

**Amendment Number 10 (11)**  
**Prepaid Health Plan Services**  
**#30-190029-DHB – PHP**

**THIS Amendment** to the Prepaid Health Plan Services Contract #30-190029-DHB – **PHP Name** (Contract) awarded February 4, 2019 and subsequently amended, is between the North Carolina Department of Health and Human Services, Division of Health Benefits (Division), and **PHP Name** (Contractor), each, a Party and collectively, the Parties.

**Background:**

The purpose of this Amendment is to make updates related to Directed Payments to Direct Care Workers in the following Sections of the Revised and Restated Request for Proposal #30-190029-DHB:

1. Section III. Definitions, Contract Term, General Terms and Conditions, Other Provisions and Protections;
2. Section V. Scope of Services; and
3. Section X. Summary of Contractual Payments and Risk Sharing Terms.

**The Parties agree as follows:**

**1. Modifications to Section III. Definitions, Contract Term, General Terms and Conditions, Other Provisions and Protections**

**Specific subsections are modified as stated herein.**

**a. Section III.A. Definitions, is revised to add the newly defined term**

**Home and Community Based Services (HCBS):** Home and Community Based Services provide opportunities for Medicaid beneficiaries to receive services in their own home or community rather than institutions or other isolated settings. These programs serve a variety of targeted population groups, such as people with intellectual or developmental disabilities, physical disabilities, and/or mental illnesses.

**b. Section III.B. Acronyms, is revised to add the following new acronym**

HCBS: Home and Community Based Services

**2. Modifications to Section V. Scope of Services**

**Specific subsections are modified as stated herein.**

**a. Section V.D. Providers 4. Provider Payments is revised to add the following:**

**dd. ICF/IID Direct Care Workers**

- i. Beginning February 1, 2022, the PHP shall increase reimbursement rates to eligible community-based ICF/IID providers by amounts prescribed by the Department. The PHP shall implement the reimbursement rates consistent with the timeline requirements of *Section V.H.1.d.iv.d*). For any claims that the PHP is required to reprocess to comply with this Section, the PHP shall reprocess the claims and pay, as applicable, any interest and penalties consistent with the requirements of *Section V.H.1.d.iv.d*).
- ii. The Department shall maintain and share with the PHP a list of eligible providers, the applicable increase for each provider, and the time period (by dates of service) for which each provider is eligible for the enhanced reimbursement amount in the PCDU. Enhanced reimbursement amounts may vary by provider.

- iii. The PHP shall have the capability to prospectively or retroactively apply reimbursement increases or decreases and recoup overpayments made to certain providers for dates of service specified by the Department to account for any changes to provider eligibility for all or a portion of the enhanced reimbursement.
  - iv. The PHP shall communicate to contracted providers that enhanced reimbursement amount is contingent on eligibility for ICF/IID Direct Care Worker wage-related reimbursement increases maintained by the Department.
- ee. HCBS Direct Care Worker Wage Increases
- i. Beginning March 1, 2022, the PHP shall increase reimbursement rates to eligible HCBS providers for eligible services by amounts no less than the amounts prescribed by the Department. The PHP shall implement the reimbursement rates consistent with the timeline requirements of *Section V.H.1.d.iv.d*). For any claims that the PHP is required to reprocess to comply with this Section, the PHP shall reprocess the claims and pay, as applicable, any interest and penalties consistent with the requirements of *Section V.H.1.d.iv.d*).
    - a) Reimbursement increases for State Plan services shall be no less than the per unit reimbursement increases in the North Carolina Medicaid Fee-For-Service Fee Schedule.
    - b) Reimbursement increases for approved in-lieu of services shall be no less than the per unit reimbursement increases communicated through Medicaid provider bulletins.
  - ii. The Department shall maintain and share with the PHP a list of HCBS services and codes that the rate increase will apply to through the PCDU and the DHHS Website.
  - iii. The PHP shall have the capability to prospectively or retroactively apply reimbursement increases or decreases and recoup overpayments made to specific providers to account for any changes to provider eligibility for enhanced reimbursement.
  - iv. The PHP shall communicate to contracted providers that the reimbursement increase is contingent on eligibility for HCBS Direct Care Worker wage-related reimbursement increases maintained by the Department.
- ff. Private Duty Nursing Increase
- i. Beginning on the established end date of the Department's COVID-19 rate increases as communicated through COVID-19 Special Bulletin #239: Update on Temporary Rate Increases and HCBS DCW Rate Implementation or any subsequent COVID-19 Special Bulletin that updates the end date of private duty nursing rate increase, the PHP shall reimburse eligible providers for private duty nursing services no less than the North Carolina Medicaid Fee-For-Service Fee Schedule as allowed under 42 C.F.R § 438.6(c)(1)(iii)(A). The PHP shall implement the reimbursement rates consistent with the timeline requirements of *Section V.H.1.d.iv.d*). For any claims that the PHP is required to reprocess to comply with this Section, the PHP shall reprocess the claims and pay, as applicable, any interest and penalties consistent with the requirements of *Section V.H.1.d.iv.d*).

