposed actuarially sound rates for the DBP are shown in Table 1.

**Table 1: Actuarially Sound Dental Capitation Rates**

July 1, 2014 to June 30, 2015	
Rate Cell Description	Monthly Capitation Rate Per Eligible
LaCHIP Affordable Plan	\$11.85
Medicaid Children	\$15.48
Medicaid Adult	\$1.26

## Managed Care Rate Development Methodology

### Overview (AA.1.0, AA.2.4)

Louisiana intends to provide a managed DBP to LaCHIP Affordable Plan, Medicaid Children (including regular LaCHIP children), and Medicaid Adult populations effective July 1, 2014. The State DBP has been in place since the 1990s providing dental services to Medicaid members in a FFS environment. The fee schedule increases in 2007 helped increase access to and participation of dental providers in the network. The coordinated care DBP covers dental preventive services for eligible members younger than age 21 and adult denture benefits for eligible members at age 21 and above and is expected to provide savings and better dental outcomes over the legacy Medicaid program, improve access to essential specialty dental services and increase outreach and education to promote healthy dental behavior.

The proposed capitation rates provided above have been developed consistent with guidance provided in the CMS Rate-setting Checklist. These actuarially sound dental capitation rates are based upon the State Plan covered services only. Base period dental claims data were analyzed, completed, and trended. Adjustments were applied, as appropriate, to reflect programmatic changes to the State Plan that affect the base period data and the contract period. Finally, managed care savings and Prepaid Ambulatory Health Plan (PAHP) administrative load assumptions were developed and included. Each of these rating elements is discussed in detail below.

### Base Period Data and Enrollment (AA.2.0)

For the period of July 1, 2014 through June 30, 2015 rate setting, Mercer relied on historical Medicaid FFS data from State Fiscal Year (SFY) 2012 and SFY 2013. Louisiana's SFY runs from July 1 of a given year through June 30 of the following year.



Page 3  
April 16, 2014  
Ms. Mary Johnson  
Louisiana Department of Health and Hospitals

Mercer has applied credibility weighting as appropriate to blend data from the two fiscal years focusing on the most recent year of data. The data was blended by placing 80% credibility on SFY 2013 and 20% on SFY 2012 data trended to SFY 2013 for the LaCHIP Affordable Plan population as the LaCHIP Affordable Plan dental benefits started in February 2012; 67% credibility was applied to SFY 2013 and 33% to SFY 2012 data trended to SFY 2013 for the Medicaid Children and Adult populations. The goal of the blending process is to obtain a set of base data that has sufficient credibility and reasonableness to develop actuarially sound capitation rates.

Mercer reviewed the data provided by the State for consistency and reasonableness and determined that the data is appropriate for the purpose of setting capitation rates for the DBP. Mercer confirmed that the services included in this historical experience are State Plan covered services only.

#### **Non-covered Populations (AA.2.1, AA2.2)**

In general, the DBP covers most Medicaid eligible, LaCHIP, and the LaCHIP Affordable Plan populations including full dual eligibles. The LaCHIP population was included in the Medicaid Children category for the dental capitation rates. The DBP non-covered populations are shown in Attachment A.

#### **Retroactive Eligibility (AA.3.4)**

Per the State, membership and claims incurred for covered services rendered prior to enrollment and during any retroactive period of eligibility are covered in the DBP.

#### **Completion Factors (AA.3.14)**

The FFS data includes claims for dates of service from July 1, 2011 to June 30, 2013, and reflects payments through June 30, 2013. Mercer estimated and adjusted for the remaining liability associated with incurred-but-not-reported claims for SFY 2012 and SFY 2013. The overall adjustments for SFY 2012 and SFY 2013, using paid claims data through June 30, 2013 were -0.14% and 6.75%, respectively.

#### **Fraud and Abuse Adjustment**

Adjustment was made for controlling fraud and abuse under managed care. Mercer estimated this adjustment to be -1.67% based on an analysis of historical claims.

#### **Trend Adjustments (AA.3.10)**

Trend projections were based on analysis of Louisiana dental claims experience and review of dental trend benchmarks in other state Medicaid programs and commercial dental managed care



programs. Mercer evaluated trend patterns in the FFS data to examine and project utilization trends for the rate period.

