AMENDMENT NUMBER ELEVEN
TO THE CONTRACT BETWEEN
THE DIVISION OF MEDICAID
IN THE OFFICE OF THE GOVERNOR
AND
A CARE COORDINATION ORGANIZATION (CCO)

(Magnolia Health Plan, Inc.)

THIS AMENDMENT NUMBER ELEVEN modifies, revises, and amends the Contract entered into by and between the **Division of Medicaid in the Office of the Governor**, an administrative agency of the **State of Mississippi** (hereinafter "DOM" or "Division"), and **Magnolia Health Plan, Inc.** (hereinafter "CCO" or "Contractor").

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

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

WHEREAS, DOM contracted with the CCO to obtain services for the benefit of certain Medicaid beneficiaries;

WHEREAS, pursuant to Section 17.M.1 and Section 1.B of the Contract, no modification or change to any provision of the Contract shall be made unless it is mutually agreed upon in writing by both parties and is signed by a duly authorized representative of the CCO and DOM as an amendment to the Contract, and such amendments shall be effective upon execution and approval;

WHEREAS, the parties have previously modified the Contract in Amendments #1, #2, #3, #4, #5, #6, #7, #8, #9; and #10,

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

I. Section 5, COVERED SERVICES AND BENEFITS, is amended to read as follows:

A. <u>Covered Services</u>

The Contractor shall provide all Medically Necessary covered services allowed under the

MississippiCAN Program. The Contractor shall ensure that all covered services are sufficient in an amount, duration, and scope to reasonably achieve its purpose as set forth in 42 C.F.R. § 440.230 and that no incentive is provided, monetary or otherwise, to Providers for withholding from Members' Medically Necessary Services. The Contractor shall make available accessible facilities, service locations, and personnel sufficient to provide covered services consistent with the requirements specified in this Contract.

The Contractor shall comply with Medicaid NCCI guidelines. The Contractor shall have policies, approved by the Division, that address manually priced claims.

Contractor must have policies and procedures in place to deal with states of emergency. The Division may lift service limits for beneficiaries during states of emergency, and Contractor's must provide, at minimum, coverage for the same level of services being covered by the Division during the state of emergency.

The Division will annually review the cost and utilization of high-cost medications for consideration of exclusion from coverage as a covered benefit and inclusion in the capitation rate. Any medications excluded based on this review will be reimbursed outside of the monthly capitation payment.

II. Section 13.A, CAPITATION PAYMENTS, is amended to read as follows:

11. Acceptance of Capitation Rate

Once the Division notifies the Contractor that the capitation rates and risk adjustment developed by the Division and its actuary are final and not subject to further negotiation, the Contractor must accept capitation rates and risk adjustment methodology within fifteen (15) business days of such rates being presented to the Contractor by the Division. Acceptance of such capitation rates and risk adjustment methodology shall be indicated by execution of an amendment to this Contract incorporating such rates or methodology. Any capitation rates and risk adjustment methodology subsequently disapproved by CMS shall be deemed null and void immediately upon notification by CMS to the Division of the disapproval. The Division shall notify the Contractor of CMS approval or disapproval of any capitation rates or risk adjustment methodology within two (2) business days of receipt of such approval or disapproval. The Division will adjust previously paid funds to reflect the capitation rates and risk adjustment methodology ultimately approved by CMS.

III. Section 13.A.3, CAPITATION PAYMENTS, is amended to read as follows:

3. Rate Adjustments

The Contractor and the Division acknowledge that the capitation rates are subject to approval by the Federal government. Adjustments to the rates may be required to reflect legislatively or congressionally mandated changes in Medicaid services, program changes, changes in the scope of mandatory services, or when capitation rate calculations are determined to have been in error. In such events, funds previously paid may be adjusted as well. Within thirty (30) calendar days following written notice by the Division, the Contractor agrees to refund any Overpayment to the Division, and the Division agrees to pay any underpayment to the Contractor.

In addition, the Division will review rates annually and adjust rates as deemed necessary subject to approval from the Federal government.

For the purposes of capitation rate setting and other financial reporting purposes, Contractor compensation shall be capped in accordance with Section 702 of the Bipartisan Budget Act of 2013 (BBA: Pub. L. 113-67, December 26,2013). The BBA established a cap on the reimbursement of compensation costs for Contractor employees, which is adjusted annually to reflect the change in the Employment Cost Index for all workers as calculated by the Bureau of Labor Statistics (BLS). The BBA cap is codified statute (10 U.S.C. 2324(e)(1)(P) and (41 U.S.C. 4304(a)(16).

