<<PROGRAM NAME>> CONTRACT

between

DEPARTMENT OF HEALTH SERVICES

DIVISION OF LONG TERM CARE

and

<< NAME OF MCO >>

January 1, 2011 – December 31, 2011

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PREAMBLE

The Wisconsin Department of Health Services (the Department) contracts with the managed care organization (MCO) to deliver the Family Care Program, the Family Care Partnership Program (Partnership) or the Program of All-Inclusive Care for the Elderly (PACE) as defined in this contract. These programs provide supports and services in the individual benefit package through a managed care service delivery model to enrollees in need of long-term care.

It is the intent of the Department that the Family Care, Partnership and PACE programs be truly integrated models for the delivery of all aspects of the members' Medicaid services and that all of these programs employ the Family Care philosophy and basic methods. These programs differ primarily in the scope of services.

- **Family Care** is a capitated Medicaid managed care program for the delivery of all Medicaid long-term care services. Members enrolled in Family Care may be eligible at a Wisconsin Medicaid nursing home-certifiable level of care or at a non-nursing home level of care. One of these functional levels of care is required as a condition of eligibility.
- **Partnership** is a capitated integrated Medicaid and Medicare managed care program that, in addition to the Family Care long-term care benefits, provides managed health care benefits, and all applicable Medicare Advantage Special Needs Plan and Medicare Part D prescription drug benefits. All members enrolled in Partnership have a Wisconsin Medicaid nursing home-certifiable level of care, which is required as a condition of eligibility. As a fully integrated program, all supports and services – whether Medicare or Medicaid benefits – are delivered through the Partnership model design identified in this contract.
- **PACE** is a capitated integrated Medicaid and Medicare managed care program very similar to Partnership, but that conforms to some service delivery methods prescribed in federal regulations. All members enrolled in PACE have a Wisconsin Medicaid nursing home-certifiable level of care, which is required as a condition of eligibility. As a fully integrated program, all supports and services – whether Medicare or Medicaid benefits – are delivered through the PACE model design identified in this contract.

The philosophy and basic methods for these programs are defined through this contract with the managed care organization and the MCO's Member Handbook/Evidence of Coverage (EOC). It is the Department's expectation under this contract that benefits will be fully integrated and will afford options that foster opportunities for interaction and full community inclusion while supporting each member's individual outcomes and recognizing each member's preferences. The Department further expects that each member will have the opportunity to make informed choices about where they live, how they make or maintain connections to the community and whether they seek competitive employment.

All services and supports within the benefit package are delivered through the Family Care, Partnership or PACE program models of care including:

- Integration and support for Medicaid eligibility determination and enrollment procedures and, in the case of Partnership and PACE, for Medicare enrollment procedures;
- Maintenance of a network of providers with capacity to provide program benefits to members;
- Member-centered outcome-based care planning;
- Member-centered interdisciplinary care management;
- Member-centered service authorization and delivery;
- Support of member rights;
- Responsiveness to grievances and appeals;
- Quality management; and
- Cost effective and efficient contracting and service utilization.

Any MCO that delivers the Family Care, Partnership or PACE benefit under this contract must first be certified by the Department. The Department pays the MCO a fixed monthly capitation payment for each member. The MCO provides to each member the Medicaid long-term care and health care services and supports identified in this contract that are appropriate to that individual member's outcomes and needs.

As part of the Department's quality management strategy, this contract describes desired outcomes, how the Department will determine that member-identified outcomes have been supported, and the standards of operation the Department expects to be met by MCO contractors.

This contract is entered into between the State of Wisconsin represented by its Division of Long-Term Care, of the Department of Health Services, whose principal business address is One West Wilson Street, P.O. Box 7851, Madison, Wisconsin, 53707-7851, and <<Generic>> Managed Care Organization, hereafter MCO, whose principal business address is <<Department>>, <<Address>>.

This contract shall be for the period January 1, 2011 through December 31, 2011.

I. Definitions

Refer to Addendum XII, Benefit Package Service Definitions, page 256 for service definitions.

1. **Abuse:** as defined by s. 46.90(1)(a), Wis. Stats. means any of the following:
   a) Physical abuse: intentional or reckless infliction of physical pain or injury, illness, or any impairment of physical condition.
   b) Emotional abuse: language or behavior that serves no legitimate purpose and is intended to be intimidating, humiliating, threatening, frightening, or otherwise harassing, and that does or reasonably could intimidate, humiliate, threaten, frighten, or otherwise harass the individual to whom the conduct or language is directed.
   c) Sexual abuse: a violation of criminal assault law, s. 940.225 (1), (2), (3), or (3m), Wis. Stats.
   d) Treatment without consent: the administration of medication to an individual who has not provided informed consent, or the performance of psychosurgery, electroconvulsive therapy, or experimental research on an individual who has not provided informed consent, with the knowledge that no lawful authority exists for the administration or performance.
   e) Unreasonable confinement or restraint: the intentional and unreasonable confinement of an individual in a locked room, involuntary separation of an individual from his/her living area, use on an individual of physical restraining devices, or the provision of unnecessary or excessive medication to an individual, but does not include the use of these methods or devices in entities regulated by the department if the methods or devices are employed in conformance with state and federal standards governing confinement and restraint.

2. **Activities of Daily Living** or **ADLs:** bathing, dressing, eating, mobility, transferring from one surface to another such as bed to chair and using the toilet.

3. **Acute and Primary Care Benefit Package:** the services identified in Addendum XII, Benefit Package Service Definitions, Section C. that are not also identified in Addendum XII, Benefit Package Service Definitions, Section B.

4. **Acute Care:** treatment for, including all supplies and services, an abrupt onset as in reference to a disease. Acute connotes an illness that is of short duration, rapidly progressive, and in need of urgent care.

5. **Adult at Risk:** as defined in s. 55.01(1e), Wis. Stats. means any adult who has a physical or mental condition that substantially impairs his/her ability to care for his/her needs and who has experienced, is currently experiencing, or is at risk of experiencing abuse, neglect, self−neglect, or financial exploitation.

6. **Adult Family Home** or **AFH:** has the meaning specified in s. 50.01(1), Wis. Stats.

7. **Adult Protective Services** or **APS:** as defined by s. 55.01(6r), Wis. Stats., includes any of the following: (a) outreach, (b) identification of individuals in need of services, (c) counseling and referral for services, (d) coordination of services for individuals, (e) tracking and follow-up, (f) social services, (g) case management, (h) legal counseling or referral, (i) guardianship referral, (j) diagnostic evaluation, and (k) any services that, when provided to an individual with developmental disabilities, degenerative brain disorder, serious and persistent mental illness, or other like incapacity, keep the individual safe from abuse, financial exploitation, neglect, or self-neglect or prevent the individual from experiencing deterioration or from inflicting harm on himself or herself or another person.

8. **Advance Directive:** a written instruction, such as a living will or durable power of attorney for health care, recognized under Wisconsin law (whether statutory or recognized by the courts of Wisconsin) and relating to the provision of such care when the individual is incapacitated.

9. **Adverse Action Date:** by law, individuals must be given at least ten (10) calendar days advance notice before any adverse action (i.e., reduction or termination) can take effect relative to their Medicaid eligibility and benefits. The "Adverse Action Date" is the day during a given month by which an adverse action must be taken so as to assure that the member has the notice in hand at least ten (10) calendar days before the effective date of the adverse action. The effective date of most Medicaid benefit reductions or terminations is the first day of a given month. Therefore, the Adverse Action Date is generally mid-month in the month prior. In a thirty-one (31) day month, adverse action is on or around the 18th; in a thirty (30) day month, it's on or around the 17th.

10. **Adverse Event:** any circumstance, event, or condition resulting from either action or inaction that:

    a) Was undesirable and unintended; and

    b) Did not result in any serious harm to a member's health, safety or well-being; and

    c) Indicates or may indicate a quality issue with the services provided by the MCO or any of its providers.

11. **Aging and Disability Resource Center (ADRC)** or **Aging Resource Center** or **Disability Resource Center** or **Resource Center:** an entity that meets the standards for operation and is under contract with the Wisconsin Department of Health Services to provide services under s. 46.283(3), Wis. Stats., or, if under contract to provide a portion of the services specified under s. 46.283(3), Wis. Stats., meets the standards for operation with respect to those services. For the purposes of this contract, entity will be referred to as Resource Center.

12. **Assets:** any interest in real or personal property that can be used for support and maintenance. "Assets" includes motor vehicles, cash on hand, amounts in checking and savings accounts, certificates of deposit, money market accounts, marketable securities, other financial instruments and cash value of life insurance.

13. **Assistance:** cueing, supervision or partial or complete hands-on assistance from another person.

14. **Authorized Representative:** a member's or potential member's authorized representative is a person who has the legal authority to make decisions appropriate to that authority for a member or potential member. An authorized representative may be a guardian appointed under Chapter 54 of the Wisconsin Statutes, a person designated power of attorney for health care under Chapter 155 of the Wisconsin Statutes or a person designated durable power of attorney under Chapter 243 of the Wisconsin Statutes.

15. **Balanced Work Force:** an equitable representation of handicapped persons, minorities and women in each level (job category) of a work force which approximates the percentage of individuals with disabilities, minorities, and women available for jobs at each level from the relevant labor market from which the contractors/vendor recruits job applicants.

16. **Benefit:** the package of services provided by the MCO under this contract to which a member has access if, within the benefit, a specific service is identified as a service necessary to support outcomes. The benefit packages that may be contracted for under this contract are:

    a) The Family Care Benefit Package:

        i. The home and community-based waiver services defined in Addendum XII.A; and,
        ii. The Medicaid State Plan Services identified in Addendum XII.B; and,
        iii. Any cost-effective health care services the MCO substitutes for a Medicaid State Plan service.

    b) The Partnership Benefit Package:

        i. The home and community-based waiver services defined in Addendum XII.A; and,
        ii. All Medicaid State Plan Services identified in Addendum XII.C; and,
        iii. Any cost-effective health care services the MCO substitutes for a Medicaid State Plan service.

    c) The PACE Benefit Package:

        i. The home and community-based waiver services defined in Addendum XII.A; and,
        ii. All Medicaid State Plan Services identified in Addendum XII.C; and,

iii. Any cost-effective health care services the MCO substitutes for a Medicaid State Plan service.

17. **Business Day:** Monday through Friday, except days which the office of the Managed Care Organization is closed.

18. **Care Management:** individualized assessment and care planning, authorizing, arranging and coordinating services in the member-centered plan (MCP) and periodic reassessments and updates of the MCP. Care management also includes assistance in filing grievances and appeals, maintaining eligibility, accessing community resources and obtaining advocacy services.

19. **Center for Medicare and Medicaid Services** (CMS)**:** the federal agency responsible for oversight and federal administration of Medicare and Medicaid programs.

20. **Client Rights:** see Member Rights.

21. **Cold Call Marketing:** any unsolicited personal contact by the MCO with a potential enrollee for the purpose of marketing as defined in Article IX, Marketing and Member Materials, page 118.

22. **Comprehensive Assessment:** an initial and ongoing part of the member-centered planning process employed by the interdisciplinary team (IDT) to identify the member's outcomes and the services and supports needed to help support those outcomes. It includes an ongoing process of using the knowledge and expertise of the member and caregivers to collect information about:

    a) The member's needs, strengths and outcomes;

    b) The member's resources, informal supports and community connections through significant others, close family members and friends;

    c) Any ongoing conditions of the member or other risk factors that require a course of treatment or regular care monitoring; and

    d) The member's preferences for the way in which the services and supports identified in the member-centered planning process will be delivered or coordinated by IDT staff.

23. **Conflict of Interest:** a situation where a person or entity other than the member is involved in planning or delivery of services to the member, and has an interest in, or the potential to benefit from, a particular decision, outcome or expenditure.

24. **Contract/this Contract/the Contract:** this contractual agreement between the Wisconsin Department of Health Services and the Managed Care Organization.

25. **Cost Share:** the contribution toward the cost of services required under 42 CFR 435.726 as a condition of eligibility for Medicaid for some members who do not otherwise meet Medicaid categorical or medically needy income limits.

26. **County Agency:** a county department of aging, social services or human services, an aging and disability resource center, a long-term care district or a tribal agency that has been designated by the Department of Health Services to determine financial eligibility and cost sharing requirements.

27. **Crime:** conduct which is prohibited by state law and punishable by fine or imprisonment or both. Conduct punishable only by a forfeiture is not a crime.

28. **Critical Incident:** a circumstance, event or condition resulting from action or inaction that is either:

    a) Associated with suspected abuse, neglect, financial exploitation, other crime, a violation of member rights, or any unplanned, unapproved use of restrictive measures;

    b) Or that:

        i. Resulted in serious harm to the health, safety or well-being of a member; or
        ii. Resulted in serious harm to the health, safety or well-being of another person as a result of the member's actions; or
        iii. Resulted in substantial loss in the value of the personal or real property of a member or of another person as a result of the member's actions; or
        iv. Resulted in the unexpected death of a member; or
        v. Posed an immediate and serious risk to the health, safety, or well-being of a member, but did not cause harm because of chance or improvised preventive intervention.

29. **Department:** the Wisconsin Department of Health Services (DHS) or its designee.

30. **Developmental Disability:** a disability attributable to brain injury, cerebral palsy, epilepsy, autism, Prader-Willi syndrome, mental retardation, or another neurological condition closely related to mental retardation or requiring treatment similar to that required for mental retardation, that has continued or can be expected to continue indefinitely and constitutes a substantial handicap to the afflicted individual. "Developmental disability" does not include senility that is primarily caused by the process of aging or the infirmities of aging.

