



STATE OF MICHIGAN PROCUREMENT

Department of Health and Human Services

235 South Grand Ave., Suite 1201, Lansing, MI 48933

Grand Tower Building, Suite 1201, P.O. Box 30037, Lansing, MI 48909

CONTRACT CHANGE NOTICE

Change Notice Number **8**

to

Contract Number **MA 20000002095**

| | |
|-------------------|---|
| CONTRACTOR | Detroit Wayne Integrated Health Network |
| | 707 West Milwaukee |
| | Detroit, MI 48202 |
| | Eric Doeh |
| | 313-833-2500 |
| | Edoeh1@dwihn.org |
| | CV0054897 |

| | | | |
|--------------|------------------------|-------------------------|-------|
| STATE | Program Manager | Jeff Wieferich | MDHHS |
| | | 517-335-0499 | |
| | | wieferichJ@michigan.gov | |
| | Contract Administrator | Danielle Walsh | MDHHS |
| | | 517-284-0183 | |
| | | Walshd4@michigan.gov | |

CONTRACT SUMMARY

DESCRIPTION: Prepaid Inpatient Health Plan (PIHP)

| INITIAL EFFECTIVE DATE | INITIAL EXPIRATION DATE | INITIAL AVAILABLE OPTIONS | EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW | |
|---|-------------------------|---------------------------|---|-------------------|
| October 1, 2020 | September 30, 2021 | Seven, one-year | September 30, 2023 | |
| PAYMENT TERMS | | DELIVERY TIMEFRAME | | |
| Net 45 | | As Needed | | |
| ALTERNATE PAYMENT OPTIONS | | | EXTENDED PURCHASING | |
| <input type="checkbox"/> P-card <input type="checkbox"/> Payment Request (PRC) <input type="checkbox"/> Other | | | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | |
| MINIMUM DELIVERY REQUIREMENTS | | | | |
| N/A | | | | |
| DESCRIPTION OF CHANGE NOTICE | | | | |
| OPTION | LENGTH OF OPTION | EXTENSION | LENGTH OF EXTENSION | REVISED EXP. DATE |
| <input type="checkbox"/> | N/A | <input type="checkbox"/> | N/A | N/A |
| CURRENT VALUE | | VALUE OF CHANGE NOTICE | ESTIMATED AGGREGATE CONTRACT VALUE | |
| \$2,776,522,954.00 | | \$0.00 | \$2,776,522,954.00 | |
| DESCRIPTION: Effective upon MDHHS signature, this amendment revises Schedule A. | | | | |

FOR THE CONTRACTOR:

Detroit Wayne Integrated Health Network
Company Name

Authorized Agent Signature

Eric Doeh

Authorized Agent (Print or Type)

Date

FOR THE STATE:

Signature

Christine H. Sanches, Director,
Bureau of Grants and Purchasing
Name & Title

Michigan Department of Health and Human
Services
Agency

Date

1. Schedule A, Statement of Work
Section 3.1. Reporting, C. Ad Hoc Reporting is hereby added, existing letters C-G are hereby renumbered as follows.

C. Ad Hoc Reporting

Notwithstanding the provisions of 3.1.B.1., the State may request from the Contractor, on an ad hoc basis, reporting to ascertain compliance with provisions of this Contract. These requests will allow a minimum of 30 days for preparation and submission unless a different time frame is agreed to by all parties.

Existing Letter C., Reports and Annual Appropriation Boilerplate Requirements is hereby renumbered to Letter D.

Existing letter D., Medical Loss Ratio (MLR) Reporting Requirements is hereby renumbered to letter E.

Existing letter E., Finance Planning, Reporting, and Settlement is hereby renumbered to Letter F.

Existing letter F., Public Health Reporting is hereby renumbered to Letter G.

Existing letter G., Annual Provider Survey Reporting is hereby renumbered to letter H.

2. Schedule A, Statement of Work
Section 8. Payment Terms, B. State Funding, 1. Medicaid Payments, letters d., e., f., and g. are hereby added effective October 1, 2021.