The overall annualized per member per month (PMPM) trend assumption is 0.45%.

#### Data Smoothing (AA.5.0)

Mercer determined that blending the base period provided adequate results and no additional smoothing was required to produce appropriate relationships among ages and services used.

#### Copayments (AA.3.7) and Third Party Liability (AA.3.6)

An adjustment for copayments was not necessary for this analysis because both the current program and the new DBP are not subject to copayments. Recoveries associated with Third Party Liability and subrogation have been removed from claims by selecting only state paid amounts.

#### Program Changes (AA.3.1)

Mercer used the fee schedule for DBP services effective July 1, 2013 to calculate prospective fee reduction adjustments applied to SFY 2012 and SFY 2013 as shown in Table 2 below.

Table 2: Fee Reduction Adjustment Assumptions

Rate Cell Description	SFY 2012	SFY 2013
LaCHIP Affordable Plan	-2.0%	0.0%
Medicaid Children	-1.9%	0.0%
Medicaid Adult	-0.2%	0.0%

Overall, the fee schedule changes reduced the SFY 2012 cost by 1.9%. The impact of fee schedule changes to the SFY 2013 cost was minimal.

The State has established benchmarks for Performance Measures with the expectation that performance improves by a certain percentage toward the benchmarks. The Performance Measure Goals are contained in Appendix N of the DBP's request for proposal. Mercer reviewed the State's numbers in the appendix for reasonableness, but did not audit them. The State's expectation is to increase the percentage of Early and Periodic Screening & Diagnosis Treatment (EPSDT) members (enrolled for at least 90 consecutive days), age 1-20 years, receiving one annual dental preventive service and the percentage of EPSDT members (enrolled for at least 90 consecutive days), age 6-9 years, receiving one or more sealants on permanent molar teeth, by 5% and 2%, respectively. Mercer has estimated the prospective program change adjustment

needed to allow these increases. The overall adjustments applied to SFY 2012 and SFY 2013 base data by rate cell are shown in Table 3.

**Table 3: Program Change Adjustment Assumptions**

Rate Cell Description	SFY 2012	SFY 2013
LaCHIP Affordable Plan	1.2%	1.4%
Medicaid Children	1.2%	1.4%
Medicaid Adult	0.0%	0.0%

The overall increases to the SFY 2012 and SFY 2013 costs were 1.15% and 1.33%, respectively.

### Managed Care Adjustment

Managed care assumptions were based on savings options provided by the State that were analyzed to quantify potential savings in utilization. Table 3 shows a summary of the utilization reduction expected to be achieved by the managed care program.

**Table 3: Managed Care Adjustment Assumptions**

Rate Cell Description	Utilization	Unit Cost	PMPM
LaCHIP Affordable Plan	-13.9%	0.0%	-13.9%
Medicaid Children	-13.9%	0.0%	-13.9%
Medicaid Adult	-7.2%	0.0%	-7.2%

The overall impact of the managed care assumption was a reduction of 13.9%.

### Administrative Load (AA.3.2)

The proposed capitation rates shown above include provision for dental (PAHP) administration and profit. Mercer relied upon its professional experience in working with numerous commercial managed dental plans and state Medicaid programs in determining appropriate non-medical expenses. The load for administration and underwriting profit/risk/contingency is calculated as a percentage of the final capitation rate. The proposed capitation rate, as developed, assumes a 9% load for non-medical expenses, 2% profit/risk/contingency, and 2.25% premium tax for this rate period. In total, the overall load applied to the rates for administration and profit/contingencies was 13%.



Page 6  
April 16, 2014  
Ms. Mary Johnson  
Louisiana Department of Health and Hospitals

### **Federal Health Insurance Provider Fee**

Section 9010 of the ACA imposes a new annual fee on the health insurance premiums, effective January 1, 2014. The tax collected in 2014 will be based on 2013 revenue for applicable health insurers. The actual fee amount will not be determined until August 2014. As the actual amount of the fee is not known at this time, no adjustment was made to the capitation rates. An adjustment and updated certification will be considered when the fee amount and impacted entities are announced in the second half of 2014.