31. **DHS:** the Wisconsin Department of Health Services.

32. **Donation:** something of value voluntarily transferred by a member, the member's authorized representative or family to the MCO without compensation.

a) Something of value means cash or some other existing identifiable items that has a fair market value of more than $100.00.

b) Voluntarily transferred means:

i. The member, the member's authorized representative or family transferring the item of value has the intention to voluntarily give it without compensation; and,
ii. The member, the member's authorized representative or family transferring the gift is legally competent (in order to have intention); and,
iii. The MCO receiving the gift is an eligible recipient (e.g., some entities have prohibitions against employees accepting gifts); and,
iv. The item of value is an existing identifiable thing (e.g., a promise to give something in the future is not a gift); and,
v. The item of value is actually transferred.

33. **Dual Eligible:** refers to an individual who meets the requirements to receive benefits from both the Federal Medicare Program and the Wisconsin Medicaid Program. "Dual eligibility" does not guarantee "dual coverage."

34. **Economic Support Specialist** (also known as Income Maintenance (IM) worker)**:** a person employed by a county or a governing body of a federally recognized American Indian tribe whose duties include determinations or re-determinations of IM program eligibility, including financial eligibility for Medicaid, the Family Care program and other public benefits.

35. **Elder Adult at Risk:** as defined in s. 46.90(br), Wis. Stats. means any person age 60 or older who has experienced, is currently experiencing, or is at risk of experiencing abuse, neglect, self−neglect, or financial exploitation.

36. **Eligibility/Eligible Person:** a person who meets the eligibility requirements in Article III, Eligibility, page 23.

37. **Emergency Medical Condition:** a medical condition manifesting itself by acute symptoms of sufficient severity (including severe pain) that a prudent layperson, who possesses an average knowledge of health and medicine, could reasonably expect the absence of immediate medical attention to result in the following:

a) Placing the health of the individual (or, with respect to a pregnant woman, the health of the woman or her unborn child) in serious jeopardy;

b) Serious impairment to bodily functions; or

c) Serious dysfunction of any bodily organ or part.

38. **Emergency Services:** covered inpatient and outpatient services that are:

a) Furnished by a provider that is qualified to furnish these services under Title 19 of the Social Security Act; and

b) Needed to evaluate or stabilize an emergency medical condition.

39. **Encounter Reporting:** the collection and reporting of encounter data to the Department of Health Services. Encounter data are detailed records of health care services or items that have been provided to MCO members. Encounter data are used for rate setting and program analysis.

40. **End Stage Renal Disease** or **ESRD:** the stage of renal impairment that appears irreversible and permanent, and requires a regular course of dialysis or kidney transplantation to maintain life.

41. **Enhanced Services:** see Purchase of Enhanced Services.

42. **Enrollee:** see Member.

43. **Enrollment Consultant:** the individual who performs enrollment consulting activities to potential enrollees such as, answering questions and providing information in an unbiased manner on available delivery system options, including the option of enrolling in an MCO and advising on what factors to consider when choosing among these options.

44. **Experimental Surgery and Procedures:** "experimental" means a service, procedure, item or treatment that is "not proven and effective" for the conditions for which it is intended to be used.

45. **Fair Hearing:** a de novo proceeding under ch. HA 3 Wis. Admin. Code, before an impartial administrative law judge in which the petitioner or the petitioner's representative presents the reasons why an action or inaction by the Department of Health Services, a county agency, a resource center or an MCO in the petitioner's case should be corrected.

46. **Family Care:** a capitated Medicaid managed care program for the delivery of all Medicaid long-term care services. Members enrolled in Family Care may be eligible at a Wisconsin Medicaid nursing home-certifiable level of care or at a non-nursing home level of care. One of these functional levels of care is required as a condition of eligibility.

47. **Family Care Benefit:** see Benefit.

48. **Federally Qualified Health Center** or **FQHC:** defined in Section 4161 of the Omnibus Budget Reconciliation Act of 1990. The purpose of FQHC Program is to enhance the provision of primary care services in underserved urban and rural communities. FQHCs are providers such as community health centers, outpatient health programs funded by the Public or Indian Health Service, and programs serving migrants and the homeless.

49. **Financial Eligibility** and **Cost-Sharing Screen:** a uniform screening tool prescribed by DHS that is used to determine financial eligibility and cost-sharing under ss. 46.286(1)(b) and (2) Wis. Stats., and chs. DHS 10.32 and 10.34 Wis. Admin. Code.

50. **Financial Exploitation:** includes any of the following acts:

    a) Fraud, enticement or coercion;

    b) Theft;

    c) Misconduct by a fiscal agent;

    d) Identity theft;

    e) Unauthorized use of the identity of a company or agency;

    f) Forgery; or

    g) Unauthorized use of financial transaction cards including credit, debit, ATM and similar cards.

51. **Frail Elder:** an individual who is 65 years of age or older and has a physical disability or irreversible dementia that restricts the individual's ability to perform normal daily tasks or that threatens the capacity of the individual to live independently.

52. **Fraud:** an intentional deception or misrepresentation made by a person or entity with the knowledge that the deception or misrepresentation could result in some unauthorized benefit to him/herself, itself or to some other person or entity. It includes any act that constitutes fraud under applicable federal or state law.

53. **Functional Capacity:** the skill to perform activities in an acceptable manner.

54. **Gift:** something of value voluntarily transferred by one person or entity to another person or entity without compensation.

    a) Something of value means cash or some other existing identifiable thing that has a fair market value of more than $10.00.

    b) Voluntarily transferred means:

        i. The person or entity transferring the thing of value has the intention to voluntarily give it without compensation; and,
        ii. The person transferring the gift is competent (in order to have intention); and,
        iii. The person or entity receiving the gift is an eligible recipient (e.g., some entities have prohibitions against employees accepting gifts); and,
        iv. The thing of value is an existing identifiable thing (e.g., a promise to give something in the future is not a gift); and,
        v. The thing of value is actually transferred.

55. **Harassment:** any unwanted offensive or threatening behavior, which is linked to one or more of the below characteristics when:

a) Submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment or eligibility for services;

b) Submission to or rejection of such conduct by an individual is used as the basis for employment or service decisions affecting such individual; or

c) Such conduct has the purpose or effect of substantially interfering with an individual's work performance, or of creating an intimidating, hostile or offensive work or service delivery environment, which adversely affects an individual's opportunities.

Harassing behavior may include, but is not limited to, demeaning or stereotypical comments or slurs, ridicule, jokes, pranks, name calling, physical or verbal aggression, gestures, display or possession of sexually graphic materials, cartoons, physical contacts, explicit or implicit threats separate from supervisory expressions of intention to use the disciplinary process as a consequence of continued inappropriate behavior, malicious gossip or any other activity that contributes to an intimidating or hostile work environment.

Sexually harassing behavior is unwelcome behavior of a sexual nature toward males or females which may include, but, is not limited to, physical contact, sexual advances or solicitation of favors, comments or slurs, jokes, pranks, name calling, gestures, the display or possession of sexually graphic materials which are not necessary for business purposes, malicious gossip and verbal or physical behaviors which explicitly or implicitly have a sexual connotation.

Harassment is illegal when it is a form of discrimination based upon age, disability, association with a person with a disability, national origin, race, ancestry or ethnic background, color, record of arrest or conviction which is not job-related, religious belief or affiliation, sex or sexual orientation, marital status, military participation, political belief or affiliation, and use of a legal substance outside of work hours.

56. **Home:** a place of abode and lands used or operated in connection with the place of abode.

57. **Hospital:** has the meaning specified in s. 50.33(2), Wis. Stats.

58. **Income Maintenance Agency** (IM Agency)**:** a subunit of a county or tribal government responsible for administering IM Programs including Wisconsin Medicaid; formerly known as the Economic Support Agency.

59. **Indian:** an individual, defined at title 25 of the U.S.C. sections 1603(c), 1603(f). 1679(b) or who has been determined eligible, as an Indian, pursuant to 42 C.F.R. 136.12 or Title V of the Indian Health Care Improvement Act, to receive health care services from Indian

health care providers (IHS, an Indian Tribe, Tribal Organization, or Urban Indian Organization–I/T/U) or through referral under Contract Health Services.

60. **Indian Health Care Provider:** a health care program, including CHS, operated by the IHS or by an Indian Tribe, Tribal Organization, or Urban Indian Organization (otherwise known as an I/T/U) as those terms are defined in section 4 of the Indian Health Care Improvement Act (25 U.S.C. 1603).

61. **Individual at Risk:** an elder adult at risk (age 60 and over) or an adult at risk (age 18-59).

62. **Ineligible Person**: a person is ineligible for membership in the MCO if the person fails to meet the eligibility requirements specified in Article III, page 23 as determined by the Department, the resource center or income maintenance agency prior to enrollment in the MCO, or if the person determined to be eligible prior to enrollment no longer meets eligibility requirements as determined by DHS, the resource center or income maintenance agency.

63. **Instrumental Activities of Daily Living** or **IADLs:** management of medications and treatments, meal preparation and nutrition, money management, using the telephone, arranging and using transportation and the ability to function at a job site.

64. **Interdisciplinary Team** or **IDT:** the member and individuals identified by the MCO to provide care management services to members. Individual employees assigned to an IDT shall have specialized knowledge of the conditions of the target populations served by the MCO, the full-range of long-term care resources and community alternatives. The IDT may periodically use other persons with appropriate additional specialized expertise when needed to assist in assessment, consultation, ongoing coordination efforts and other areas as needed.

65. **Interdisciplinary Team for County Elder Adults/Adults at Risk** or **I-Team:** a group of selected professionals from a variety of disciplines who meet regularly to discuss and provide consultation on specific cases of elder abuse, neglect or exploitation. An I-Team uses the varied backgrounds, training and philosophies of the different professions to explore the best service plan for the cases involved.

66. **Long-Term Care Benefit Package/LTC Benefit Package:** the services identified in Addendum XII, Benefit Package Service Definitions, sections A and B.

67. **Long-Term Care District:** a special purpose district created under s. 46.2895(1), Wis. Stats.

68. **Long-Term Care Facility:** a nursing home, adult family home, community-based residential facility or residential care apartment complex.

69. **Long-Term Care Functional Screen** or **LTC FS:** a uniform screening tool prescribed by DHS that is used to determine functional eligibility under ss. 46.286(1)(a) and (1m), Wis. Stats., and chs. DHS 10.32 and 10.33 Wis. Admin. Code.

70. **Managed Care Organization** or **MCO:** an entity that the Department has certified as having capacity for financial solvency and stability as defined in Article XVII, Fiscal Components/Provisions, page 207 and which has agreed under this contract to make the services in the benefit package defined in Article VII, Services, page 73 available to members for payment as defined in Article XVIII, Payment to the Managed Care Organization, page 216.

71. **Marketing:** any communication, from a managed care organization to an individual who is not enrolled in that entity, that can reasonably be interpreted as intended to influence the individual to enroll in or not to enroll in that particular managed care organization's Medicaid product, or to disenroll from, another managed care organization's Medicaid product.

72. **Marketing/Outreach Activities:** the production and dissemination of marketing/outreach materials and the sponsorship of community events that can be reasonably interpreted as intended to influence individuals to enroll or reenroll in the MCO.

73. **Marketing/Outreach Materials:** materials in all mediums, including but not limited to, internet, brochures and leaflets, newspaper, magazine, radio, television, billboards, yellow pages, advertisements, other print media and presentation materials, used by or on behalf of the MCO to communicate with individuals who are not members, and that can be reasonably interpreted as intended to influence the individuals to enroll or reenroll in the MCO.

74. **Master Client Index** or **MCI:** This index is a way to identify the same person between different computer systems. CARES, the LTC Functional Screen and the interChange system all use MCI. The member ID used in the interChange system is also that member's MCI.

75. **Medicaid:** the Wisconsin Medical Assistance program operated by the Wisconsin Department of Health Services under Title XIX of the Federal Social Security Act, ch. 49 Wis. Stats., and related state and federal rules and regulations. The term "Medicaid" will be used consistently in this contract. However, "Medicaid" is also known as "MA," "Medical Assistance," and "Wisconsin Medical Assistance Program" or "WMAP."

76. **Medicaid Recipient:** any individual receiving benefits under Title XIX of the Social Security Act, and under the Medicaid State Plan as defined in ch. 49 Wis. Stats.

77. **Medically Necessary Services:** Medicaid services (as defined under s. 49.46, Wis. Stats., and ch. 107 Wis. Admin. Code) that are required to prevent, identify or treat a member's illness, injury or disability; and that meet the following standards:

a) Are consistent with the member's symptoms or with prevention, diagnoses or treatment of the member's illness, injury or disability;

b) Are provided consistent with standards of acceptable quality of care applicable to the type of service, the type of provider and the setting in which the service is provided;

c) Are appropriate with regard to generally accepted standards of medical practice;

d) Are not medically contraindicated with regard to the member's diagnoses, symptoms, or other medically necessary services being provided to the member;

e) Are of proven medical value or usefulness and, consistent with ch. DHS 107.035 Wis. Admin. Code, are not experimental in nature;

f) Are not duplicative with respect to other services being provided to the member;

g) Are not solely for the convenience of the member, the member's family or a provider;

h) With respect to prior authorization of a service and other prospective coverage determinations made by DHS, are cost-effective compared to an alternative medically necessary service which is reasonably accessible to the member; and,

i) Are the most appropriate supply or level of service that can safely and effectively be provided to the member.