IV. Section 13.A.9, CAPITATION RATES, is amended to read as follows:

Table 1, Capitation Rates, of this Contract includes the capitation rates per member per month (PMPM) varying by region and Rate Cell. Each Contractor will be paid based on the distribution of Members they have in each Rate Cell. The Non-Newborn SSI/Disabled, MA Adult, MA Children and Quasi-CHIP rate cells will be risk adjusted. These four Rate Cells have a Risk Adjustment factor, calculated on a prospective basis using CDPS+RX, applied to each rate re-calculated based on each Contractor's actual risk scores. The Foster Care Rate Cell will also be risk adjusted on a concurrent basis using a members' eligibility for either state or federal financial assistance to assign a risk score.

The table below establishes the Coordinated Care Organization Capitation Rates per member per month (PMPM) for MississippiCAN (see Attachments A and B). These rates are effective for the following MississippiCAN Rate Cells: Non-Newborn SSI/Disabled; Foster Care; Breast and Cervical Cancer; SSI/Disabled Newborn; MA Adults; Pregnant Women; and Non-SSI Newborns. Additionally, Capitation Rates are included for MA Children and Quasi-CHIP Children, and Mississippi Youth Programs Around the Clock (MYPAC) rate cells.

These rates include MHAP FSA, including associated premium tax. Effective July 1, 2021, the payment of the MHAP FSA component of the rates, including the associated premium tax, will not be included in the monthly capitation payment but will be paid as a separate financial transaction. Rates are prior to the application of a 1.00 percent Quality Withhold. These rates exclude MHAP QIPP, MAPS and HIF (as applicable).

Mississippi Division of Medicaid
MississippiCAN
Capitation Rates (excluding Risk Scores)
Effective July 1, 2021 – June 30, 2022

Rate Cell	North	Central	South
Original Population			
Non-Newborn SSI-Disabled	$ 1,186.70	$ 1,400.91	$ 1,401.67
Foster Care	$ 805.57	$ 873.58	$ 798.43
Breast/Cervical Cancer	$ 3,828.79	$ 4,279.69	$ 4,575.30
SSI-Disabled Newborn	$10,488.81	$11,240.78	$10,535.97
Expansion Population			
MA Adults	$ 518.71	$ 577.91	$ 551.34
Pregnant Women	$ 1,349.61	$ 1,499.00	$ 1,422.67
Non-SSI Newborns 0-2 Months	$ 2,648.66	$ 2,746.66	$ 2,632.14
Non-SSI Newborns 3-12 Months	$ 314.34	$ 322.92	$ 311.55
MA Children	$ 231.88	$ 244.54	$ 236.97
Quasi-CHIP	$ 231.10	$ 243.46	$ 236.76
MYPAC	$ 4,315.46	$ 4,599.77	$ 4,420.68

*Capitation rates per April 21, 2020 actuarial report.

The Contractor is not allowed to affect the assignment of risk scores through any post-billing claims review process for the assignment of additional diagnosis codes. Diagnosis codes may only be recorded by the provider at the time of the creation of the medical record and may not be retroactively adjusted except to correct errors.

V. Section 13.A. – CAPITATION PAYMENTS is amended to add the following:

10. Risk Corridor

a. The Division will implement a symmetrical risk corridor for the timeframe of July 1, 2021 through June 30, 2022 ("SFY 2022") to address the uncertainty of medical costs

given the COVID-19 pandemic. The risk corridor was developed in accordance with generally accepted actuarial principles and practices.

The Contractor capitation rates reflect a target medical loss ratio (MLR) which measures the projected medical service costs as a percentage of the total capitation rates paid to the Contractor. The risk corridor would limit Contractor gains and losses if the actual MLR is different than the target MLR. The MLR definition will be consistent with Exhibit 5 of Attachment A to Amendment Number 6 to this Contract.

The following table summarizes the share of gains and losses relative to the target MLR for each party.

Mississippi Division of Medicaid Risk Corridor Parameters		
MLR Claims Corridor	**Contractor Share of Gain/Loss in Corridor**	**Division Share of Gain/Loss in Corridor**
Less than Target MLR -2.0%	0%	100%
Target MLR -2.0% to Target MLR +2.0%	100%	0%
Greater than Target MLR +2.0%	0%	100%

For the purposes of the SFY 2022 risk corridor, a different definition of MLR will be used than the Federal MLR definition.