### **Actuarial Certification**

In preparing the capitation rate for the July 1, 2014 through June 30, 2015, Mercer has used and relied upon enrollment, eligibility, FFS data, fee schedule, and benefit design information supplied by the State. The State is responsible for the validity and completeness of this supplied data and information. We have reviewed the data and information for internal consistency and reasonableness, but we did not audit it. If the data and information is incomplete or inaccurate, the values shown in this report may need to be revised accordingly.

Mercer certifies that the rate was developed in accordance with generally accepted actuarial practices and principles, and is appropriate for the Medicaid and LaCHIP covered populations and services under the managed care contract. The undersigned actuary is a member of the American Academy of Actuaries and meets its qualification standards to certify to the actuarial soundness of Medicaid managed care capitation rates.

Capitation rates developed by Mercer are actuarial projections of future contingent events. Actual dental claims costs will differ from these projections. Mercer has developed this rate on behalf of the State to demonstrate compliance with the CMS requirements under 42 CFR 438.6(c) and in accordance with applicable law and regulations. Use of the rates for any purpose beyond that stated may not be appropriate.

The health plans are advised that the use of the rates may not be appropriate for their particular circumstance and Mercer disclaims any responsibility for the use of the rates by the health plans for any purpose. Mercer recommends that any health plan considering contracting with the State should analyze its own projected dental expense, administrative expense, and any other premium needs for comparison to the rates before deciding whether to contract with the State.

This certification letter assumes the reader is familiar with the Louisiana DBP, Medicaid eligibility rules, and actuarial rating techniques. It is intended for the State and CMS and should not be relied upon by third parties. Other readers should seek the advice of actuaries or other qualified



Page 7  
April 16, 2014  
Ms. Mary Johnson  
Louisiana Department of Health and Hospitals

professionals competent in the area of actuarial rate projections to understand the technical nature of these results. This document should only be reviewed in its entirety.

If you have any questions or comments on the assumptions or methodology, please contact me at +1 404 442 3476.

Sincerely,

A handwritten signature in cursive script that reads 'Rui Dai'.

Rui Dai, FSA, MAAA  
Senior Associate





Page 8  
 April 16, 2014  
 Ms. Mary Johnson  
 Louisiana Department of Health and Hospitals

ELB Type Case	Type Case Description	ELB_Ald_Category	Ald_Category Description	Include in Dental Rates
127 & 0	LACHIP Phase IV: Non-Citizen/Pregnant Women Expansion	03	Families and Children	No
001	SSI Conversion / Refugee Cash Assistance (RCA) / LIFC Basic	11	Hurricane Evacuees	No
002	Deemed Eligible	11	Hurricane Evacuees	No
005	SSI/ETC	11	Hurricane Evacuees	No
007	LACHIP Phase 1	11	Hurricane Evacuees	No
008	PAP - Prohibited AFDC Provisions	11	Hurricane Evacuees	No
009	LIFC - Unemployed Parent / CHAMP	11	Hurricane Evacuees	No
013	CHAMP Pregnant Woman (0-133% of FPG)	11	Hurricane Evacuees	No
014	CHAMP Child	11	Hurricane Evacuees	No
015	LACHIP Phase 2	11	Hurricane Evacuees	No
020	Regular MNP (Medically Needy Program)	11	Hurricane Evacuees	No
021	Spend-Down MNP	11	Hurricane Evacuees	No
025	LTC Spend-Down MNP	11	Hurricane Evacuees	No
027	EDA Waiver	11	Hurricane Evacuees	No
028	Tuberculosis (TB)	20	TB	No
040	SLMB (Specified Low-Income Medicare Beneficiary)	01	Aged	No
040	SLMB (Specified Low-Income Medicare Beneficiary)	02	Blind	No
040	SLMB (Specified Low-Income Medicare Beneficiary)	04	Disabled	No
047	Illegal/Ineligible Aliens Emergency Services	01	Aged	No
047	Illegal/Ineligible Aliens Emergency Services	03	Families and Children	No
047	Illegal/Ineligible Aliens Emergency Services	04	Disabled	No
047	Illegal/Ineligible Aliens Emergency Services	11	Hurricane Evacuees	No
048	Q1-1 (Qualified Individual - 1)	01	Aged	No
048	Q1-1 (Qualified Individual - 1)	02	Blind	No
048	Q1-1 (Qualified Individual - 1)	04	Disabled	No
049	Q1-2 (Qualified Individual - 2) (Program terminated 12/31/2002)	01	Aged	No
049	Q1-2 (Qualified Individual - 2) (Program terminated 12/31/2002)	04	Disabled	No
050	PIKLE	11	Hurricane Evacuees	No
053	CHAMP Pregnant Woman Expansion (to 185% FPG)	11	Hurricane Evacuees	No
055	LACHIP Phase 3	11	Hurricane Evacuees	No
059	Disabled Adult Child	11	Hurricane Evacuees	No