78. **Medication Review and Intervention:** a comparison of medications prescribed by health care providers and medications taken by the member. When any discrepancy between medications prescribed and medications taken is discovered the IDT staff nurse is responsible, in accordance with state and professional nursing standards, to assure that efforts are made to clarify and reinforce with the member the correct medication regimen. IDT staff are responsible for medication review and intervention for all members of the MCO every six months.

79. **Member:** a person who is currently enrolled in a managed care organization.

80. **Member-Centered Plan** or **MCP:** a record that documents a process by which the member and the interdisciplinary team staff further identify, define and prioritize the member's outcomes initially identified in the comprehensive assessment. The MCP also identifies the services and supports, paid or unpaid, provided or arranged by the MCO including the frequency and duration of each service (e.g., start and stop date), and the provider(s) that will furnish each service. The MCP also identifies clinical and functional needs of the member identified by the IDT staff which the member may not want to receive assistance with at this time, but for health and safety reasons the IDT staff need to recognize and attempt to mitigate.

81. **Member Handbook/Evidence of Coverage:** a document describing the program benefits and policies that is approved by the Department and distributed to members. The handbook must meet all the handbook requirements identified in Article IX,

Marketing and Member Materials, page 118. For the Partnership programs, the member handbook is known in the Medicare program as the Evidence of Coverage (EOC). For the PACE program, the member handbook is known in the Medicare program as the Enrollment Agreement and Member Handbook.

82. **Member Materials:** materials in all mediums to inform members of benefits, procedures, formularies and provider networks, including but not limited to, handbooks and brochures used by or on behalf of the MCO to communicate with enrolled members.

83. **Member Rights:** the rights outlined in applicant information materials and the Member Handbook/Evidence of Coverage as approved by DHS consistent with DHS 10.51, Wis. Admin. Code.

84. **Memorandum of Understanding** or **MOU:** an agreement detailing the actions of two parties under circumstances specified in the agreement.

85. **Necessary Long-Term Care Services and Supports:** any service or support that is provided to assist a member to complete daily living activities, learn new skills, maintain a general sense of safety and well-being, or otherwise pursue a normal daily life rhythm, and that meets the following standards:

    a) Is consistent with the member's comprehensive assessment and member-centered plan;

    b) Is provided consistent with standards of acceptable quality of care applicable to the type of service, the type of provider and the setting in which the service is provided;

    c) Is appropriate with regard to the Department's and MCO's generally accepted standards of long-term care and support;

    d) Is not duplicative with respect to other services being provided to the member;

    e) With respect to prior authorization of a service and other prospective coverage determinations made by the MCO, is cost-effective compared to an alternative necessary long-term care service which is reasonably accessible to the member; and,

    f) Is the most appropriate supply or level of service that can safely and effectively be provided to the member.

86. **Neglect:** defined in s.46.90(1)(f), Wis. Stats., to mean the failure of a caregiver, as evidenced by an act, omission, or course of conduct, to endeavor to secure or maintain adequate care, services, or supervision for an individual, including food, clothing, shelter, or physical or mental health care, and creating significant risk or danger to the individual's physical or mental health. "Neglect" does not include a decision that is made to not seek medical care for an individual, if that decision is consistent with the individual's previously executed declaration or do−not−resuscitate order under ch. 154,

Wis. Stats., a power of attorney for health care under ch. 155, Wis. Stats., or as otherwise authorized by law.

Self−neglect as defined in s. 46.90(1)(g), Wis. Stats., means a significant danger to an individual's physical or mental health because the individual is responsible for his/her own care but fails to obtain adequate care, including food, shelter, clothing, or medical or dental care.

87. **Non-Nursing Home Level of Care:** a level of care in the Family Care program only, which is defined in s. 46.286(1)(a) 1.b., Wis. Stats.

88. **Nursing Home:** has the meaning specified in s. 50.01(3), Wis. Stats.

89. **Nursing Home Level of Care:** a level of care provided in a nursing facility and reimbursable under the Medicaid program.

90. **Office of the Commissioner of Insurance** or **OCI:** for Family Care, the OCI issues the annual permits to operate the program, monitors the MCO's financial solvency (i.e. financial position), and performs financial examinations of the MCOs. For Partnership and PACE, the OCI issues the HMO license, monitors the HMO's solvency, and performs financial examinations of the HMO in accordance with prescribed insurance laws and regulations.

91. **Outcome:** a desirable situation, condition, or circumstance of a member's life that can be a result of effective care management. Outcomes include three types of outcomes:

    a) **Clinical outcome**: a condition or circumstance that relates to a member's individual physical, mental, or emotional health, safety, or well-being. Clinical outcomes are objectively measurable by someone other than the member, and their presence or absence can be determined without knowing the member's preferences regarding the condition or circumstance.

    b) **Functional outcome**: an ability that the member has or does not have to perform certain functions, tasks, or activities. The presence, absence, or degree of functional outcomes can be objectively measurable by someone other than the member, and their presence or absence can be determined without knowing the member's preferences regarding the functional ability.

    c) **Personal-experience outcome**: The presence, absence, or degree to which a personal-experience outcome is present in any member's life can be determined only by ascertaining the member's individual preference with regard to the outcome and by ascertaining the member's assessment of whether that desired circumstance is present for him/her.

92. **PACE** or **a Program of All-inclusive Care for the Elderly:** a capitated integrated Medicaid and Medicare managed care program very similar to Partnership, in accordance with 42 CFR § 460.6, Definitions. All members enrolled in PACE have a Wisconsin Medicaid nursing home-certifiable level of care, which is required as a condition of

eligibility. As a fully integrated program, all supports and services – whether Medicare or Medicaid benefits – are delivered through the PACE model design identified in this contract.

93. **Participant:** See Member.

94. **Partnership:** means the Wisconsin Family Care Partnership program. A capitated integrated Medicaid and Medicare managed care program that, in addition to the Family Care long-term care benefits, provides managed health care benefits, and all applicable Medicare Advantage Special Needs Plan and Medicare Part D prescription drug benefits. All members enrolled in Partnership have a Wisconsin Medicaid nursing home-certifiable level of care, which is required as a condition of eligibility. As a fully integrated program, all supports and services – whether Medicare or Medicaid benefits – are delivered through the Partnership model design identified in this contract

95. **Partnership Benefit:** see Benefit.

96. **Physical Abuse:** the willful or reckless infliction of bodily harm. Bodily harm means physical pain or injury, illness, or any impairment of physical condition.

97. **Physical Disability:** a physical condition, including an anatomical loss or musculoskeletal, neurological, respiratory or cardiovascular impairment, that results from injury, disease or congenital disorder and that significantly interferes with or significantly limits at least one major life activity of a person. In the context of physical disability, "major life activity" means self-care, performance of manual tasks unrelated to gainful employment, walking, receptive and expressive language, breathing, working, participating in educational programs, mobility other than walking and capacity for independent living.

98. **Post-Eligibility Treatment of Income:** see Cost Share.

99. **Post Stabilization Services:** services related to an emergency medical condition that are either provided:

    a) After a member is stabilized in order to maintain the stabilized condition; or

    b) To improve or resolve the member's condition.

    Coverage of Post Stabilization Services is defined under Article VII, Services, Section C.2.d., page 77 of this contract.

100. **Potential Enrollee** or **Potential Member:** a person who is or may be eligible to enroll in a managed care organization but is not yet a member.

101. **Primary Care:** health care provided by a medical professional with whom a patient has initial contact and by whom the patient may be referred to a specialist for further treatment. Services are provided to the patient with a goal of providing a broad spectrum of care, both preventive and curative, over a period of time. Activities include

coordinating all of the care the patient receives and, ideally, the provision of continuity and integration of health care. Family practice and general practice physicians and most pediatricians, internists, and obstetricians/gynecologists are considered as primary care physicians.

102. **Private Pay Individual:** a person who:

a) Is a member of an MCO's target population; and

b) Meets the non-financial conditions for eligibility and enrollment; and

c) Either:

i. Does not qualify financially for enrollment in the MCO; or

ii. Does qualify financially for enrollment in the MCO, but who is not entitled to receive the benefit immediately and is on a waiting list; and

d) Would like to pay privately for services and supports, including but not limited to care management and long-term care.

103. **Purchase of Enhanced Services:** a voluntary choice by a member or someone else on the member's behalf to purchase at fair market value, a service or item from the MCO, an MCO provider or any individual agency associated with the MCO or its providers that is an additional service or item that is included in the benefit package but that is not necessary to support member outcomes as agreed upon by the MCO and the member (as documented in the MCP).

104. **Regional Long-Term Care Committee:** has the meaning specified in s. 46.2825, Wis. Stats.

105. **Residential Care Apartment Complex** or **RCAC:** has the meaning specified in s. 50.01(1d), Wis. Stats.

106. **Resource Center:** see Aging and Disability Resource Center.

107. **Restrictive Measure:** any type of restraint, isolation, seclusion, protective equipment, or medical restraint.

108. **Secretary:** means the secretary of the Wisconsin Department of Health Services.

109. **Service Area:** the geographic area within which potential members must reside in order to enroll and remain enrolled in the MCO under this contract. To be eligible to enroll in an MCO, a potential member must be a resident of the county (or one of the counties) listed in Article XIX, MCO Specific Contract Terms, page 221.

110. **Services Necessary to Support Outcomes:** services necessary to support outcomes are identified in the member's Member-Centered Plan and include both necessary long-term care services and medically necessary services. The MCO can offer reasonable

alternative services that meet a member's needs and support desired outcomes at less expense. Reasonable alternatives are those which:

a) Have been effective for persons with similar needs;

b) Would not have a negative impact on desired outcomes; and.

c) Are likely to achieve the desired outcomes.

111. **Sexual Abuse:** sexual conduct in the first through fourth degrees as defined in s. 940.225, Wis. Stats.

112. **Subcontract:** any written agreement between the MCO and another party to fulfill the requirements of this contract.

113. **Subcontractor/MCO Provider:** a service provider the MCO has an agreement with for providing services to MCO's members.

114. **Target Population:** any of the following groups that a managed care organization has contracted with DHS to serve:

a) Frail elderly.

b) Adults with a physical disability.

c) Adults with a developmental disability.

115. **Third Party Administrator** or **TPA:** a service business that provides health and other service claims processing services, as an independent agent under contract with the MCO. In addition to the control, adjudication and payment of service claims, the services generally encompass some level of other claims processing related functions; enrollment, service plan and pricing maintenance, service provider data management, service-authorization management, encounter data reporting, financial reporting, provider management and claims related customer service support and other services, depending on the scope of the contract.

116. **Unexpected Death:** any death that:

a) Occurred without warning, and was not anticipated or considered probable; or

b) Must be reported to the coroner or medical examiner pursuant to s. 979.01, Wis. Stats. or other regulation; or

c) Is reportable to the Department of Regulation and Licensing or any part of the Department of Health Services.

117. **Urgent Care:** medically necessary care that is required by an illness or accidental injury that is not life-threatening and will not result in further disability but has the potential to develop such a threat if treatment is delayed longer than twenty-four (24) hours.

118. **Voluntary Contributions, Payments or Repayments:** member choice to pay an amount to Medicaid to maintain Medicaid eligibility, prepay a Medicaid deductible, reduce potential claim in an estate, or in gratitude for Medicaid services that were provided. The payment is made to the State Medicaid program. A member cannot pay more than what Medicaid has paid for that individual.

II. MCO Governance and Consumer and Member Involvement

A. MCO Governing Board

The MCO shall have a governing board that provides input to the MCO decision-making process. When an MCO takes action that is not consistent with the input of the governing board, the MCO Director shall provide the governing board with a written justification for the decision and the rationale for diverging from the governing board recommendation.

The MCO governing board shall meet the following specifications:

1. *Consumer Representation*

   At least one-fourth of the members of the board of a managed care organization shall be representative of the target group or groups whom the managed care organization is contracted to serve or those members' family members, guardians, or other advocates.

2. *Separation from Eligibility/Enrollment*

   Assurance of the MCO's separation from the eligibility determination and enrollment counseling functions. The separation shall meet criteria established by the Department in accordance with s. 46.285, Wis. Stats., and applicable federal guidelines.

3. *Long-Term Care District*

   If the MCO is operated by a long-term care district, as described in s. 46.2895, Wis. Stats., the district shall meet the requirements for governance in s. 46.2895, Wis. Stats.

4. *Separation from the Aging and Disability Resource Centers*

   No member of the MCO board may also be a member of a Resource Center board.

B. Regional Long-Term Care Advisory Committees

Regional Long-Term Care Advisory Committees are responsible for general planning and oversight functions which are specified in s. 46.2825, Wis. Stats. The MCO shall cooperate with and provide assistance to these committees to successfully complete their duties. At a minimum, the MCO shall perform the following:

1. *Information from the MCO*

   The MCO shall provide the Regional Long-Term Care Advisory Committees with information on appeals and grievances, enrollments and disenrollments, agreements and memorandums of understanding related to eligibility and enrollment functions, provider networks, and service utilization.

2. *Recommendations from the Regional Long-Term Care Advisory Committees*

The MCO shall receive and give consideration to these committees' recommendations on the following:

a. The MCO provider network in regard to developing a network of providers that assures the services in the benefit package are accessible to the projected membership, are geographically convenient and provide a desirable level of quality.

b. The MCO's responsiveness to its members (recipients of its services), efforts to foster choices for its members, and other issues affecting its members.

c. The MCO's performance and interactions with the Resource Centers and any other agency in handling eligibility, enrollment and disenrollment.

d. The MCO's appeals and grievances, including any trends and patterns identified in a review of the MCO's appeal and grievance reports.

