

[REDACTED]

## Appendix F: Material Subcontractor Response Template

<b>Proposer (MCO) name:</b>
Humana Health Benefit Plan of Louisiana, Inc. (Humana)
<b>Material subcontractor name:</b>
[REDACTED]
<b>Description of the Proposer's role and material subcontractor's role:</b>
While Humana will deliver the majority of services to enrollees and providers under the Contract, we have subcontracted certain services to third party vendors.  [REDACTED] delegated for [REDACTED]
<b>Explanation of why the Proposer plans to subcontract this service and/or function:</b>
We are committed to providing the highest quality services to our membership. After a thorough evaluation, we have determined that [REDACTED] is best positioned to offer [REDACTED] under the Contract.
<b>A description of the material subcontractor's organizational experience:</b>
[REDACTED]
<b>The processes the Proposer will implement to monitor and evaluate the performance of the material subcontractor to ensure that all contract requirements are met and to determine the return on investment:</b>
<b>Subcontractor Oversight</b> As we do in other Medicaid states, Humana will hold every subcontractor to full compliance with all applicable provisions of the LDH Contract by implementing our standardized selection, monitoring, and oversight processes.  <i>Experienced Partners</i> While Humana has responsibility for and will continue to perform a majority of the functions required by its Contract with LDH, we also understand the importance of choosing and maintaining high quality subcontractor relationships where functional support is appropriate. Humana is committed to working with partners experienced in serving Medicaid members and delivering services on behalf of our organization, with a focus on the "Triple Aim" of better health, better care, and lower costs. Prior to contracting, we evaluate our subcontractor candidates carefully, using a strategic and competitive six step procurement process. This includes internal and external cost analysis to optimize savings opportunities, a

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sourcing process that includes competitive bidding, contract negotiations, and implementation to ensure every potential partner satisfies all commercial, legal, and compliance standards. Ongoing monitoring and oversight includes all assessments and audits required by both regulation and contract at the time of functional delegation.

*All Subcontractors Held to the State's Standards*

All applicable legal, regulatory, and contract requirements flow to each subcontractor through the executed agreements specific to performed activities. Humana's robust subcontractor monitoring structure is coordinated across multiple teams at national and local levels. Our well-established delegation policies and procedures ensure consistency across Humana, and we require subcontractors to adhere to a formal Compliance Policy that contains written standards of conduct.

In Louisiana, local executive leadership will oversee the operations and performance of our subcontractors on a continuous basis, applying the LDH Contract requirements and Humana's national policies and procedures to local operations. A dedicated relationship manager for each subcontractor will be responsible for ongoing relationship maintenance and for monitoring subcontractors' performance in accordance with LDH Contract and Humana-specific requirements.

Regular Joint Operating Committee (JOC) meetings will be held with each subcontractor and relevant staff where performance will be assessed, and issues and opportunities will be escalated. Reporting and metrics are also a large part of the monitoring process. We track metrics and supply findings as specified by overseeing agencies, and if a subcontractor's performance does not meet performance standards, an improvement plan is developed and conducted with the subcontractor. All relevant information is submitted to overseeing agencies on timing as they identify.

*Subcontractor Training and Review Ensure Compliance*

Humana will implement a subcontractor attestation process such that subcontractors who deliver services as part of the LDH Contract must certify they have completed all necessary training and fully understand the requirements of the LDH Contract, state and federal laws, and all other applicable requirements. Activities performed by all subcontractors will be under the control and direction of Humana, and our subcontractors can perform no activity without appropriate Humana review, approval, and ongoing formal oversight.

**Instructions:** The Proposer should attach the executed or draft contract and indicate compliance with each of the following checklist items by completing the “Location” column.