**3. Section X. Second Revised and Restated Summary of Contractual Payment and Risk Sharing Terms is revised and restated in its entirety as *Section X. Second Revised and Restated Summary of Contractual Payment and Risk Sharing Terms* and attached to this Amendment.**

**4. Effective Date**

This Amendment is effective upon the later of the execution dates by the Parties, subject to approval by CMS.

**5. Other Requirements**

Unless expressly amended herein, all other terms and conditions of the Contract, as previously amended, shall remain in full force and effect.

**Execution:**

By signing below, the Parties execute this Amendment in their official capacities and agree to the amended terms and conditions outlined herein as of the Effective Date.

**Department of Health and Human Services**

\_\_\_\_\_  
Dave Richard, Deputy Secretary

Date: \_\_\_\_\_

**PHP Name**

\_\_\_\_\_  
**PHP Authorized Signature**

Date: \_\_\_\_\_

**Attachment to the Amendment**

*Section X. Third Revised and Restated Summary of Contractual Payment and Risk Sharing Terms*

## SECTION X. Third Revised and Restated Summary of Contractual Payment and Risk Sharing Terms

A. This Section summarizes November 1, 2021 – December 31, 2021 capitation payment and risk sharing terms and figures included the Standard Plan Rate Book for State Fiscal Year 2022 dated December 10, 2021. Beginning in August 2021, the ABD, TANF and Other Related Children ages 1–20, and TANF and Other Related Adults ages 21+ rates will be risk-adjusted using the Combined Chronic Illness and Pharmacy Payment System (CDPS+Rx) risk adjustment model.

### Base Capitation Rates by Region and COA

COA	Region 1	Region 2	Region 3	Region 4	Region 5	Region 6
ABD	\$1,638.69	\$1,568.54	\$1,805.36	\$1,651.78	\$1,508.27	\$1,482.06
TANF, Newborns (<1)	\$979.21	\$814.62	\$901.66	\$842.13	\$805.08	\$843.07
TANF, Children (1–20)	\$181.70	\$160.32	\$169.46	\$155.08	\$159.47	\$155.19
TANF, Adults (21+)	\$406.17	\$412.71	\$417.29	\$403.51	\$423.37	\$403.99
Maternity Event	\$11,174.86	\$10,737.45	\$12,097.22	\$10,996.25	\$10,547.38	\$11,544.12

### PMPM Add-on for Legislative Rate Increases by Region and COA

COA	Region 1	Region 2	Region 3	Region 4	Region 5	Region 6
ABD	\$14.25	\$13.94	\$16.08	\$14.93	\$14.02	\$14.55
TANF, Newborns (<1)	\$6.91	\$7.26	\$8.02	\$7.52	\$8.33	\$7.88
TANF, Children (1–20)	\$2.79	\$2.48	\$2.72	\$2.42	\$2.53	\$2.41
TANF, Adults (21+)	\$5.03	\$5.70	\$5.76	\$5.85	\$6.28	\$5.61
Maternity Event	\$104.73	\$113.68	\$120.26	\$107.08	\$118.37	\$119.99