III. Eligibility

A. Eligibility Requirements

1. *Age and Target Group*

   In order to be eligible to enroll in a Family Care, Partnership or PACE MCO, an individual must be in the age and target groups served by the MCO as specified in Article XIX, MCO Specific Contract Terms, page 221.

2. *Medicaid Eligibility*

   An individual must be eligible for Medicaid in order to be eligible for Family Care or Partnership. Eligibility for Medicaid is determined by the Department or the county income maintenance agencies using the Department's Client Assistance for Reemployment and Economic Support (CARES) system and is verified using the Department's ForwardHealth interChange system.

3. *Functional Eligibility*

   Functional eligibility for Family Care, Partnership and PACE is determined using the Long-Term Care Functional Screen (See Section G., Long-Term Care Functional Screen of this Article).

   a. In order to be functionally eligible for Partnership or PACE, an otherwise eligible individual must have a nursing home level of care as determined by the Long-Term Care Functional Screen. The benefit package available to a Partnership or PACE member is identified in Addendum XII.A. and C.

   b. In order to be functionally eligible for Family Care, an otherwise eligible individual must have either a nursing home level of care or a non-nursing home level of care as determined by the Long-Term Care Functional Screen.

      i. The benefit package available to a Family Care member who has a nursing home level of care is identified in Addendum XII.A. and B.

      ii. The benefit package available to a Family Care member who has a non-nursing home level of care is identified in Addendum XII.B.

4. *Residency*

   To be eligible for Family Care, Partnership and PACE, an otherwise eligible individual must be a resident, as determined by the Department or income maintenance agency, of an area served by an MCO that offers the Family Care, Partnership or PACE program in which the individual intends to enroll.

5. *Choice to Enroll*

To be eligible for Family Care, Partnership and PACE, an otherwise eligible individual must make the choice to enroll in the MCO that operates the program in which the person intends to enroll. The choice to enroll is verified by the signature of the member or the member's authorized representative on an enrollment form approved by the Department.

6. *Medicare Election (Partnership and PACE Only)*

a. To enroll in Partnership, a prospective member who is eligible for Medicare must:

i. Enroll in and remain enrolled in all parts of Medicare for which the prospective member is eligible (Medicare Part A, Part B and/or Part D);

ii. Enroll in the MCO's Special Needs Plan if the member is eligible; and

iii. Obtain all Medicare Part A, Part B and Part D benefits, if eligible, from the MCO's Special Needs Plan.

b. To enroll in PACE, a prospective member must:

i. Enroll in and remain enrolled in all parts of Medicare for which the prospective member is eligible (Medicare Part A, Part B and/or Part D);

ii. Enroll in the MCO's PACE Plan; and

iii. Obtain all Medicare Part A, Part B and Part D benefits, if eligible, from the MCO's PACE Plan.

c. If a PACE or Partnership member becomes Medicare-eligible after enrollment, the member must enroll in all parts of Medicare for which the member is eligible and must enroll in the MCO's Special Needs or PACE Plan.

B. Program Specific Eligibility Criteria

In addition to any other eligibility requirements, certain program specific eligibility criteria may apply.

1. *Partnership and PACE Eligibility Criteria*

a. Individuals who at the time of application have a diagnosis of Traumatic Brain Injury (TBI):

i. In areas where the Family Care benefit is available and offered to an individual with a diagnosis of TBI, the individual is eligible to enroll.

ii. In areas where the Family Care benefit is not available enrollment of individuals with a diagnosis of TBI is limited to those individuals who also meet the LTC FS functional eligibility and target group for Frail Elder or Physical Disability.

iii. In areas where the Family Care benefit is not available all individuals with a diagnosis of TBI are eligible to enroll if the MCO has received a waiver from the Department.

b. Individuals who at the time of application are living in substitute care (substitute care includes but is not limited to Nursing Home, Adult Family Home, Residential Care Apartment Complex or Community-Based Residential Facility):

i. In areas where the Family Care benefit is available individuals living in substitute care are eligible to enroll.

ii. In areas where the Family Care benefit is not available enrollment is limited to individuals who express a desired outcome of relocating from substitute care into the community.

iii. In areas where the Family Care benefit is not available all individuals who at the time of application are living in substitute care are eligible to enroll if the MCO has received a waiver from the Department.

c. Individuals who at the time of application have a diagnosis of developmental disability:

i. In areas where the Family Care benefit is available individuals with a diagnosis of developmental disability are eligible to enroll.

ii. In areas where the Family Care benefit is not available enrollment is limited to individuals with a diagnosis of developmental disability who also meet the LTC FS functional eligibility and target group for Frail Elder or Physical Disability.

iii. In areas where the Family Care benefit is not available all individuals with a diagnosis of developmental disability are eligible to enroll if the MCO has received a waiver from the Department.

2. *Partnership Eligibility Criteria*

In addition to items 1.a. through c. above, the following eligibility criteria apply to individuals with a diagnosis of End Stage Renal Disease (ESRD):

a. Individuals who are dual eligible and have a diagnosis of ESRD at the time of application are not eligible to enroll unless the MCO has secured the appropriate Medicare ESRD waiver from CMS.

b. If a dual eligible individual is diagnosed with ESRD while enrolled in Partnership the individual is eligible to remain enrolled.

c. If a Medicaid-only eligible individual becomes a dual eligible after enrollment, then is diagnosed as ESRD, the member must enroll in the MCO's Special Needs Plan.

d. Individuals who are eligible for Medicaid only and have a diagnosis of ESRD at the time of application are eligible to enroll.

C. MCO Specific Eligibility Criteria

Each MCO may have additional limiting eligibility criteria established in Article XIX, MCO Specific Contract Terms, page 221.

D. Eligibility Determination Process

1. *Eligibility Determination Prior to Initial Enrollment*

a. The MCO will assure the MCO's separation from the initial eligibility determination and enrollment counseling functions. The separation shall meet criteria established by the Department in accordance with s. 46.285, Wis. Stats., and applicable federal guidelines.

b. MCOs may market directly to members or potential members only in accordance with a marketing plan that has been approved by the Department and may use only marketing materials that have been approved by the Department (see Article IX, Marketing and Member Materials, page 118).

c. In areas served by a resource center, the resource center coordinates eligibility determination prior to an individual's initial enrollment in an MCO. In these situations:

i. The resource center determines functional eligibility using the Long-Term Care Functional Screen and coordinates application for Medicaid as needed.

ii. The resource center provides individuals with counseling about the range of long-term care programs and MCOs available.

iii. The resource center communicates functional eligibility and the individual's choice of program and MCO to the Department or county income maintenance agency, which processes the enrollment in CARES.

d. In areas not served by a resource center, the MCO coordinates eligibility determination prior to an individual's initial enrollment in an MCO. In these situations:

i. The MCO determines functional eligibility using the Long-Term Care Functional Screen and coordinates application for Medicaid as needed.

ii. The MCO provides individuals with counseling about the range of programs available.

iii. The MCO communicates functional eligibility and the individual's choice of program and MCO to the Department or county income maintenance agency, which processes the enrollment in CARES.

2. *Functional Eligibility Re-determination*

Once enrolled, the MCO is responsible to assure that all members have a current and accurate level of care as determined by the Long-Term Care Functional Screen, in accordance with Section G. of this article. This includes at minimum an annual re-determination of level of care. It may also include a post-enrollment re-determination shortly after enrollment or a re-determination necessitated by a change in the member's condition.

3. *Assisting Members to Maintain Medicaid Eligibility*

The MCO is responsible for assisting members in their responsibility to maintain Medicaid eligibility. This may include:

a. Reminding members of the required annual Medicaid recertification procedure and assisting them to get to any needed appointments;

b. Assisting members to understand any applicable Medicaid income and asset limits and as appropriate and needed, supporting members to meet verification requirements;

c. Assisting members to understand any deductible, cost share or spend down obligation they may need to meet to maintain Medicaid eligibility;

d. Assisting members to understand the implications of their functional level of care as it relates to the eligibility criteria for the program;

e. If appropriate and needed, assisting members to obtain a representative payee or guardian; and

f. Referring members as needed to other available resources in the community that may assist members in obtaining or maintaining eligibility such as Elder and Disability Benefits Specialists and advocacy organizations.

4. *Providing Information that May Affect Eligibility*

The MCO and member share responsibility to provide information that may affect member's eligibility to the Department or county income maintenance agency within ten (10) calendar days (see Article IV.C.2.d, page 43). Such information includes:

a. The member's functional eligibility as determined by the Long-Term Care Functional Screen using procedures specified by the Department;

b. The average monthly amount of medical/remedial expenses the member pays for out-of-pocket;

c. The housing costs the member pays for out-of-pocket, either in the member's own home or apartment or in a community-based residential care facility (see Section F of this article);

d. Non-payment of any required cost share (post eligibility treatment of income);

e. The member has died;

f. The member has been incarcerated;

g. The admission of a member who is age 21 or over and under age 65 to an Institute for Mental Disease;

h. The member has moved out of the county or service area;

i. Any known changes in the member's income or assets;

j. Any disqualifying Medicare coverage elections (Partnership and PACE only);

k. Changes in the member's marital status.

5. *Disqualifying Medicare Coverage Elections -Partnership and PACE programs*

The MCO is responsible to assist members to understand any Medicare coverage choices in order to avoid unintended disenrollment from its Partnership or PACE program.

E. Medicaid Deductibles, Cost Share, and Spend Down

1. *Deductibles*

a. Members may be required to have met a Medicaid deductible in order to be eligible for Medicaid.

b. The Department or county income maintenance agency is responsible for determining the member's deductible amount and monitoring whether the deductible is met, including explaining the option to prepay a deductible if needed to avoid periods of ineligibility.

c. The MCO is responsible to assist a member with a Medicaid deductible to understand how to demonstrate that the deductible amount is met.

2. *Cost Share*

a. Members may be required to pay a monthly cost share (post-eligibility treatment of income) in order to be eligible for Medicaid.

b. The Department or county income maintenance agency is responsible for determining the member's cost share. Cost share is imposed on members in accordance with 42 CFR 447.50 to 42 CFR 447.60. The Department will ensure that a member who has a cost share is not required to pay any amount in cost share which is in excess of the average cost, as determined by the Department, of waiver services in a given month for all MCO waiver participants in the same target group.

c. The MCO is responsible for collection of the member's monthly cost share. The MCO's collection of cost share from members must be in accordance with the following Department policies and procedures:

i. The MCO will send a bill to any member who has a cost share in advance of or as early as possible during the month in which the cost share is due.

ii. If a member fails to pay the cost share as billed by the end of the month following the month in which the payment was due, the MCO will:

a) Contact the member to determine the reason for non-payment.

b) Determine whether the cost share presents an undue hardship for which the MCO is willing to waive some or the entire cost share obligation.

c) Remind the member that non-payment of cost share may result in loss of eligibility and disenrollment.

d) Attempt to convince the member to make the cost share payment or negotiate a payment plan.

e) Offer the member assistance with financial management services or refer the member for establishment of a representative payee or guardian if needed.

f) If all efforts to assist the member to meet the cost sharing obligation are unsuccessful, refer the situation to the Department or county income maintenance agency.

3. *Spend Down*

The Department or county income maintenance agency calculates a member's total Group C spend down obligation. The MCO is responsible for collection of the individual spend down amount for a Group C waiver eligible person. Out-of-pocket medical remedial expenses paid by the member count towards satisfying that total obligation and reduce the amount of spend down the MCO is to collect from the member. (Group C waiver eligibility refers to a process by which a person who meets functional eligibility at the nursing home level of care but otherwise has excess income to be Medicaid eligible may spend down such

income to the medically needy income limit as defined in the Medicaid Eligibility Handbook at http://www.emhandbooks.wi.gov/meh-ebd/.)

4. *Monitoring Cost Share and Spend Down*

The MCO is responsible for the ongoing monitoring of the cost share or monthly Medicaid waiver Group C spend down amounts of its members. The MCO is also responsible for knowing what the member's ongoing medical/remedial expenses are and reporting changes in those amounts to the Department or county income maintenance agency. The MCO is also responsible to report changes in other circumstances of members that may affect the amount of cost share or monthly Medicaid waiver Group C spend down to the Department or county income maintenance agency within ten (10) calendar days of the change.

F. Room and Board

Most members are expected to be able to use their own income to pay for the cost of room and board. For each member who resides in community-based residential care as defined in Addendum XII.A.14, page 263 the MCO is responsible for all of the following tasks.

1. *Determining Cost*

The MCO determines the cost of room and board in the facility in which the member resides, using procedures approved by the Department.

2. *Determining Amount of Income Available*

The MCO determines the amount of income the member has available to pay for the cost of room and board, using procedures specified by the Department.

3. *Implementing Contingencies if the Member Lacks Funds for Room and Board*

If the member lacks sufficient income available to pay room and board in the facility, the MCO either:

a. Develops an alternative plan of care to support the member's needs and outcomes; or

b. Supplements the payment to the facility in an amount that the member's income available to pay for room and board is lacking. Using procedures specified by the Department, document whether supplementation for the particular member in the particular facility is a cost-effective substitution for nursing facility care.

4. *Collecting and Giving the Member's Room and Board to the Residential Facility*

The MCO pays the community-based residential care facility for the cost of services and supervision. The MCO also collects the income the member has available to pay for the cost of room and board and gives it to the community-based residential care facility on behalf of the member.

5. *Sharing Information with the Department and/or Income Maintenance*

The MCO informs the Department or county income maintenance agency of the amount of room costs in the facility in which the member will be living. That information can be used to determine any allowable excess housing costs that may reduce the income considered available for any cost sharing obligation the member may have.