	<b>Checklist Item</b>	<b>Location</b> (Include Name of Document, Page Number, and Section Number/Letter)
1	Contain language that the subcontractor shall adhere to all requirements set forth for MCO subcontractors in the contract between LDH and the MCO and the MCO Manual, and either physically incorporate these documents as appendices to the subcontract or include language in the subcontract that the MCO shall furnish these documents to the subcontractor upon request.	Medicaid Addendum (Addendum), pages 1-2, Section B.1.
2	Include a signature page that contains an MCO and subcontractor name with titles that are typed or legibly written, subcontractor company name, and dated signature of all appropriate parties (applicable for executed contracts).	Management Services Agreement (MSA), page 13; Schedule 001 to MSA (Schedule), page 2; Addendum, page 6
3	Specify the effective dates of the subcontract agreement.	MSA, page 1; Schedule, page 1; Addendum, page 1
4	Specify that the subcontract and its appendices contain all the terms and conditions agreed upon by the both parties.	Addendum, page 2, Section B.2.
5	Require that no modification or change of any provision of the subcontract shall be made unless such modification is incorporated and attached as a written amendment to the subcontract and signed by the parties.	Addendum, page 2, Section B.3.
6	Specify procedures and criteria for any alterations, variations, modifications, waivers, extensions of the subcontract termination date, or early termination of the subcontract and that such change shall only be valid when reduced to writing, duly signed and attached to the original of the subcontract.	Addendum, page 2, Section B.4.
7	Specify that the MCO and subcontractor recognize that in the event of termination of the contract between the MCO and LDH for any of the reasons described in the contract, the MCO shall immediately make available to LDH or its designated representative, in a usable form, any and all records, whether medical or financial, related to the MCO's and subcontractor's activities undertaken pursuant to the subcontract agreement. The provision of such records shall be at no expense to LDH.	Addendum, page 2, Section B.5.
8	Ensure the subcontractor shall not, without prior approval of the MCO, enter into any subcontract or other agreement for any of the work contemplated under the subcontract without approval of the MCO.	Addendum, page 2, Section B.6.
9	Require that if any requirement in the subcontract is determined by LDH to conflict with the contract between LDH and the MCO, such requirement shall be null and void and all other provisions shall remain in full force and effect.	Addendum, page 2, Section B.7.
10	Identify the population covered by the subcontract.	Schedule, page 1, 1. Project Overview

	<b>Checklist Item</b>	<b>Location</b> (Include Name of Document, Page Number, and Section Number/Letter)
11	Specify that the services provided under the subcontract must be in accordance with the Louisiana Medicaid State Plan and require that the subcontractor provide these services to enrollees through the last day that the subcontract is in effect.	Addendum, page 2, Section B.9.
12	Require that the subcontractor be currently licensed and/or certified under applicable state and federal statutes and regulations and shall maintain throughout the term of the subcontract all necessary licenses, certifications, registrations and permits as are required to provide the health care services and/or other related activities delegated by the MCO.	Addendum, page 2, Section B.10.
13	Specify the amount, duration, and scope of benefits and services that are provided by the subcontractor.	Schedule, Attachment A, page 3, various provisions
14	Provide that emergency services be coordinated without the requirement of prior authorization of any kind.	Addendum, page 2, Section B.12.
15	Require that if the subcontractor performs laboratory services, the subcontractor must meet all applicable state requirements and 42 C.F.R. § 493.1 and 493.3, and any other federal requirements.	Addendum, page 2, Section B.13.
16	Require that an adequate record system be maintained for recording services, charges, dates and all other commonly required information elements for services rendered to MCO enrollees pursuant to the subcontract (including but not limited to such records as are necessary for the evaluation of the quality, appropriateness, and timeliness of services performed under the contract between LDH and the MCO). MCO enrollees and their representatives shall be given access to and can request copies of the enrollees' medical records, to the extent and in the manner provided by La. R.S. 40:1165.1 and 45 C.F.R. §164.524 as amended and subject to reasonable charges.	Addendum, page 2, Section B.14.
17	Include record retention requirements as specified in the contract between LDH and the MCO.	Addendum, pages 2-3, Section B.15.
18	Shall make all program and financial records and service delivery sites open to CMS, the U.S. Office of the Inspector General (OIG), HHS, the State Auditor's Office, the Office of the Attorney General, Government Accountability Office (GAO), LDH, and/or any of their designees upon request, and shall provide them with timely and reasonable access and the right to examine and make copies, excerpts, or transcripts of all books, documents, papers, and records which are directly pertinent to a specific program for the purpose of making audits and examinations, contact and conduct private interviews with the subcontractor's clients, employees, and contractors, and do on-site reviews of all matters relating to service delivery as specified by the Contract. The rights of access in this provision are not limited to the required retention period, but shall last as long as records are retained. The subcontractor shall provide originals and/or copies (at no charge) of all records and information requested. Requests for information shall be compiled in the form and the language requested.	Addendum, page 3, Section B.16.