- d. Savings and Reinvestment

Provisions regarding the Medicaid, Healthy Michigan Plan, and the Flint 1115 Waiver savings and the Contractor reinvestment strategy are included in the following sections e., f., and g. It should be noted that only a PIHP may earn and retain Medicaid/Healthy Michigan Plan savings. CMHSPs may not earn or retain Medicaid/Healthy Michigan Plan savings. Note that these provisions may be limited or canceled per Schedule A, Statement of Work, Section 1.1 Transition and may be modified by actions stemming from Schedule A, General Requirements, Section 1.D Contract Remedies and Sanctions.

- e. Medicaid Savings

The Contractor may retain unexpended Medicaid Capitation funds up to 7.5% of the Medicaid/Healthy Michigan Plan pre-payment authorization. These funds must be included in the Contractor's reinvestment strategy as described below. All Medicaid savings funds reported at fiscal year-end must be expended within one (1) fiscal year following the fiscal year earned for Medicaid or Healthy Michigan Program services to Medicaid or Healthy Michigan Plan covered consumers. All Healthy Michigan Plan savings funds reported at fiscal year-end must be expended within one (1) fiscal year following the fiscal year earned for Medicaid or Healthy Michigan Plan services to Medicaid or Healthy Michigan Plan covered consumers. If MDHHS and CMS approval is required of the reinvestment plan, the savings must be expended by the end of the fiscal year following the year the plan is approved. If a final MDHHS audit report creates new Medicaid/Healthy Michigan Plan savings, the Contractor will have one (1) year following the date of the final audit report to expend those funds according to Section 1.f. Unexpended Medicaid/Healthy Michigan Plan savings shall be returned to the MDHHS as part of the year-end settlement process. MDHHS will return the federal share of the unexpended savings to CMS.

f. Reinvestment Strategy – Medicaid Savings

The Contractor must develop and implement a reinvestment strategy for all Medicaid savings realized. The Contractor reinvestment strategy must be directed to the Medicaid population.

All Medicaid savings must be invested according to the criteria below. Any of these funds that remain unexpended at the end of the fiscal year must be returned to the MDHHS as part of the year-end settlement process.

g. Community Reinvestment Strategy

Services and supports must be directed to the Medicaid population. Community reinvestment plans to provide services contained in the State Medicaid Manual do not require prior approval by CMS and MDHHS. The funds must be expended in the fiscal year following the year they are earned. Prior approval by MDHHS and CMS is required for plans that include other expenditures in the community reinvestment plan. These funds must be expended within the fiscal year after the year of the CMS and MDHHS approval. Community reinvestment funds must be invested in accordance with the following criteria:

- i. Development of new treatment, supports and/or service models; these models shall be additional 1915(c) services provided to Medicaid beneficiaries as allowed under the cost savings aspect of the waiver.
- ii. Expansion or continuation of existing state plan or 1915(c) approved treatment, supports, and/or service models to address projected demand increases.
- iii. Community education, prevention and/or early intervention initiatives.
- iv. Treatment, supports and/or service model research and evaluation.
- v. The Contractor may use up to 15% of Medicaid savings for administrative capacity and infrastructure extensions, augmentations, conversions, and/or developments to:
 1. Assist the Contractor (as a PIHP) to meet new federal and/or state requirements related to Medicaid or Medicaid-related managed care activities and responsibilities.
 2. Implement consolidation or reorganization of specific administrative functions related to the Application for Participation and pursuant to a merger or legally constituted affiliation.
 3. Initiate or enhance recipient involvement, participation, and/or oversight of service delivery activities, quality monitoring programs, or customer service functions.
 4. Identify benefit stabilization purposes. Benefit stabilization is designed to enable maintenance of contracted benefits under conditions of changing economic conditions and payment modifications. This enables the Contractor to utilize savings to assure the availability of benefits in the following year. Funds reserved for benefit stabilization purposes may not be used for past years liabilities.

The reinvestment strategy will become a contractual performance objective. All Medicaid savings funds must be expended within one (1) fiscal year following CMS approval of the reinvestment plan. The Contractor must document for audit purposes the expenditures that implement the reinvestment plan. Unexpended Medicaid savings must be returned to the MDHHS as part of the year-end settlement process.