G. Long-Term Care Functional Screen

1. *Functional Screen Tool and Database*

The tool used for determining level of care in Family Care, Partnership and PACE is the Long-Term Care Functional Screen (LTC FS). Information about the LTC FS is found at: http://dhs.wisconsin.gov/LTCare/FunctionalScreen/INDEX.HTM.

2. *Notification of Changes in Functional Eligibility Criteria*

The Department will notify the MCOs of any changes in administrative code requirements that result in changes to the LTC FS algorithms or logic in determining functional eligibility for the programs.

3. *Reimbursement*

If the trained screener administering the LTC FS is an employee, or under direct supervision of the MCO, no Medicaid administration reimbursement may be claimed for administration of the screen.

4. *Initial Level of Care Determinations*

In most circumstances the initial level of care determination for an individual is performed by a resource center prior to enrollment in an MCO. Level of care determinations may only be completed by an individual trained and certified to administer the LTC FS.

5. *Level of Care Re-Determinations*

The MCO shall develop procedures to assure that all members have a current and accurate level of care as determined by the LTC FS. Level of care re-determinations may only be completed by an individual trained and certified to administer the LTC FS.

The responsibility to assure that all members have a current and accurate level of care shall include:

a. Post-Enrollment Re-Determination

The MCO may re-determine level of care for a new member shortly after enrollment if the interdisciplinary team believes that different or additional information has come to light as a result of the initial comprehensive assessment.

b. Annual Re-Determination

An annual re-determination of level of care shall be completed within one year of the most recent functional screen and no later than the last day of the same calendar month in which the most recent functional screen was completed. The member must receive a nursing home level of care to remain functionally eligible for Partnership or PACE. The member must receive a nursing home or non-nursing home level of care to remain functionally eligible for Family Care.

If the level of care re-determination is not completed in the designated timeframe, the MCO is required to inform the Department or county income maintenance agency of the lack of functional eligibility determination according to change reporting requirements identified in Article IV, Enrollment and Disenrollment, page 37. (The member will lose eligibility if the re-determination is not done timely.)

c. Change of Condition Re-Determination

A re-determination of level of care should be done whenever a member's situation or condition changes significantly.

6. *Accuracy of Information*

The MCO shall not knowingly misrepresent or knowingly falsify any information on the LTC FS. The MCO shall also verify the information it obtains from or about the individual with the individual's medical, educational, and other records as appropriate to ensure its accuracy.

7. *Long-Term Care Functional Screener Certification*

a. Education and Experience

Before being allowed to administer the functional screen on individuals, MCO staff or MCO contractors must satisfy the following standards:

i. Be a representative of an MCO with an official function in determining eligibility for a specific program area.

ii. Have a license to practice as a registered nurse in Wisconsin pursuant to s. 441.06, Wis. Stats., or a Bachelor of Arts or Science degree, preferably in a health or human services related field, and a minimum of one year of experience working with at least one of the pertinent target populations; or

In the event that the staff member lacks such a degree and such experience a prior approval is needed from the Department and will be based on a combination of post-secondary education and experience, or on a written plan, prepared by the MCO, and submitted to the Department, on how they will provide the staff member with formal and on-the-job training to develop the skills required to administer the functional screen.

Such approval is discretionary on the part of the Department.

Such approval may not waive the requirement found in subsection iii. below that no staff member shall be allowed to administer the functional screen on individuals unless and until he/she passes the online test designed by the Department and is certified by the Department as a functional screener.

Approval must be granted from the Department prior to administering the functional screen if a staff member does not meet the requirements listed in subsection ii. as stated above.

iii. Successfully complete the online screener certification training course(s) and become certified as a functional screener by the Department. Information on the online web class can be found at: http://mynursingce.son.wisc.edu/index.pl?id=20101 and

iv. Meet all other training requirements specified by the Department.

b. Certified Screener Documentation

Each MCO shall maintain documentation of compliance with the requirements set forth in section (a) above and make this documentation available to the Department upon request.

8. *Administration of the Screening Program*

a. Listing of Screeners

Each MCO shall maintain an accurate, complete, and up-to-date list of all the staff members and/or MCO contractors who perform functional screens. MCOs shall submit to the Department requests to have a screener's security access deactivated as follows:

i. If the MCO terminates the employment of a screener, the MCO shall submit the deactivation request within one (1) business day of the screener's termination.

ii. When a screener leaves the MCO and/or no longer has a need for access to the functional screen application, the agency shall submit the deactivation request within three (3) business days of the departure or reassignment of the screener.

b. Communications

Each MCO that administers functional screens shall ensure that each screener is able to receive communications from the Department's functional screen listserv(s).

c. Mentoring

Each MCO that employs newly certified screeners shall have a formal program for mentoring new screeners (that is providing them with close supervision, on-the-job training, and feedback) for at least six months.

This program shall be described in internal policy and procedures documents that are made available to new screeners and to the Department upon request. Each MCO will include activities that allow new screeners to:

i. Observe an experienced screener administering an actual screen;

ii. Complete practice screens on a paper version of the LTC FS;

iii. Be observed by an experienced screener while completing screens or to have his/her screens reviewed by an experienced screener; and

iv. Have the opportunity for discussion and feedback as a result of those observations or reviews.

d. Screen Liaison

Each MCO shall designate at least one staff member as "Screen Liaison" to work with the Department in respect to issues involving the screens done by the MCO. This person's current contact information must be provided to the Department. This person shall be a certified functional screener.

i. Screeners shall be instructed to contact the Screen Liaison with questions when they need guidance or clarification on the screen instructions, and shall contact the Screen Liaison whenever a completed screen leads to an unexpected result in terms of eligibility or level of care;

ii. The duties of the Screen Liaison are to:

a) Provide screeners with guidance when possible, or call the questions in to the Department's Help Desk for resolution;

b) Consult with the Department or its designee on all screens that obtain an unexpected result or that are especially difficult to complete accurately;

c) Oversee new screener mentoring program as listed in 8.c.

d) Act as the contact person for all communications between the Department or its designee relating to functional screens and the screening program;

e) Ensure that all local screeners have received listserv communications and updates from the Department;

f) Act as the contact person other counties/agencies can contact when they need a screen transferred;

g) Act as the contact person for technical issues such as screen security and screener access;

h) Consult with the ADRC when a newly enrolled member is found to be functionally ineligible or eligibility changes to a non-nursing home level of care within six months of the submission of the most recent pre-enrollment screen. Review and compare the screens and attempt to resolve differences. Contact the Department or its designee if differences cannot be resolved.

iii. Either through the screeners' supervisor or through the Screen Liaison, or both, provide ongoing oversight to ensure that all screeners:

a) Follow the most current version of the WI Long Term Care Functional Screen Instructions and all updates issued by the Department, including technical assistance documents and frequently asked questions. These are available and maintained on the Department's website at: http://dhs.wisconsin.gov/LTCare/FunctionalScreen/instructions.htm

b) Meet all other training requirements as specified by the Department.

9. *Screen Quality Management*

MCOs shall have a screen quality management program developed in internal policies and procedures. These policies and procedures shall be made available to the Department upon request.

Activities documented in these policies and procedures shall include:

a. Monitoring Screeners

The policies and procedures shall describe the methods by which the Screen Liaison(s) monitors the performance of individual screeners and provides each screener with prompt guidance and feedback. Minimum monitoring methods include:

i. Participation of the Screen Liaison(s) in staff meetings where screeners discuss and consult with one another on recently completed functional screens;

ii. Identification of how the accuracy, completeness, and timeliness of annual and change-in-condition screens submitted by screeners will be monitored; and

iii. Identification of the methods that will be employed to improve screener competency given the findings of the monitoring.

b. Continuing Skills Testing

The MCO shall require all of its certified screeners to participate in continuing-skills testing required by the Department. The Department will not require continuing-skills testing more than once per year. The MCO will:

i. Provide for the participation of all certified screeners in any continuing-skills training that is required by the Department.

ii. Administer continuing-skills testing required by the Department in accordance with instructions provided by the Department at the time of testing.

iii. Cooperate with the Department in planning and carrying out remedial action if the results of the continuing-skills testing indicate performance of any individual screener or group of screeners is below performance standards set for the test result, including retesting if the Department believes retesting to be necessary.

c. Annual Review

At a minimum, annually review a sample of screens from each screener. This is to determine whether the screens were done in a complete, accurate, and timely manner and whether the results were reasonable in relation to the person's condition.

d. Remediation

Review and respond to all quality assurance issues detected by the Department or its designee.

e. Quality Improvement

Implement any improvement projects or correction plans required by the Department to ensure the accuracy and thoroughness of the screens completed by the agency.

f. Subcontracts

MCOs that subcontract with another entity or organization to conduct functional screens on behalf of the MCO must adopt policies and procedures to ensure subcontractor screen quality.

IV. Enrollment and Disenrollment

A. Enrollment

The MCO shall comply with the following requirements related to enrollment:

1. *Open Enrollment*

   Conduct continuous open enrollment consistent with the resource center enrollment plan approved by the Department. All applicants shall be enrolled provided the individual meets eligibility requirements as defined in Article III.A., Eligibility Requirements, page 23. Practices that are discriminatory or that could reasonably be expected to have the effect of denying or discouraging enrollment are prohibited.

2. *Voluntary Enrollment*

   Enrollment in the MCO is a voluntary decision on the part of an applicant who is determined to be eligible.

3. *Enrollment While Eligibility is Pending*

   MCOs will negotiate, or make a "good faith" effort to negotiate, an MOU or other written agreement with all counties within their service areas that describes the circumstances in which the MCO will provide services to an individual who is functionally eligible but whose financial eligibility is pending. This agreement can be to serve individuals whose financial eligibility is pending at the time of initial enrollment or during a period of disenrollment due to loss of financial eligibility. The MOU shall include a process for the resource center to inform the individual, or their authorized representative, that if he/she is determined not to be eligible, he/she will be liable for the cost of services provided by the MCO.

   The MCO will not receive a capitation payment for an individual during the time eligibility is pending. If and when eligibility is established, the MCO will receive a capitation payment retroactively to the date indicated as the "effective date of enrollment" on the Enrollment Request form, up to a maximum of ninety (90) calendar days of serving the person while eligibility was pending.

   The effective date of enrollment entered on the Enrollment Request Form shall also be no earlier than the date on which an individual or their authorized representative signs an explicit agreement (not just the enrollee's signature on the enrollment form) to accept services during the period of pending eligibility.

   If the individual is determined not to be eligible, the MCO may bill that individual for the services the MCO has provided. The MCO shall pay providers for services which were provided and prior authorized by the MCO. MCO providers may not directly collect payment from the individual.

The timelines for completion of the comprehensive assessment and member-centered plan shall be the same as those indicated in Article V, Care Management, page 46.

B. Disenrollment

1. *Processing Disenrollments*

The enrollment plan, developed in collaboration with the resource center and income maintenance agency, shall be the agreement between entities for the accurate processing of disenrollments. The enrollment plan shall ensure:

a. That the MCO is not directly involved in processing disenrollments although the MCO shall provide information relating to eligibility to the income maintenance agency.

b. That enrollments and disenrollments are accurately entered on CARES so that correct capitation payments are made to the MCO; and

c. That timely processing occurs, in order to ensure that members who disenroll have timely access to any Medicaid fee-for-service benefits for which they may be eligible, and to reduce administrative costs to the MCO and other service providers for claims processing.

2. *MCO Influence Prohibited*

The MCO shall not counsel or otherwise influence a member due to his/her life situation (e.g., homelessness, increased need for supervision) or condition (e.g., person with profound mental retardation, person with AIDS) in such a way as to encourage disenrollment.

3. *Types of Disenrollment*

a. Member Requested Disenrollment

All members shall have the right to disenroll from the MCO without cause at any time.

If a member expresses a desire to disenroll from the MCO, the MCO shall provide the member with contact information for the resource center; and, with the member's approval, may make a referral to the resource center for options counseling. If the member chooses to disenroll, the member will indicate a preferred date for disenrollment. The date of voluntary disenrollment cannot be earlier than the date the individual last received services authorized by the MCO.

The resource center will notify the MCO and income maintenance agency that the member is no longer requesting services and the member's preferred date for disenrollment as soon as possible but this notification will be no later than one (1) business day following the member's decision to disenroll. The income maintenance agency will process the

disenrollment. The MCO is responsible for covered services it has authorized through the date of disenrollment.

b. Disenrollment when member is no longer accepting services.

The MCO is responsible to monitor whether the services authorized for a member are received and to make good faith efforts to maintain contact with the member.

If the member is no longer accepting services authorized by the MCO, other than care management efforts to contact the member, and the MCO is unable to determine the reason the member is not accepting services, the MCO shall send a certified letter to the member fourteen (14) calendar days prior to reporting the refusal to accept services to the Department. Fourteen (14) calendar days after the MCO has sent the certified letter to the member, if the member is still refusing to accept services, the MCO shall send a request for disenrollment due to refusal to accept services to the Department which includes: a disenrollment form, the last date on which services, other than care management, were provided to the member, a copy of the certified letter to the member and relevant case notes.

The Department contract coordinator will establish a disenrollment date. The disenrollment date established shall be no later than the thirtieth (30^{th}) calendar day after the member last received services other than care management. The Department contract coordinator shall inform the income maintenance agency that as of that date the member is no longer requesting services. The income maintenance agency will process the disenrollment.

The MCO is responsible for covered services it has authorized through the date of disenrollment.

c. Disenrollment Due to Loss of Eligibility

i. The member will be disenrolled if he/she loses eligibility. The MCO is required to notify the income maintenance agency when it becomes aware of a change in a member's situation or condition that might result in loss of eligibility.