	<b>Checklist Item</b>	<b>Location</b> (Include Name of Document, Page Number, and Section Number/Letter)
19	INTENTIONALLY LEFT BLANK	
20	Whether announced or unannounced, provide for the participation and cooperation in any internal and external quality assessment review, utilization management, and grievance procedures established by the MCO and/or LDH or its designee.	Addendum, page 3, Section B.18.
21	Specify that the subcontractor shall monitor and report the quality of services delivered under the subcontract and initiate a plan of correction where necessary to improve quality of care, in accordance with that level of care which is recognized as acceptable professional practice in the respective community in which the MCO /subcontractor practices and/or the standards established by LDH or its designee.	Addendum, page 3, Section B.19.
22	Require that the subcontractor comply with any corrective action plan initiated by the MCO and/or required by LDH.	Addendum, page 3, Section B.20.
23	Specify any monetary penalties, sanctions or reductions in payment that the MCO may assess on the subcontractor for specific failures to comply with subcontract and/or credentialing requirements. This shall include, but may not be limited to a subcontractor's failure or refusal to respond to the MCO's request for information, the request to provide medical records, credentialing information, etc.; at the MCO's discretion or a directive by LDH, the MCO shall impose at a minimum, financial consequences against the subcontractor as appropriate.	Schedule Attachment B, Performance Standards; Addendum, pages 3-4, Section B.21.
24	Provide for submission of all reports and clinical information to the MCO for reporting purposes required by LDH.	Addendum, page 4, Section B.22.
25	Require safeguarding of information about MCO enrollees according to applicable state and federal laws and regulations and as described in contract between LDH and the MCO.	Addendum, page 4, Section B.23.
26	Make full disclosure of the method and amount of compensation or other consideration to be received from the MCO.	Schedule, page 2, 5. Fees; Schedule Attachment A, page 3, Part 15; Addendum, page 4, Section B.24.
27	Provide that the subcontractor comply with LDH's claims processing requirements as outlined in the RFP.	Addendum, page 4, Section B.25.
28	Provide that the subcontractor adhere to LDH's timely filing guidelines as outlined in the RFP.	Addendum, page 4, Section B.26.
29	Provide that, if LDH or its subcontractors discover an error or a conflict with a previously adjudicated encounter claim, the subcontractor shall be required to adjust or void the encounter claim within fourteen (14) calendar days of notification by LDH or the MCO, or if circumstances exist that prevent the subcontractor from meeting this time frame, by a specified date approved by LDH.	Addendum, page 4, Section B.27.

	<b>Checklist Item</b>	<b>Location</b> (Include Name of Document, Page Number, and Section Number/Letter)
30	Specify that the subcontractor shall accept the final payment made by the MCO as payment-in-full for covered services provided and shall not solicit or accept any surety or guarantee of payment from LDH or the member(s). Member shall include the patient, parent(s), guardian, spouse or any other legally or potentially legally, responsible person of the member being served.	Addendum, page 4, Section B.28.
31	Specify that at all times during the term of the subcontract, the subcontractor shall indemnify and hold LDH harmless from all claims, losses, or suits relating to activities undertaken pursuant to the contract between LDH and the MCO, unless the subcontractor is a state agency. For subcontractors that are not state agencies, the indemnification may be accomplished by incorporating such language from the contract between LDH and the MCO in its entirety in the subcontractor's agreement or by use of other language developed by the MCO and approved by LDH. For state agencies, the liability protection may be accomplished by incorporating language developed by the state agency and approved by LDH.	Addendum, pages 4-5, Section B.29.
32	Require the subcontractor to secure all necessary liability, malpractice, and workers' compensation insurance coverage as is necessary to adequately protect the MCO's enrollees and the MCO under the subcontract. The subcontractor shall provide such insurance coverage upon execution and at all times during the subcontract and shall furnish the MCO with written verification of the existence of such coverage.	MSA page 11, Article 15; Addendum, page 5, Section B.30.
33	Specify that the subcontractor agrees to recognize and abide by all state and federal laws, rules and regulations and guidelines applicable to the provision of services, and stipulate that Louisiana law, without regard to its conflict of laws provisions, will prevail if there is a conflict between the state law where the material subcontractor is based and Louisiana law.	Addendum, page 5, Section B.31.
34	Provide that the agreement incorporates by reference all applicable federal and state laws, rules or regulations, and revisions of such laws, rules, or regulations shall automatically be incorporated into the subcontract as they become effective.	Addendum, page 5, Section B.32.
35	Provide that the MCO and subcontractor shall be responsible for resolving any disputes that may arise between the two (2) parties, and that no dispute shall disrupt or interfere with the provisions of services to the MCO member.	Addendum, page 5, Section B.33.
36	Include a conflict of interest clause as stated in the contract between LDH and the MCO.	Addendum, page 5, Section B.34
37	Specify that the subcontractor must adhere to the Quality Assessment Performance Improvement (QAPI) and Utilization Management (UM) requirements as outlined the contract between LDH and the MCO. The QAPI and UM requirements shall be included as part of the subcontract between the MCO and the subcontractor.	Addendum, page 5, Section B.35.