### PMPM Add-on for DHHS Authorized Rate Increases by Region and COA

COA	Region 1	Region 2	Region 3	Region 4	Region 5	Region 6
ABD	\$22.63	\$36.19	\$53.26	\$41.21	\$36.02	\$39.14
TANF, Newborns (<1)	\$4.81	\$5.01	\$5.02	\$5.01	\$4.62	\$4.71
TANF, Children (1–20)	\$3.29	\$3.14	\$3.11	\$3.30	\$3.25	\$3.13
TANF, Adults (21+)	\$2.16	\$2.32	\$2.63	\$2.39	\$2.74	\$2.73
Maternity Event	\$12.00	\$3.21	\$7.15	\$14.88	\$7.30	\$16.93

Prepared by Mercer Government

Human Services Consulting

Standard Plan Rate Book

Contract Year 1

**Target Service Ratio Underlying Base Capitation Rates**

COA	Region 1	Region 2	Region 3	Region 4	Region 5	Region 6
ABD	92.5%	91.8%	92.3%	91.8%	92.1%	92.1%
TANF, Newborns (<1)	91.8%	91.1%	91.6%	91.0%	91.3%	91.4%
TANF, Children (1–20)	89.0%	88.5%	88.6%	87.8%	88.1%	88.6%
TANF, Adults (21+)	90.7%	90.2%	90.5%	90.0%	90.4%	90.4%
Maternity Event	95.1%	94.6%	94.9%	94.6%	94.8%	94.9%

**Target Service Ratios Underlying COVID-19 Add-Ons**

COA/Region	DHHS Rate Action	
	Legislative Add-Ons	Add-Ons
All COA, All Regions	98.75%	98.75%

**Minimum PCP Expenditures as a Percentage of Base Capitation Rates**

COA	Region 1	Region 2	Region 3	Region 4	Region 5	Region 6
ABD	4.4%	4.9%	4.7%	4.6%	5.3%	4.8%
TANF, Newborns (<1)	11.5%	15.2%	14.1%	13.8%	15.4%	13.4%
TANF, Children (1–20)	17.6%	18.9%	18.5%	18.1%	18.3%	17.5%
TANF, Adults (21+)	8.6%	8.8%	9.1%	9.1%	10.3%	8.9%
Maternity Event	15.4%	15.9%	15.5%	15.5%	16.8%	16.5%

**Contractual Minimum MLR Thresholds by Rating Group**

ABD	TANF, Newborn (<1)	TANF, Child (1-20)	TANF, Adult (21+)	Maternity Event	Total Standard Plan
89.1%	88.7%	85.8%	88.0%	91.9%	88.0%

Prepared by Mercer Government

Human Services Consulting

Standard Plan Rate Book

Contract Year 1

**B. This Section summarizes January 1, 2022 – January 31, 2022 capitation payment and risk sharing terms and figures.** Beginning in August 2021, the ABD, TANF and Other Related Children ages 1–20, and TANF and Other Related Adults ages 21+ rates will be risk-adjusted using the Combined Chronic Illness and Pharmacy Payment System (CDPS+Rx) risk adjustment model.

**Base Capitation Rates by Region and COA**

<b>COA</b>	<b>Region 1</b>	<b>Region 2</b>	<b>Region 3</b>	<b>Region 4</b>	<b>Region 5</b>	<b>Region 6</b>
ABD	\$1,638.74	\$1,568.59	\$1,805.41	\$1,652.18	\$1,508.33	\$1,482.11
TANF, Newborns (<1)	\$979.21	\$814.61	\$901.65	\$843.39	\$805.07	\$843.07
TANF, Children (1–20)	\$181.73	\$160.34	\$169.48	\$156.36	\$159.49	\$155.20
TANF, Adults (21+)	\$406.19	\$412.73	\$417.31	\$403.53	\$423.39	\$404.00
Maternity Event	\$11,174.84	\$10,737.43	\$12,097.20	\$10,996.22	\$10,547.36	\$11,544.11