Members lose eligibility when the member:

a) Fails to meet functional eligibility requirements;

b) Fails to meet financial eligibility requirements;

c) Fails to pay, or to make satisfactory arrangements to pay, any cost share amount due the MCO after a thirty (30) calendar day grace period;

d) Initiates a move out of the MCO service area as defined in Article XIX.B., Geographic Coverage Where Enrollment Is Accepted, page 221;

e) Dies;

f) Is incarcerated; or

g) Is admitted to an Institution for Mental Disease (IMD) and is no longer eligible for Medicaid.

ii. In addition to the reasons listed above, Partnership and PACE, members may make choices below, that result in the loss of eligibility. When a member makes one of the following choices, the MCO will inform the income maintenance agency that the member is no longer requesting services and the income maintenance agency will process the disenrollment:

a) Chooses a primary care physician who is not in the MCO provider network;

b) Chooses to disenroll from, or if newly Medicare eligible chooses not to enroll in, any part(s) of Medicare for which s/he is eligible; or

c) For Partnership and PACE only, chooses to disenroll from, or if newly eligible chooses not to enroll in, the MCO's Special Needs or PACE Plan.

iii. When the MCO provides information to the income maintenance agency that has the potential for loss of eligibility due to items (i)(a-g) and (ii)(a-c), the income maintenance agency will determine whether the person is ineligible and, if appropriate, process the disenrollment. When the MCO notifies income maintenance, the MCO will also inform the resource center. The resource center will:

a) If applicable, attempt to contact the member to offer disenrollment counseling.

b) If applicable, attempt to determine whether the member understands the changes in circumstances or the choice that results in loss of eligibility and whether the member wants to and is able to take some action in order to remain enrolled. If the member wants to change a choice he/she has made in order to remain enrolled, the resource center will contact the income maintenance agency in an attempt to avert the disenrollment.

The MCO is responsible for covered services it has authorized through the date of disenrollment.

d. MCO-Requested Disenrollment

When requested by the MCO, a member may be disenrolled with the approval of the Department and in accordance with the following procedures:

i. The MCO's intention to disenroll a member shall be submitted to the Department for a decision and shall be processed in accordance with (iii) below.

ii. The MCO may request a disenrollment if:

a) The member has committed acts or threatened to commit acts that pose a threat to the MCO staff, subcontractors or other members of the MCO. This includes harassing and physically harmful behavior.

b) The MCO is unable to assure the member's health and safety because:

- The member refuses to participate in care planning or to allow care management contacts; or
- The member is temporarily out of the MCO service area.

iii. MCO-Requested Disenrollment Procedure.

a) The MCO shall submit to the Department a written request to process the disenrollment, which includes documentation of the basis for the request, a thorough review of issues leading to the request and evidence that supports the request.

b) At the time the request is made to the Department, the MCO shall notify the member of the request for disenrollment, including a copy of the request and all supporting documentation, and make any appropriate referrals to adult protective services or other crisis services.

c) The Department contract coordinator will consult with the MCO including problem-solving, alternative steps for providing services, assistance in managing a difficult case, and recommendations of outside experts who might be able to assist in resolving issues without disenrollment.

d) The Department contract coordinator will, within fifteen (15) business days from the date the Department has received all information needed for a decision, notify the MCO and the member whether the request for disenrollment is approved, disapproved or that a process to

consult and problem-solve with the MCO and member will be initiated.

e) If a disenrollment request is approved:

1) The Department contract coordinator will set a disenrollment date and notify the income maintenance agency to process the disenrollment.

2) The income maintenance agency will process the disenrollment in CARES.

- A disenrollment date due to inability to assure health and safety will be set according to adverse action logic.
- A disenrollment date due to member acts that pose a threat will be set and processed immediately.

3) The MCO shall is responsible for covered services it has authorized through the date of disenrollment.

f) If a disenrollment request is not approved, the MCO shall continue to serve the member.

g) If a disenrollment request results in the Department contract coordinator deciding to consult and problem-solve with the MCO and member:

1) The Department contract coordinator shall plan that process with the MCO.

2) The MCO shall cooperate with the contract coordinator's efforts to problem-solve.

3) If the Department contract coordinator determines that the effort to consult and problem-solve has been unsuccessful, the disenrollment will be approved.

4. *Continuity of Services*

a. Until the date of disenrollment, members are required to continue using the MCO's providers for services in the benefit package. The MCO shall continue to provide all needed services in the benefit package until the date of disenrollment.

b. The MCO shall assist participants whose enrollment ceases for any reason in obtaining necessary transitional care through appropriate referrals and by making member records available to participant's new providers with appropriate releases; and (if applicable) by working with the Department to reinstate participants' benefits in the Medicaid system or other programs, if eligible.

C. Enrollment, Disenrollment, and Re-Enrollment Process

1. *Monitoring by the Department*

   The MCO shall permit the Department to monitor enrollment and disenrollment practices of the MCO under this contract.

2. *Interactions with Other Agencies Related to Eligibility and Enrollment*

   a. The MCO shall fully cooperate with other agencies and personnel with responsibilities for eligibility determination, eligibility re-determination, and enrollment in the MCO. This includes but is not limited to the resource center, income maintenance and the enrollment consultant if any.

   b. The MCO shall participate with these agencies in the development and implementation of an enrollment plan that describes how the agencies will work together to assure accurate, efficient and timely eligibility determination and re-determination and enrollment in the MCO. The enrollment plan shall describe the responsibility of the MCO to timely report known changes in members' level of care, financial and other circumstances that may affect eligibility, and the manner in which to report those changes.

   c. The MCO shall jointly develop with the resource center protocols for disenrollments, per contract specifications.

   d. The MCO shall support members in meeting Medicaid reporting requirements as defined in s. DHS 104.02(6) Wis. Admin. Code. Members are required to report changes in circumstances to income maintenance within ten (10) calendar days of the occurrence of the change.

3. *Discriminatory Activities*

   Enrollment continues as long as desired by the eligible member regardless of changes in life situation or condition, until the member voluntarily disenrolls, loses eligibility, or is involuntarily disenrolled according to terms of this contract.

   The MCO may not discriminate in enrollment and disenrollment activities between individuals on the basis of life situation, condition or need for long-term care or health care services. The MCO shall not discriminate against a member based on income, pay status, or any other factor not applied equally to all members, and shall not base requests for disenrollment on such grounds.

4. *Dates of Enrollment and Disenrollment*

   The enrollment date for an otherwise eligible individual can be set for the first day of the month in which she or he achieves the age specified in Article XIX, MCO Specific Contract Terms, Section D, page 222, except for PACE, in which the individual must have achieved the age of 55 prior to enrollment.

   The MCO shall begin serving individuals as of the effective date of enrollment recorded in CARES.

The MCO is responsible to monitor ForwardHealth interChange enrollment reports for discrepancies in persons the MCO considers enrolled.

a. The Department will consider requests for correcting enrollment dates in the past if the MCO has submitted to the Department monthly enrollment discrepancy reports on a form approved by the Department. The purpose of these reports is to identify discrepancies between the MCO's enrollment as documented in ForwardHealth interChange and the MCO's internal enrollment records. Such reports shall demonstrate that the MCO has taken steps to resolve discrepancies with the local resource center and income maintenance agency.

   If there is a discrepancy between the enrollment in ForwardHealth interChange and the MCO's internal enrollment records, the enrollment may be corrected as follows:

   i. If the discrepancy between ForwardHealth interChange and the MCO's internal records first occurred less than three (3) calendar months in the past, the enrollment start date may be corrected by income maintenance if the MCO has documented evidence that during the time in question the individual was functionally and financially eligible and the MCO was providing services to the individual.

   ii. If the discrepancy between ForwardHealth interChange and the MCO's internal records first occurred more than three (3) calendar months in the past, the enrollment start date may be corrected by the Department contract coordinator if the:

      a) Discrepancy is identified on the MCO's monthly enrollment discrepancy reports no more than the last day of the month three calendar months after the discrepancy first occurred; and

      b) MCO provides documented evidence that during the time in question the individual was functionally and financially eligible and the MCO was providing services to the individual.

b. A member-requested disenrollment shall be effective on the date indicated on the disenrollment form signed by the member or the member's authorized representative. The effective date cannot be earlier than the date the individual last received services authorized by the MCO.

c. An MCO-requested disenrollment shall be effective on the date approved by the Department as the disenrollment date, but no later than the first day of the second month following the month in which the MCO filed the request. In order to allow time for the member to appeal an MCO-requested disenrollment decision from the Department, the Department

shall retain the disenrollment form for fourteen (14) calendar days after the MCO and member have been notified by the Department of the decision to approve the disenrollment before forwarding it to the Medicaid fiscal agent or income maintenance agency to process the disenrollment.

If the member files an appeal of an MCO-requested disenrollment decision to the DHA fair hearing process within fourteen (14) calendar days, disenrollment shall be delayed until the appeal is resolved.

d. If the member dies, the date of disenrollment shall be the date of death.

e. Loss of eligibility resulting in disenrollment shall have the effective dates as identified in i. through v. below.

i. If an MCO member is planning to or has moved out of the MCO service area, the date of disenrollment shall be the date the move occurs.

ii. If an individual has been incarcerated, the MCO shall report this change in circumstance to the income maintenance agency as this change may result in a loss of Medicaid eligibility. The MCO disenrollment date shall be the date of incarceration.

iii. If a person who is at least 21 years old and less than 65 years old has been admitted to an IMD, the MCO shall report this change in circumstance to the income maintenance agency as this change may result in a loss of Medicaid eligibility. The MCO disenrollment date shall be the date of admission to the IMD.

iv. If an MCO member loses eligibility for a reason other than those identified in (i) through (iii) above, the last day of eligibility shall be set according to adverse action logic in CARES. The disenrollment date will be the date eligibility ends. The MCO shall continue to provide services to the member through the date of disenrollment.

V. Care Management

Functions of the MCO should support and enhance member-centered care. Designing member-centered plans that effectively and efficiently meet the needs and support the outcomes of members and monitor the health, safety, and well-being of members are the primary functions of care management. Member-centered planning supports: 1) the success of each individual member in maintaining health, independence and quality of life; 2) the success of the MCO in meeting the long-term care needs and supporting member outcomes while maintaining the financial health of the organization; and 3) the overall success of the Department's managed long-term care programs in providing eligible persons with access to and choices among high quality, cost-effective services.

A. Member Participation

1. The MCO is required to ensure that each member has a meaningful opportunity to participate in the initial development of, and updating of, his/her member-centered plan (MCP). The MCO is required to encourage members to take an active role in decision-making regarding the long-term care and health care services they need to live as independently as possible.

   The MCO is expected to assure that the member, the member's authorized representative and any other persons identified by the member will be included in the care management processes of assessment, member outcomes identification, member-centered plan development, and reassessment. The MCO shall provide information, education and other reasonable support as requested and needed by members, members' families or authorized representatives in order to make informed long-term care and health care service decisions.

2. Members shall receive clear explanations of:

   a. His/her health conditions and functional limitations;

   b. Available treatment options, supports and/or alternative courses of care;

   c. The full range of residential options, including in-home care, residential care and nursing home care when applicable;

   d. The benefits, drawbacks and likelihood of success of each option;

   e. Risks involved in specific member preferences; and

   f. The possible consequences of refusal to follow the recommended course of care.

3. The MCO shall inform members of specific conditions that require follow-up, and if appropriate, provide training and education in self-care. If there are factors that hinder full participation with recommended treatments or interventions, then these factors will be identified and explained in the member-centered planning process.

B. Interdisciplinary Team Composition

The interdisciplinary team (IDT) is the vehicle for providing member-centered care management. The full IDT always includes the member and other people specified by the member, as well as IDT staff. Throughout this article the term "IDT staff" refers to the social service coordinator, registered nurse and any other staff who are assigned or contracted by the MCO to participate in the IDT and is meant to distinguish those staff from the full IDT.

1. The member receives care management through designated IDT staff, which at a minimum include the following:

   a. For Family Care, a social service coordinator and a Wisconsin licensed registered nurse;

   b. For Partnership, a social service coordinator, a Wisconsin licensed registered nurse and a Wisconsin licensed nurse practitioner;

   c. For PACE, a Master's level social worker, a Wisconsin licensed registered nurse, a Wisconsin licensed nurse practitioner and a primary care physician and other professional disciplines as defined in 42 CFR 460.102.

   The team may include additional persons with specialized expertise for assessment, consultation, ongoing coordination efforts and other assistance as needed.

   A "social service coordinator" is required to be a social worker certified in Wisconsin or have a minimum of a four-year bachelor's degree in the human services area or a four-year bachelor's degree in any other area with a minimum of three (3) years experience in social service care management or related social service experience with persons in the MCO's target population. Individuals holding a position comparable to a social service coordinator at the time an MCO first contracts to deliver a managed long-term care program in a new service area or to a new target population may be exempted from this requirement at the discretion of the Department.

2. The IDT staff shall have knowledge of community alternatives for the target populations served by the MCO and the full range of long-term care resources. IDT staff shall also have specialized knowledge of the conditions and functional limitations of the target populations served by the MCO.

   The MCO shall establish a means that ensures ease of access and a reasonable level of responsiveness for each member to their IDT staff during regular business hours.