Page 9  
 April 16, 2014  
 Ms. Mary Johnson  
 Louisiana Department of Health and Hospitals

ELB_Type_Case	Type/Case Description	ELB_Aid_Category	Aid_Category/Description	Include in Dental Rates
062	SSI/Public/ICF/DD	01	Aged	No
062	SSI/Public/ICF/DD	02	Blind	No
062	SSI/Public/ICF/DD	04	Disabled	No
062	SSI/Public/ICF/DD	06	OCS Foster Care	No
062	SSI/Public/ICF/DD	08	IV-E OCS/OYD	No
062	SSI/Public/ICF/DD	22	OCS/OYD (XX)	No
063	LTC Co-Insurance	01	Aged	No
063	LTC Co-Insurance	02	Blind	No
063	LTC Co-Insurance	04	Disabled	No
063	LTC Co-Insurance	11	Hurricane Evacuees	No
064	SSI/Private/ICF/DD	01	Aged	No
064	SSI/Private/ICF/DD	02	Blind	No
064	SSI/Private/ICF/DD	04	Disabled	No
064	SSI/Private/ICF/DD	08	OCS Foster Care	No
064	SSI/Private/ICF/DD	08	IV-E OCS/OYD	No
064	SSI/Private/ICF/DD	22	OCS/OYD (XX)	No
065	Private/ICF/DD	01	Aged	No
065	Private/ICF/DD	02	Blind	No
065	Private/ICF/DD	04	Disabled	No
065	Private/ICF/DD	06	OCS Foster Care	No
065	Private/ICF/DD	08	IV-E OCS/OYD	No
065	Private/ICF/DD	22	OCS/OYD (XX)	No
083	Acute Care Hospitals (LOS > 30 days)	11	Hurricane Evacuees	No
088	Medicaid Buy-In Working Disabled (Medicaid Purchase Plan)	11	Hurricane Evacuees	No
090	LTC Long Term Care	11	Hurricane Evacuees	No
095	CMB (Qualified Medicare Beneficiary)	17	CMB	No
099	Public/ICF/DD	01	Aged	No
099	Public/ICF/DD	02	Blind	No
099	Public/ICF/DD	04	Disabled	No
099	Public/ICF/DD	06	OCS Foster Care	No
099	Public/ICF/DD	08	IV-E OCS/OYD	No
104	Pregnant women with income greater than 118% of FPL and less than or equal to 133% of FPL	11	Hurricane Evacuees	No





Page 10  
 April 16, 2014  
 Ms. Mary Johnson  
 Louisiana Department of Health and Hospitals

ELB Type Case	Type Case Description	ELB Aid Category	Aid Category Description	Include in Dental Rates
115	Family Planning: Previous LAMOMS eligibility	40	Family Planning	No
116	Family Planning, New eligibility / Non LamOM	40	Family Planning	No
132	Spandown/Denial of Payment/Late Packet	01	Aged	No
136	Spandown Denial of Payment/Late Packet	04	Disabled	No
137	Private ICF/DD Spandown/Medically Needy Program	04	Disabled	No
138	Public ICF/DD Spandown/Medically Needy Program	04	Disabled	No
178	Private ICF/DD Spandown MNP/Income Over Facility Fee	04	Disabled	No
UN	Disabled Adults authorized for special hurricane Katrina assistance	11	Hurricane Evacuees	No
UN	Public ICF/DD Spandown/Medically Needy Program	UN		No
137	Public ICF/DD Spandown/Medically Needy Program	02	Blind	No
139	Private ICF/DD Spandown/Medically Needy Program	01	Aged	No
102	GNOGHC Adult Parent	30	Non Traditional	No
103	GNOGHC Childrens Adult	30	Non Traditional	No
201	19150 Behavioral Health only -adults	40	Non Traditional	No