Exhibit 13 of the April 21, 2021 rate certification letter "*Report08 - State Fiscal Year 2022 MississippiCAN Preliminary Rate Calculation and Certification*" illustrates the calculation of the target MLR for each CCO. The final target MLR will vary for each CCO and will depend on several currently unknown factors, including the final risk scores for each risk-adjusted rate cell, the amount of the quality withhold returned to each CCO, and the results of the final settlements for MHAP and MAPS. Exhibit 13 does not reflect the actual target MLR to be used for any CCO, but is shown for illustrative purposes. Moreover, Exhibit 13 does not reflect regional variations in capitation rates and risk scores (for applicable rate cells), which will be considered in the final risk corridor calculation. More detailed templates will be provided to the CCOs demonstrating the actual calculation to be used when developing risk corridor settlements.

The risk corridor will be implemented using the following provisions:

- Target MLR will be calculated for Contractor based on actual enrollment mix.

- The numerator of the Contractor's actual MLR will include all services incurred during the period of SFY 2022 with payments made to providers as defined in Exhibit C of this Contract, including fee-for-service payments, subcapitation payments, and settlement payments.

- Payments and revenue related to MHAP and MAPS will be included in the numerator and denominator of the Contractor's actual MLR.

- The 87.5% minimum MLR provision in Section 13.G of the Contract will apply after the risk corridor settlement calculation.

The initial risk corridor calculation and settlement will occur using the SFY 2022 values included in the annual MLR report submitted from the Contractor to the Division with six months of runout. A final calculation of payments or recoupments as a result of the risk corridor will occur once the MLR audit has been completed, typically 12 to 18 months after the close of the state fiscal year.

VI. Section 13.G, MEDICAL LOSS RATIO, is amended to read as follows:

G. Medical Loss Ratio

The Contractor shall provide quarterly and annual Medical Loss Ratio (MLR) reports as specified by the Division and in accordance with Exhibit C, Medical Loss Ratio (MLR) Calculation Methodology, of this Contract. The Division reserves the right to make such reports available to the public in their entirety. If the MLR (cost for health care benefits and services and specified quality expenditures) is less than eighty-seven and one-half percent (87.5%), the Contractor shall refund the Division the difference no later than the tenth (10th) business day of May following the end of the MLR Reporting Year. Any unpaid balances after the tenth (10th) business day of May shall be subject to interest of ten percent (10%) per annum. If funding levels for MHAP or MAPS change materially in future contract periods, the 87.5% MLR minimum will be recalibrated to account for this change in the directed payment programs.

See Exhibit C of this Contract for MLR calculation methodology and classification of costs.

VII. All other provisions of the Contract are unchanged and it is further the intent of the parties that any inconsistent provisions not addressed by the above amendments are modified and interpreted to conform with this Amendment Number Eleven.

IN WITNESS WHEREOF, the parties have executed this Amendment Number Eleven by their duly authorized representatives as follows:

Mississippi Division of Medicaid

By: _____
Drew L. Snyder
Executive Director

Date: 06/27/2021

Magnolia Health Plan, Inc.

By: _____
Aaron Sisk
President & Chief Executive Officer

Date: 06/23/2021

STATE OF MISSISSIPPI
COUNTY OF Hinds

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

GIVEN under my hand and official seal of office on this the 23rd day of June, 2021.

NOTARY PUBLIC

My Commission Expires:
Sept 23, 2024

STATE OF MISSISSIPPI NOTARY PUBLIC ID # 64864 SHELBY J. BERRYMAN Commission Expires Sept. 23, 2024 MADISON COUNTY

STATE OF Mississippi
COUNTY OF Hinds

THIS DAY personally came and appeared before me, the undersigned authority, in and for the aforesaid jurisdiction, the within named, **Aaron Sisk,** in his respective capacity as the **President and Chief Executive Officer of Magnolia Health Plan, Inc.,** a corporation authorized to do business in Mississippi, who acknowledged to me, being first duly authorized by said corporation that he signed and delivered the above and foregoing written **Amendment Number Eleven** for and on behalf of said corporation and as its official act and deed on the day and year therein mentioned.

GIVEN under my hand and official seal of office on this the 23rd day of June, 2021.

NOTARY PUBLIC

My Commission Expires:
Sept. 23, 2024

STATE OF MISSISSIPPI NOTARY PUBLIC ID # 64864 SHELBY J. BERRYMAN Commission Expires Sept. 23, 2024 MADISON COUNTY