3. The Department recognizes that in the Partnership Program an MCO may encounter a shortage of available nurse practitioners.

   a. In order to make best use of the time of nurse practitioners while still assuring Partnership members have access to a nurse practitioner, an MCO may develop policies and procedures to apportion, in a way that is

responsive to individual member needs, the time nurse practitioners work with the IDT of each individual member. Such policies and procedures may be guided by the needs of the population and could, under some circumstances use the time of a nurse practitioner solely to access prescriptions, provide triage services and as an educational resource for the IDT staff. All such policies and procedures will:

i. Assure that every member's IDT has some level of participation by a nurse practitioner;

ii. Establish procedures for identifying the most appropriate level of participation by a nurse practitioner with the IDT of each individual member by taking into account the unique conditions and circumstances of the member; and

iii. Assure that nurse practitioners are readily available to members who have the most need for advanced practice health care.

b. On a case-by-case basis the Department may approve a waiver to allow a Partnership MCO to use a physician assistant or advanced practice nurse prescriber to fulfill the need for advanced practice health care. This type of waiver request must demonstrate that the physician assistant or advanced practice nurse prescriber has experience working with the target groups and has demonstrated capacity to work independently. The request must also describe the strategy for assuring that the IDT of each member has access to an appropriate level of advanced practice health care.

C. Member-Centered Planning Process

Member-centered planning is an ongoing process and the member-centered plan (MCP) needs to reflect the frequent changes experienced in members' lives. Member-centered planning will continue to evolve to reflect the growing relationship of mutual trust and understanding between the member and IDT staff and to adapt to changes in the member's outcomes and health status. Member-centered planning includes all the following processes.

1. *Comprehensive Assessment*

a. Purpose

i. The member is central to the comprehensive assessment process.

ii. The purpose of the comprehensive assessment is to provide a unique description of the member to assist the IDT staff, the member, a service provider or other authorized party to have a clear understanding of the member and the services and items necessary to support the member's individual outcomes, needs and preferences.

iii. The comprehensive assessment is essential in order for IDT staff to comprehensively identify the member's outcomes, strengths, needs

for support, preferences, informal supports, and ongoing clinical or functional conditions that require long-term care, a course of treatment or regular care monitoring.

b. Procedures

i. The MCO shall use an assessment protocol that includes a face-to-face interview with the member and other people identified by the member as important in the member's life.

ii. As a part of the comprehensive assessment, the IDT staff shall review the functional screen, all available medical records of the member and any other available background information.

iii. The IDT staff shall encourage the active involvement of any informal supports the member identifies at the initial contact to ensure the initial assessment as described in Section D.1.c. of this article is member-centered and strength-based. The IDT staff, member and informal supports shall jointly participate in completing an initial assessment.

iv. The MCO shall use a standard format developed or approved by the Department for documenting the information collected during the comprehensive assessment. The standard format will assist the IDT staff to gather sufficient information to identify the member's strengths and barriers in each area of functional need and informal supports available to the member. It will also assist the IDT staff to identify the associated clinical supports, including assessment of any ongoing conditions of the member that require long-term care, a course of treatment or regular care monitoring, needed to support the member's outcomes. The information gathered will reflect the member's values and preferences, including preferences in regard to services, caregivers, and daily routine.

c. Documentation

The comprehensive assessment will include documentation by the IDT staff of all of the following.

i. The registered nurse on the IDT is responsible to assure that a full nursing assessment is completed. This assessment identifies risks to the member's health and safety, including but not limited to risk assessments for falls, skin integrity, nutrition and pain as clinically indicated. The nursing assessment also includes a member's ability to set-up, administer, and monitor their own medication. This includes medication review and intervention.

ii. An exploration with the member of the member's understanding of self-directed supports and any desire to self-manage all or part of his/her care plan.

iii. An exploration with the member of the member's preferences in regard to privacy, services, caregivers, and daily routine, including, if appropriate, an evaluation of the member's need and interest in acquiring skills to perform activities of daily living to increase his/her capacity to live independently in the most integrated setting.

iv. An assessment of mental health and alcohol and other drug abuse (AODA) issues, including risk assessments of mental health and AODA status as indicated.

v. An assessment of the availability and stability of informal or natural supports and community supports for any part of the member's life. This shall include an assessment of what it will take to sustain, maintain and/or enhance the member's existing supports and how the services the member receives from such supports can best be coordinated with the services provided by MCO.

vi. An exploration with the member of the member's preferences and opportunities for social interaction and community integration.

vii. An exploration with the member of the member's preferred living situation and a risk assessment for the stability of housing and finances to sustain housing as indicated.

viii. An exploration with the member of the member's preferences for educational and vocational activities, including supported employment in a community setting.

ix. An assessment of the financial resources available to the member including assisting the member to obtain and maintain eligibility for SSI-E, if applicable.

x. An assessment of the member's understanding of his/her rights, the member's preferences for executing advance directives and whether the member has a guardian, durable power of attorney or activated power of attorney for health care.

xi. An assessment of vulnerability and risk factors for abuse and neglect in the member's personal life or finances.

d. IDT staff will work with the member to identify and document in the comprehensive assessment and MCP the outcomes that are important to the member, why they are important and the member's preferences in relation to those outcomes.

2. *Member-Centered Planning*

a. Purpose

i. Member-centered planning is a process through which the IDT identifies appropriate and adequate services and supports to be authorized, provided and/or coordinated by the MCO.

ii. Member-centered planning results in a member-centered plan (MCP) which identifies all services and supports whether paid, provided or coordinated, formal or informal, that are consistent with the information collected in the comprehensive assessment and are:

a) Sufficient to assure the member's health, safety and well-being;

b) Consistent with the nature and severity of the member's disability or frailty; and

c) Satisfactory to the member in supporting the member's outcomes.

b. Procedures

i. Member-centered planning shall be based on the comprehensive assessment. IDT staff shall involve the member and other parties in accordance with the member's preference and the parties' ability to contribute to the development of the MCP.

ii. As requested by the member, the IDT staff shall encourage the active involvement of the member's informal supports in the member-centered planning process and in development of the MCP. For members with communicative or cognitive deficits, the IDT staff shall encourage family members, friends and others who know the member and how the member communicates to assist in conveying the member's preferences in the member-centered planning process and in development of the MCP.

iii. IDT staff shall provide assistance as requested or needed to members in exercising their choices about where to live, with whom to live, work, daily routine, and services, which may include involving experts in member outcomes planning for non-verbal people and people with cognitive deficits.

iv. The IDT staff shall identify potential conflict of interest situations that affect the member's care and, either eliminate the conflict of interest or, when necessary, monitor and manage it to protect the interests of the member.

c. Documentation

i. The MCP shall document the member's outcomes, clinical and functional concerns identified by IDT staff and the actions that will be taken and the services needed to support the member's outcomes, including the person(s) on the IDT responsible for tracking the actions and services related to supporting the identified outcomes.

ii. The MCP may reflect areas of concern or risk that IDT staff have identified and which they have discussed with the member, but that the member has not agreed to as a priority at the present time.

iii. The MCO shall use a standard format for documenting the information collected during the member-centered planning process. The IDT staff shall use the MCO's approved service authorization policies and procedures in order to produce an MCP that supports the member's outcomes and is cost-effective.

iv. The MCP shall document at least the following:

a) The member's outcomes;

b) The member's strengths and preferences;

c) The minimum frequency of face-to-face and other contacts based upon the complexity of the member's needs, the risk in the member's life and the member's preferences;

d) The clinical and functional supports and services to be authorized, provided and/or coordinated to help the member work toward identified outcomes and honor the preferences identified in the comprehensive assessment;

e) The plan for coordinating services outside the benefit package received by the member;

f) The plan to sustain, maintain and/or enhance the member's existing informal or natural supports and community supports and for coordinating services the member receives from such supports;

g) The specific period of time covered by the MCP;

h) The parties responsible for providing each service or support including unpaid and informal supports; and,

i) Any areas of concern that IDT staff see as a potential risk that have been discussed with the member, including instances when:

1) The member refuses a specific service or services that IDT staff believe are needed and IDT staff have

attempted to make the member aware of any risk associated with the refusal.

2) The member engages in behavior that IDT staff view as a potential risk but the member does not want to work on that behavior at this time, and IDT staff have offered education about the potential negative consequences of not addressing the risk.

v. The member's record shall document, in accordance with Article XIII.A.11., Contents of Member Records, page 163, any instances when the MCP differs from the member's preference and the reason for not meeting the member's preference, and whether or not the member agrees with any substitution.

vi. The member's record shall document instances when the member refuses a specific service or services. When a member refuses a service, the member's record shall document that IDT staff have attempted to make the member aware of any risk associated with the refusal.

d. Authorizing Services

IDT staff will prepare service authorizations in accordance with the MCO's approved service authorization policies and procedures and Section J., Service Authorization, of this article.

e. Documenting Services Authorized by the MCO

The IDT staff shall give the member, as part of the MCP, a listing of the services and items that will be authorized by the MCO. The list shall include at a minimum:

i. The name of each service or item to be furnished;

ii. For each long-term care service, the units authorized;

iii. The frequency and duration of each service including the start and stop date; and

iv. For each service, the provider name.

f. Cost of Services

Upon the member's request, the IDT staff shall provide information on the current cost per unit for services authorized by the MCO.

g. Signature of the Member on the MCP

i. IDT staff shall review the MCP with the member and obtain the signature of the member or the member's authorized representative to indicate his/her agreement with the MCP.

ii. If a member declines to sign the MCP, the IDT staff shall:

a) Document in the member record the request made to the member to sign the MCP and the reason(s) for refusal; and

b) If the refusal to sign the MCP reflects the member's disagreement with the MCP, the IDT staff shall discuss the issues with the member and provide the member with information on how to file a grievance or appeal.

iii. If the member's record contains documented evidence, including case notes, or when available, documentation from a mental health professional, that obtaining the member's signature on the MCP is detrimental to the member's clinical or functional well being, the IDT staff shall:

a) Document in the member record the specific reasons why the IDT staff and/or mental health professional believe that obtaining the member's signature should not be carried out; and

b) At each subsequent MCP review, reevaluate the decision to not obtain the member's signature on the MCP or provide the member with a copy of the MCP.

h. Member Copy of MCP

i. Each member shall receive a copy of his/her MCP.

ii. If a member declines to accept a copy of the MCP, the IDT staff shall:

a) Document in the member record that the member was offered a copy of the MCP, the member's refusal to accept a copy and the reason(s) for refusal;

b) If applicable, facilitate an arrangement by which the member's authorized representative retains a copy of the MCP, which can be made available to the member upon request;

c) Inform the member of the method by which a copy of the MCP can be obtained at any time thereafter from the IDT staff, at no cost to the member;

d) Provide the member with the details of the MCP verbally upon request of the member.

iii. If the member's record contains documented evidence, including case notes, or when available, documentation from a mental health professional, that providing the member with a copy of the MCP is detrimental to the member's clinical or functional well being, the IDT staff shall:

a) Document in the member record the specific reasons why the IDT staff and/or mental health professional believe that requirement to provide the member with a copy of MCP should not be carried out;

b) Review the MCP verbally with the member and/or member's authorized representative;

c) Inform the member that the plan can be reviewed verbally at any time thereafter from the IDT staff;

d) Inform the member of the right to grieve the decision to not leave a copy of the MCP with the member; and

e) At each subsequent MCP review, reevaluate the decision to not provide the member with a copy of the MCP.

D. Timeframes

1. *Initial MCP Timeframes*

a. Immediate Service Authorization

Beginning on the date of enrollment, the MCO is responsible for providing the member with needed services in the benefit package. This includes responsibility to continue to provide services or supports the member is receiving at the time of enrollment that are necessary to ensure health and safety and continuity of care until such time as the IDT staff has completed the initial assessment. Such services may have time limited authorizations until completion of the member's full assessment and member-centered plan.

b. Initial Contact

The MCO shall contact the member within three (3) calendar days of enrollment to:

i. Welcome the member to the MCO;

ii. Make certain that any services needed to assure the member's health, safety and well being are authorized;

iii. Provide the member with immediate information about how to contact the MCO for needed services; and

iv. Schedule a face-to-face contact with the member.

c. Initial Assessment

i. IDT staff shall review the member's most recent long-term care functional screen and any other available information.

ii. IDT staff shall meet face-to-face with the member within ten (10) business days of enrollment to:

a) Explain the MCO's program and the philosophy of managed long-term care;

b) Begin the process of assessment, including:

1) An initial brief nursing assessment to examine the member's needs, which includes the use of a nursing assessment tool approved by the Department,
2) A risk assessment for health and safety, and
3) An assessment of the stability of current supports in order to identify the services and supports necessary to sustain the member in his/her current living arrangement;

c) Develop initial service authorizations based on information identified in the initial assessment; and

d) Begin development of the MCP.

d. Initial Service Authorization

i. The initial service authorization shall be developed by the IDT staff in conjunction with the member and shall immediately authorize needed services identified in the initial assessment.

ii. The initial service authorization shall be signed by the member or the member's authorized representative within ten (10) business days of enrollment.

e. Initial MCP Development

The initial assessment and service authorization completed within the first ten (10) business days of enrollment is the beginning of the initial MCP. The initial MCP might not yet reflect the member's outcomes, but it will reflect health and safety issues the IDT staff have assessed and will provide or arrange for basic services and items that have been identified as needed. It is expected that as the member and IDT staff get to know one another, the initial MCP will be further developed.

2. *Timeframes for Comprehensive Assessment and Signed MCP*

a. Comprehensive Assessment

For Family Care and Partnership members, a comprehensive assessment shall be completed within ninety (90) calendar days of the enrollment date.

For PACE members, a comprehensive assessment shall be completed promptly following enrollment according to 42 CFR §460.104.

b. Member-Centered Plan (MCP)

A fully developed MCP shall be completed and signed by the member or the member's authorized representative within ninety (90) calendar days of the enrollment date.