**Louisiana Dental Plan Administrative Performance Measurement Set**

Measure	Minimal Performance Standard
Percent of Practices that provide daily, 24 hour verified phone access with ability to speak to a dental care provider.	≥95%
Percent of standard service authorizations processed within 2 business days	≥80%
Percent of standard service authorizations processed with 14 calendar days or as extended within allowable timeframes	100%
Percent of expedited service authorizations processed with 72 hours.	100%
Rejected claims returned to provider with reason code within 15 days of receipt of claims submission	≥99%
% of Call Center calls answered by a live person within 30 seconds of selection, or zero out	≥90%
Call Center call average hold time for live person	3minutes
Call Center call abandonment rate	≤5%
% of grievances and request for appeals received by the DBP including grievances received via telephone and resolved within the timeframe of the contract	≥95%
% of clean claims paid for each provider type within 15 business days	≥90%
% of clean claims paid for each provider type within 30 calendar days	≥99%
Rejected claims returned to provider with reason code within 15 days of receipt of claims submission	≥99%

**Dental Benefit Plan Clinical Performance Measurement Set**

AHRQ Performance Domain	Measure
Access/Process	Percentage of EPSDT enrollees receiving preventive services.
Access/Process	Percentage of EPSDT enrollees, age 6-9 years, receiving one or more sealants on permanent molar teeth.

MCNA INSURANCE COMPANY  
UNANIMOUS WRITTEN CONSENT OF DIRECTORS

May 15, 2014

The undersigned, being all of the members of the board of directors (the "*Board of Directors*") of MCNA Insurance Company, a Texas accident and health insurance company (the "*Corporation*"), hereby consent to the following actions:

WHEREAS, the Corporation has been selected by the Louisiana Department of Health and Hospitals (the "*DHH*") to administer the dental benefits of its Medicaid and Children's Health Insurance (CHIP) program enrollees pursuant to that certain competitive bidding process known as RFP No. 305PUR-DHHRFP-DENTAL-PAHP-MVA (the "*RFP*");

WHEREAS, the Chief Executive Officer of the Corporation, together with the executive management staff of the Corporation, has reviewed the contract that corresponds to the RFP (the "*Contract*") and recommends that the Corporation enter into the Contract with the DHH; and

WHEREAS, the terms and conditions of the RFP and the Contract have been reviewed by the undersigned members of the Board of Directors;

IT IS THEREFORE, RESOLVED, that Glen Feingold, Executive Vice President and Chief Operating Officer, or in his absence, Carlos A. Lacasa, Senior Vice President and General Counsel, are hereby authorized to execute the Contract and any additional documents ancillary thereto, and to take such other actions as are necessary to complete the contracting process with the DHH.

BE IT FURTHER RESOLVED, that any and all actions taken, done or performed in connection with the RFP and the authority granted by the foregoing resolution, as well as any and all actions, of any nature whatsoever, heretofore taken by any director, officer, employee, agent, attorney or other representative of the Corporation incidental to, contemplated by, arising out of or in connection with, or otherwise relating to, in any manner whatsoever, the subject of the foregoing resolution, are hereby approved, ratified and confirmed in all respects as the act and deed of the Corporation.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned have executed this unanimous written consent in multiple counterparts, to be effective as of the date first written above, each of which together shall be considered one original, and whether by original or facsimile signature shall be effective in all respects as though an original.

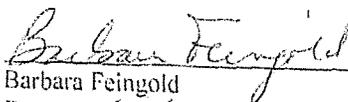


Dr. Jeffrey Feingold D.B.S., M.S.D.