**PMPM Add-on for Legislative Rate Increases by Region and COA**

<b>COA</b>	<b>Region 1</b>	<b>Region 2</b>	<b>Region 3</b>	<b>Region 4</b>	<b>Region 5</b>	<b>Region 6</b>
ABD	\$0.16	\$0.19	\$0.31	\$1.01	\$0.21	\$0.34
TANF, Newborns (<1)	\$0.00	\$0.00	\$0.01	\$0.01	\$0.01	\$0.00
TANF, Children (1–20)	\$0.10	\$0.04	\$0.07	\$0.09	\$0.05	\$0.08
TANF, Adults (21+)	\$0.09	\$0.06	\$0.14	\$0.52	\$0.14	\$0.13
Maternity Event	\$0.00	\$0.00	\$0.00	\$0.01	\$0.00	\$0.00

**PMPM Add-on for DHHS Authorized Rate Increases by Region and COA**

<b>COA</b>	<b>Region 1</b>	<b>Region 2</b>	<b>Region 3</b>	<b>Region 4</b>	<b>Region 5</b>	<b>Region 6</b>
ABD	\$12.88	\$24.05	\$37.87	\$28.12	\$24.47	\$26.54
TANF, Newborns (<1)	\$0.90	\$0.81	\$0.71	\$0.80	\$0.51	\$0.45
TANF, Children (1–20)	\$0.30	\$0.21	\$0.11	\$0.18	\$0.11	\$0.15
TANF, Adults (21+)	\$0.45	\$0.56	\$0.79	\$0.70	\$0.83	\$0.78
Maternity Event	\$6.73	\$0.70	\$0.83	\$3.95	\$3.00	\$6.85

Prepared by Mercer Government

Human Services Consulting

Standard Plan Rate Book

Contract Year 1

**Target Service Ratio Underlying Base Capitation Rates**

COA	Region 1	Region 2	Region 3	Region 4	Region 5	Region 6
ABD	92.5%	91.8%	92.3%	91.8%	92.1%	92.1%
TANF, Newborns (<1)	91.8%	91.1%	91.6%	90.9%	91.3%	91.4%
TANF, Children (1–20)	89.0%	88.5%	88.6%	87.1%	88.1%	88.6%
TANF, Adults (21+)	90.7%	90.2%	90.5%	90.0%	90.4%	90.4%
Maternity Event	95.1%	94.6%	94.9%	94.6%	94.8%	94.9%

**Target Service Ratios Underlying COVID-19 Add-Ons**

COA/Region	Legislative Add-Ons	DHHS Rate Action Add-Ons
All COA, All Regions	98.75%	98.75%

**Minimum PCP Expenditures as a Percentage of Base Capitation Rates**

COA	Region 1	Region 2	Region 3	Region 4	Region 5	Region 6
ABD	4.4%	4.9%	4.7%	4.6%	5.3%	4.8%
TANF, Newborns (<1)	11.5%	15.2%	14.1%	13.8%	15.4%	13.4%
TANF, Children (1–20)	17.6%	18.9%	18.5%	18.0%	18.3%	17.5%
TANF, Adults (21+)	8.6%	8.8%	9.1%	9.1%	10.3%	8.9%
Maternity Event	15.4%	15.9%	15.5%	15.5%	16.8%	16.5%

**Contractual Minimum MLR Thresholds by Rating Group**

ABD	TANF, Newborn (<1)	TANF, Child (1-20)	TANF, Adult (21+)	Maternity Event	Total Standard	Plan
89.1%	88.7%	85.7%	88.0%	91.9%	88.0%	

C. This Section summarizes February 1, 2022 – February 28, 2022 capitation payment and risk sharing terms and figures. Beginning in August 2021, the ABD, TANF and Other Related Children ages 1–20, and TANF and Other Related Adults ages 21+ rates will be risk-adjusted using the Combined Chronic Illness and Pharmacy Payment System (CDPS+Rx) risk adjustment model.