	<b>Checklist Item</b>	<b>Location</b> (Include Name of Document, Page Number, and Section Number/Letter)
38	Provide that all subcontractors shall give MCO immediate notification in writing by certified mail of any litigation, investigation, complaint, claim or transaction that may reasonably be considered to have a material impact on the subcontractor's ability to perform the services included in its contract with the MCO.	Addendum, page 5, Section B.36.
39	Provide that in accordance with Title VI of the Civil Rights Act of 1964 (42 U.S.C. §2000d et. seq.) and its implementing regulation at 45 C.F.R. Part 80 (2001, as amended), the subcontractor must take adequate steps to ensure that persons with limited English skills receive free of charge the language assistance necessary to afford them meaningful and equal access to the benefits and services provided under the subcontract.	Addendum, page 5, Section B.37.
40	Contain no provision which restricts a subcontractor from subcontracting with another MCO or other managed care entity.	Addendum, page 5, Section B.38.
41	Require that, when the MCO has entered into an alternative reimbursement arrangement with subcontractor, all encounter data must comply with the same standards of completeness and accuracy as required for proper adjudication of claims by the MCO.	Addendum, page 5, Section B.39.
42	Require that the services to be provided under this subcontract shall be performed entirely within the boundaries of the United States, which includes the 50 states, the District of Columbia, Puerto Rico, the Virgin Islands, Guam, the Northern Mariana Islands, and American Samoa. In addition, the subcontractor will not hire any individual to perform any services under this Contract if that individual is required to have a work visa approved by the U.S. Department of Homeland Security and such individual has not met this requirement.	Addendum, page 5, Section B.40.
43	Contain the following language:  The subcontractor and the subcontractor's providers assign to the State of Louisiana any and all rights or claims it currently has or may acquire under any state or federal antitrust laws and that are attributable to any product units purchased or reimbursed through any state program or payment mechanism, including but not limited to product units purchased or reimbursed under the Louisiana Medicaid managed care program. For purposes of this assignment clause, the "subcontractor" shall include any direct or indirect owner to whom the right or claim to be assigned actually belongs, including any and all parents, branches, departments or subsidiaries.	Addendum, page 6, Section B.41.

	<b>Checklist Item</b>	<b>Location</b> (Include Name of Document, Page Number, and Section Number/Letter)
44	<p>Contain the following language:</p> <p>The subcontractor and the subcontractor's providers shall comply, within a reasonable time, with any information, records or data request from any healthcare oversight agency, including the Louisiana Office of the Attorney General, Medicaid Fraud Control Unit (MFCU), related to any services provided under Louisiana's Medical Assistance Programs. This requirement shall be inclusive of contracts or subcontracts with entities who manage or coordinate certain benefits for Medicaid beneficiaries on behalf of the MCO's but does not directly provide the service to Medicaid beneficiaries. When requested by the MFCU the production of the information, records or data requested by the MFCU shall be done at no cost to the MFCU, and the contractor, subcontractor or provider shall not require the MFCU to enter into any contract, agreement or memorandum of understanding to obtain the requested information, records or data. The MCO contractor, subcontractor and/or provider agrees that this contract creates for the healthcare oversight agency an enforceable right for which the healthcare oversight agency can petition the court in the event of non-compliance with an information, records or data request.</p>	Addendum, page 3, Section B.16.



## **\*\*CONFIDENTIAL\*\***

The following documents are redacted in their entirety:

- Management Services Agreement (pages 322E-342E)
- Schedule 001 to Management Services Agreement (pages 343E-346E)
- Medicaid Addendum (pages 347E-352E)