Date: 5/15/14

\_\_\_\_\_  
Glen Feingold

Date:



Barbara Feingold

Date: 5/15/14

\_\_\_\_\_  
Gary Clarke, Esq.

Date:

\_\_\_\_\_  
Carlos A. Lacasa, Esq.

Date:

\_\_\_\_\_  
Albert Hawkins

Date:

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\_\_\_\_\_  
Dr. Jeffrey Feingold D.D.S., M.S.D.  
Date:

  
\_\_\_\_\_  
Glen Feingold

Date: 5/17/14

\_\_\_\_\_  
Barbara Feingold  
Date:

\_\_\_\_\_  
Gary Clarke, Esq.  
Date:

\_\_\_\_\_  
Carlos A. Lacasa, Esq.  
Date:

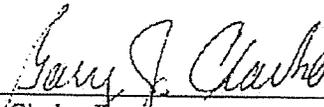
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Albert Hawkins  
Date:

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\_\_\_\_\_  
Dr. Jeffrey Feingold D.D.S., M.S.D.  
Date:

\_\_\_\_\_  
Glen Feingold  
Date:

\_\_\_\_\_  
Barbara Feingold  
Date:

  
\_\_\_\_\_  
Gary Clarke, Esq.  
Date: 5/19/04

\_\_\_\_\_  
Carlos A. Lacasa, Esq.  
Date:

\_\_\_\_\_  
Albert Hawkins  
Date:

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\_\_\_\_\_  
Dr. Jeffrey Feingold D.D.S., M.S.D.  
Date:

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Glen Feingold  
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Barbara Feingold  
Date:

\_\_\_\_\_  
Gary Clarke, Esq.  
Date:

  
\_\_\_\_\_  
Carlos A. Lacasa, Esq.  
Date: 5/17/14

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Date:

IN WITNESS WHEREOF, the undersigned have executed this unanimous written consent in multiple counterparts, to be effective as of the date first written above, each of which together shall be considered one original, and whether by original or facsimile signature shall be effective in all respects as though an original.

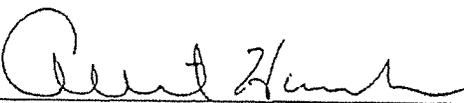
\_\_\_\_\_  
Dr. Jeffrey Feingold D.D.S., M.S.D.  
Date:

\_\_\_\_\_  
Glen Feingold  
Date:

\_\_\_\_\_  
Barbara Feingold  
Date:

\_\_\_\_\_  
Gary Clarke, Esq.  
Date:

\_\_\_\_\_  
Carlos A. Lacasa, Esq.  
Date:



\_\_\_\_\_  
Albert Hawkins  
Date: 5-15-14



# State of Louisiana

Department of Health and Hospitals  
Bureau of Health Services Financing

June 30, 2014

Ms. Pamela Rice, Esq., Director  
Office of Contractual Review, Division of Administration  
P.O. Box 94095 Capital Annex – Room 207  
Baton Rouge, Louisiana 70804-9095

RE: Justification for Out-of-State Contract and Request for Multi-Year Contract

Dear Ms. Rice: *JK*

The Department of Health and Hospitals' Bureau of Health Services Financing seeks to contract with MCNA Insurance Company, the winning proposer for RFP305PUR-DHHRFP-DENTAL-PAHP-MVA, to provide core dental benefits and services for eligible Louisiana Medicaid enrollees as defined in the Louisiana Medicaid State Plan, administrative rules and Medicaid Policy and Procedure manuals. The contractor will not be in the state for more than 30 days.

Through this letter, I am also requesting approval to enter into a three-year contract with MCNA. The department understands that payment for subsequent fiscal years shall be subject to the availability of funds.

We appreciate your assistance in this matter and we hope that you will give this contract your favorable consideration and approval.

Should you need further information, please contact me via telephone at (225) 342-1304 or via e-mail at [mary.johnson@la.gov](mailto:mary.johnson@la.gov).

Sincerely,

A handwritten signature in cursive script, appearing to read "Mary T.C. Johnson".

Mary T.C. Johnson  
Medicaid Deputy Director