**Base Capitation Rates by Region and COA**

COA	Region 1	Region 2	Region 3	Region 4	Region 5	Region 6
ABD	\$1,638.74	\$1,568.59	\$1,805.41	\$1,652.18	\$1,508.33	\$1,482.11
TANF, Newborns (<1)	\$979.21	\$814.61	\$901.65	\$843.39	\$805.07	\$843.07
TANF, Children (1–20)	\$181.73	\$160.34	\$169.48	\$156.36	\$159.49	\$155.20
TANF, Adults (21+)	\$406.19	\$412.73	\$417.31	\$403.53	\$423.39	\$404.00
Maternity Event	\$11,174.84	\$10,737.43	\$12,097.20	\$10,996.22	\$10,547.36	\$11,544.11

**PMPM Add-on for Legislative Rate Increases by Region and COA**

COA	Region 1	Region 2	Region 3	Region 4	Region 5	Region 6
ABD	\$0.16	\$0.19	\$0.31	\$1.01	\$0.21	\$0.34
TANF, Newborns (<1)	\$0.00	\$0.00	\$0.01	\$0.01	\$0.01	\$0.00
TANF, Children (1–20)	\$0.10	\$0.04	\$0.07	\$0.09	\$0.05	\$0.08
TANF, Adults (21+)	\$0.09	\$0.06	\$0.14	\$0.52	\$0.14	\$0.13
Maternity Event	\$0.00	\$0.00	\$0.00	\$0.01	\$0.00	\$0.00

**PMPM Add-on for DHHS Authorized Rate Increases by Region and COA**

COA	Region 1	Region 2	Region 3	Region 4	Region 5	Region 6
ABD	\$12.09	\$23.88	\$37.63	\$27.68	\$24.10	\$26.09
TANF, Newborns (<1)	\$0.47	\$0.41	\$0.63	\$0.35	\$0.33	\$0.15
TANF, Children (1–20)	\$0.06	\$0.06	\$0.06	\$0.04	\$0.02	\$0.04
TANF, Adults (21+)	\$0.11	\$0.50	\$0.70	\$0.51	\$0.64	\$0.56
Maternity Event	\$0.12	\$0.06	\$0.23	\$0.13	\$1.14	\$0.12

**Target Service Ratio Underlying Base Capitation Rates**

COA	Region 1	Region 2	Region 3	Region 4	Region 5	Region 6
ABD	92.5%	91.8%	92.3%	91.8%	92.1%	92.1%
TANF, Newborns (<1)	91.8%	91.1%	91.6%	90.9%	91.3%	91.4%
TANF, Children (1–20)	89.0%	88.5%	88.6%	87.1%	88.1%	88.6%
TANF, Adults (21+)	90.7%	90.2%	90.5%	90.0%	90.4%	90.4%



Maternity Event	95.1%	94.6%	94.9%	94.6%	94.8%	94.9%
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**Target Service Ratios Underlying COVID-19 Add-Ons**

COA/Region	DHHS Rate Action	
	Legislative Add-Ons	Add-Ons
<i>All COA, All Regions</i>	98.75%	98.75%

**Minimum PCP Expenditures as a Percentage of Base Capitation Rates**

COA	Region 1	Region 2	Region 3	Region 4	Region 5	Region 6
ABD	4.4%	4.9%	4.7%	4.6%	5.3%	4.8%
TANF, Newborns (<1)	11.5%	15.2%	14.1%	13.8%	15.4%	13.4%
TANF, Children (1–20)	17.6%	18.9%	18.5%	18.0%	18.3%	17.5%
TANF, Adults (21+)	8.6%	8.8%	9.1%	9.1%	10.3%	8.9%
Maternity Event	15.4%	15.9%	15.5%	15.5%	16.8%	16.5%

**Contractual Minimum MLR Thresholds by Rating Group**

ABD	TANF, Newborn (<1)	TANF, Child (1-20)	TANF, Adult (21+)	Maternity Event	Total Standard	Plan
89.1%	88.7%	85.7%	88.0%	91.9%	88.0%	

D. This Section summarizes March 1, 2022 – March 31, 2022 capitation payment and risk sharing terms and figures. Beginning in August 2021, the ABD, TANF and Other Related Children ages 1–20, and TANF and Other Related Adults ages 21+ rates will be risk-adjusted using the Combined Chronic Illness and Pharmacy Payment System (CDPS+Rx) risk adjustment model.

**Base Capitation Rates by Region and COA**

COA	Region 1	Region 2	Region 3	Region 4	Region 5	Region 6
ABD	\$1,640.01	\$1,571.62	\$1,809.79	\$1,655.86	\$1,510.78	\$1,485.59
TANF, Newborns (<1)	\$979.30	\$814.83	\$901.94	\$843.56	\$805.19	\$843.10
TANF, Children (1–20)	\$181.77	\$160.37	\$169.50	\$156.38	\$159.49	\$155.20
TANF, Adults (21+)	\$406.21	\$412.75	\$417.39	\$403.96	\$423.49	\$404.09

Maternity Event	\$11,174.70	\$10,737.12	\$12,096.79	\$10,995.76	\$10,547.10	\$11,543.69
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**PMPM Add-on for Legislative Rate Increases by Region and COA**

COA	Region 1	Region 2	Region 3	Region 4	Region 5	Region 6
ABD	\$0.06	\$0.02	\$0.02	\$0.03	\$0.03	\$0.09
TANF, Newborns (<1)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TANF, Children (1–20)	\$0.03	\$0.00	\$0.01	\$0.00	\$0.01	\$0.04
TANF, Adults (21+)	\$0.07	\$0.01	\$0.03	\$0.02	\$0.02	\$0.05
Maternity Event	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

**PMPM Add-on for DHHS Authorized Rate Increases by Region and COA**

COA	Region 1	Region 2	Region 3	Region 4	Region 5	Region 6
ABD	\$8.97	\$16.40	\$25.90	\$19.63	\$17.53	\$17.72
TANF, Newborns (<1)	\$0.53	\$0.18	\$0.44	\$0.20	\$0.38	\$0.16
TANF, Children (1–20)	\$0.94	\$0.65	\$0.90	\$1.27	\$1.39	\$0.74
TANF, Adults (21+)	\$0.13	\$0.40	\$0.56	\$0.43	\$0.51	\$0.41
Maternity Event	\$0.12	\$0.06	\$0.23	\$0.13	\$1.02	\$0.12

**Target Service Ratio Underlying Base Capitation Rates**

COA	Region 1	Region 2	Region 3	Region 4	Region 5	Region 6
ABD	92.5%	91.8%	92.3%	91.8%	92.1%	92.1%
TANF, Newborns (<1)	91.8%	91.1%	91.6%	90.9%	91.3%	91.4%
TANF, Children (1–20)	89.0%	88.5%	88.6%	87.1%	88.1%	88.6%
TANF, Adults (21+)	90.7%	90.2%	90.5%	90.0%	90.4%	90.4%
Maternity Event	95.1%	94.7%	94.9%	94.6%	94.8%	94.9%

**Target Service Ratios Underlying COVID-19 Add-Ons**

COA/Region	DHHS Rate Action	
	Legislative Add-Ons	Add-Ons
All COA, All Regions	98.75%	98.75%

**Minimum PCP Expenditures as a Percentage of Base Capitation Rates**

COA	Region 1	Region 2	Region 3	Region 4	Region 5	Region 6
ABD	4.4%	4.8%	4.7%	4.6%	5.3%	4.8%
TANF, Newborns (<1)	11.5%	15.2%	14.1%	13.8%	15.4%	13.4%
TANF, Children (1–20)	17.6%	18.9%	18.5%	18.0%	18.3%	17.5%
TANF, Adults (21+)	8.6%	8.8%	9.1%	9.1%	10.3%	8.9%
Maternity Event	15.4%	15.9%	15.5%	15.5%	16.8%	16.5%

**Contractual Minimum MLR Thresholds by Rating Group**

ABD	TANF, Newborn (<1)	TANF, Child (1-20)	TANF, Adult (21+)	Maternity Event	Total Standard Plan
89.1%	88.7%	85.7%	88.0%	91.9%	88.0%