E. Providing, Arranging, Coordinating and Monitoring Services

1. *Providing and Arranging for Services*

The IDT staff is formally designated as being primarily responsible for coordinating the member's overall long-term care and health care. In accordance with the MCP, the IDT staff shall authorize, provide, arrange for or coordinate services in the benefit package in a timely manner.

2. *Coordination with Other Services*

Coordination of services includes ensuring that the formal and informal support services are involved appropriately and in accordance with the member's preferences. The IDT staff shall ensure coordination of long-term care services with health care services received by the member as well as other services available from community organizations and other social programs.

This includes but is not limited to assisting members to access social programs when they are unable to do so themselves and if requested providing information to a member about how to choose a Medicare Part D Prescription Drug Plan.

3. *Access to Services*

The IDT staff will arrange for, and instruct members on how to obtain, services. The IDT staff shall at a minimum:

a. Within thirty (30) calendar days of enrollment, document the member's primary care provider, specialty care provider(s), and psychiatrist (if applicable);

b. Obtain the member's authorization, as required by law, to receive and share appropriate health care information;

c. Provide information about the MCO's procedures for accessing long-term care services in the benefit package;

d. Provide the member with education on how to obtain needed primary and acute health care services;

e. Educate members in the MCO's expectations in the effective use of primary care, specialty care and emergency services; including:

i. Any procedures the provider must follow to contact the MCO before the provision of urgent or routine care;

ii. Procedures for creating and coordinating follow-up treatment plans;

iii. Policies for sharing of information and records between the MCO and emergency service providers;

iv. Processes for arranging for appropriate hospital admissions;

v. Processes regarding other continuity of care issues; and,

vi. Agreements, if any, between the MCO and the provider regarding indemnification, hold harmless, or any other deviation from malpractice or other legal liability which would attach to the MCO or emergency services provider in the absence of such an agreement.

4. *Monitoring Services*

IDT staff shall, using methods that include face-to-face and other contacts with the member, monitor the services a member receives. This monitoring shall ensure that:

a. The member receives the services and supports authorized, arranged for and coordinated by the IDT staff;

b. The quality of the services and supports received is adequate to continue to meet the needs and preferences of the member and support the member's outcomes identified in the MCP.

F. Reassessment and MCP Update

1. *Reassessment*

IDT staff shall routinely reassess, and as appropriate update, all of the sections in the member's comprehensive assessment and MCP. This reassessment shall include a review of previously identified member outcomes and supports provided. It shall also include identification of any new member outcomes to be addressed in the future.

a. At minimum, IDT staff shall conduct a reassessment for each member not later than the end of the sixth month after the month in which the previous assessment was completed.

b. In addition, IDT staff shall conduct a reassessment whenever there is:

i. A change in the member's long-term care or health care condition or situation; or,

ii. A request for reassessment by the member, the member's authorized representative, the member's primary medical provider, or an agency involved with the member.

2. *MCP Update*

The IDT shall review and update the MCP and service authorization document periodically as the member's outcomes, preferences, situation and condition

changes, but not less than the end of the sixth month after the month in which the previous MCP review and update occurred.

G. Interdisciplinary Team and Member Contacts

1. *Minimum Required Face-to-Face Contacts*

   IDT staff shall establish a schedule of face-to-face contacts based upon the complexity of the member's needs, the risk in the member's life and the member's preferences. At minimum, IDT staff is required to conduct a face-to-face visit with a member during each quarter of the calendar year.

2. *Waiver of Minimum Contacts*

   After the first six months of enrollment, if IDT staff has established a relationship with the member and is assured that the member meets all of the following criteria, IDT staff can waive the minimum standard for those members who request fewer contacts if all of the following conditions are met:

   a. The member has no current health and safety issues that are not actively being addressed in the MCP;

   b. The member has no unstable medical or mental health conditions that are not actively being addressed in the MCP;

   c. The member has strong informal supports or community ties; and

   d. There are no physical, mental, substance abuse or emotional health risks.

   IDT staff shall document such requests in the member record, including the reason for the member's request.

   If the minimum face-to-face contacts are waived, IDT staff shall at minimum have some alternative form of contact with the member during each quarter of the calendar year. IDT staff shall document in the MCP member record the type and frequency of alternative methods for maintaining contact with the member.

   Under no circumstances shall a member receive fewer than one face-to-face visit in any twelve (12) month period.

3. *Documentation*

   The MCO shall document care management contacts in a format agreed to by the MCO and the Department and provide care management contact data to the Department upon request.

H. Member Record

The MCO shall develop and maintain a complete member record as specified in Article XIII.A.11., Contents of Member Records, page 163, for each person enrolled. A complete and accurate account of all care management activities shall be documented by IDT staff and included in the member's record.

I. Member Safety and Risk

1. *Policies and Procedures Regarding Member Safety and Risk*

   The MCO shall have policies and procedures in place regarding member safety and risk, which shall be submitted to the Department for approval prior to implementation, whenever a change occurs, and upon request. MCO staff and other appropriate individuals shall be informed of these policies on an ongoing basis.

   The purpose of these policies and procedures is to balance member needs for safety, protection, good physical health and freedom from accidents, with over-all quality of life and individual choice and freedom. These policies and procedures shall identify:

   a. How IDT staff will assess and respond to risk factors affecting members' health and safety; and

   b. Guidelines for use by IDT staff in balancing member rights with member safety through a process of ongoing negotiation and joint problem solving.

2. *Abuse, Neglect, Exploitation and Mistreatment Prohibited*

   The MCO shall implement a policy that expressly prohibits all forms of abuse, neglect, exploitation and mistreatment of members by MCO employees and contracted providers. This policy shall include instruction in the proper reporting procedures when abuse or neglect is suspected.

3. *Individual Choices in Safety and Risk*

   The MCO shall have a mechanism to monitor, evaluate and improve its performance in the area of safety and risk issues. These mechanisms shall ensure that the MCO offers individualized supports to facilitate a safe environment for each member. The MCO shall assure its performance is consistent with the understanding of the desired member outcomes and preferences. The MCO shall include family members and other informal supports when addressing safety concerns per the member's preference.

4. *Use of Isolation, Seclusion and Restrictive Measures*

   The MCO shall comply with, and as needed, provide training for its providers in compliance with the following requirements:

   a. The MCO and its subcontracted providers shall follow the Department's written guidelines and procedures on the use of isolation, seclusion and restrictive measures in community settings, and follow the required process for approval of such measures.

   b. The use of isolation, seclusion and restrictive measures in licensed facilities in Wisconsin is regulated by the Department's Division of Quality Assurance. When subcontracted providers of the MCO are

subject to such regulation, the MCO shall not interfere with the procedures of the Division of Quality Assurance.

c. The MCO and its subcontracted providers shall comply with ss. 51.61(1)(i) and 46.90(1)(i) of the Wis. Stats., and s. DHS 94.10 of the Wis. Admin. Code in any use of isolation, seclusion and restrictive measures.

J. Service Authorization

1. *Service Authorization Policies and Procedures*

a. Services in the Long-Term Care Benefit Package

For the services in the long-term care benefit package the MCO shall have documented and Department-approved service authorization policies and procedures for processing requests for initial and continuing authorizations of services and for determining approval or denial of services. The MCO may use the Resource Allocation Decision Method (RAD), as developed and disseminated by the Department. If the MCO does not use the RAD, it must seek Department approval of alternative service authorization policies and procedures. The MCO may use the RAD as its general service authorization policy and seek approval for authorization policies and procedures that it will use for specified services or items.

b. Acute and Primary Care Services in the Partnership and PACE Benefit Packages

The MCO shall have documented and Department-approved service authorization policies and procedures for services in the acute and primary care benefit package. Such policies and procedures may differ from the authorization policies and procedures for services in the long-term care benefit package, and may be based on accepted clinical practices. Decisions about the authorization of services in the acute and primary care benefit package may be made outside of the IDT by other clinical professionals with consideration for member preferences.

c. Procedures

The MCO's service authorization policies and procedures shall be submitted to the Department for approval prior to implementation, whenever a change occurs, and upon request.

IDT staff shall use the MCO's approved standardized service authorization policies and procedures.

The MCO's approved service authorization policies and procedures may address the provision of supports or services that are not specified in the benefit package.

The MCO must have in effect mechanisms to ensure consistent applications of review criteria for authorization decisions; and consult with the requesting provider when appropriate.

2. *Necessity or Appropriateness of Services*

   a. Use of Approved Service Authorization Policies

      The IDT shall use the MCO's Department-approved service authorization policies and procedures to authorize services. The IDT shall not deny services that are necessary to reasonably and effectively support the member's outcomes identified in the comprehensive assessment as well as those necessary to assist the member to be as self-reliant and autonomous as possible.

   b. Amount, Duration and Scope of Medicaid Services

      Members shall have access to services in the benefit package that are identified as necessary to support outcomes in an amount, duration and scope that will support member outcomes and are no less effective than would be achieved through the amount, duration and scope of services that would otherwise be furnished to fee-for-service Medicaid recipients.

   c. Most Integrated Services

      The IDT staff shall provide services in the most integrated residential setting consistent with the member's desired outcomes, preferences and identified needs, and that is cost-effective when compared to alternative services that could meet the same needs and support similar outcomes.

   d. Discrimination Prohibited

      The IDT staff shall not arbitrarily deny or reduce the amount, duration, or scope of services necessary to support outcomes solely because of the diagnosis, type of illness, disability or condition.

   e. Resolving Disputes

      Disputes between the MCO and members about whether services are necessary to support outcomes are resolved through the grievance and appeals processes identified in Article XI, Grievances and Appeals, page 135.

3. *Authorization Limits*

   The MCO may place appropriate limits on a service on the basis of criteria such as medical necessity; or for the purpose of utilization management, provided the services furnished can reasonably be expected to support outcomes as defined in Article I, Definitions, beginning on page 3.

   After the initial MCP, when a specific service is identified as necessary to support a member's outcomes on an ongoing basis and the IDT has determined that the current provider is effective in providing the service, the service shall generally be

authorized for the duration of the current MCP (i.e., until the next regularly scheduled MCP update) in an amount necessary to support the member's outcomes.

The number of units of service or duration of a service authorized may be more limited when the authorization is for:

a. An episodic service or course of treatment intended to meet a need that is anticipated to be short term in nature, which may be authorized for a limited length of time or number of units of service that is expected to be sufficient to meet the short term need.

b. A trial-basis service or course of treatment intended to test whether a particular service or course of treatment is an effective way to support an outcome or need of the member, which may be authorized for a length of time or number of units of service that is expected to be sufficient for the IDT, including the member, to determine whether or not the services or course of treatment is in fact effective in meeting the member's outcome or need.

Services may be discontinued when a limitation in an original service authorization for an episodic service or course of treatment is reached. If the member requests additional services the IDT staff must respond in accordance with paragraph 8 of this section Responding to Direct Requests By a Member for a Service.

4. *Service Authorization Decisions Made Outside the IDT*

If the MCO has Department-approved policies and procedures that require service authorization decisions to be made outside the IDT, including any situations in which IDT staff are required to seek approval for an authorization it would like to make from supervisory, clinical or administrative staff within the MCO, the MCO shall:

a. Maintain Written Decision-Making Criteria

The review criteria used for decision-making shall have prior approval by the Department, shall be clearly documented, regularly updated and available for review by members and IDT staff. The criteria shall determine the necessity and/or appropriateness of services based on reasonable evidence or a consensus of relevant clinical practitioners, and shall assure that members are provided with services necessary to support outcomes.

b. Information Required for a Decision

The policies and procedures approved by the Department shall specify the information required for service authorization decisions, shall have mechanisms to ensure consistent application of the review criteria for

service authorization decisions, and shall include consultation with the requesting provider when appropriate.

5. *Coordination with Primary Care and Health Care Services*

The MCO must implement procedures to:

a. Ensure that each member has an ongoing source of primary care appropriate to his/her needs and a person or entity formally designated as primarily responsible for coordinating the health care services furnished to the member.

b. Coordinate the services the MCO furnishes to the member with the services the member receives from any other provider of health care or insurance plan, including mental health and substance abuse services.

c. Share with other agencies serving the member the results of its identification and assessment of special health care needs so that those activities need not be duplicated.

d. Ensure that in the process of coordinating care, each member's privacy is protected consistent with the confidentiality requirements in 45 CFR 160 and 164, which specifically describes federal requirements for protecting the privacy of individually identifiable health information.

6. *Prohibited Compensation*

The MCO shall not compensate individuals or entities that conduct utilization management or prior authorization activities in such a way as to provide incentives for the individual or entity to deny, limit, or discontinue for members services necessary to support outcomes.

7. *Communication of Guidelines*

Upon request, the MCO shall communicate to providers guidelines used for review and approval of requests for specific services.

8. *Responding to Direct Requests By a Member for a Service*

When a member requests a health or long-term care service or item, IDT staff shall do all of the following:

a. Acknowledge receipt of the request and explain to the member the process to be followed in processing the request;

b. Promptly determine whether the IDT has the authority to authorize the requested service or whether the authorization decision must be made outside the IDT (see Section J.4., Service Authorization Decisions Made Outside the IDT, in this article);

c. Use the RAD or other approved standardized decision making policies and procedures to process the request; and

d. Consult as needed with other health care professionals who have appropriate clinical expertise in treating the member's condition or disease necessary to reach a service authorization decision.

e. Issue a prompt decision as follows:

i. If IDT staff are authorized to provide or arrange the service, make a prompt decision to approve or to disapprove the request based on the RAD or other Department-approved service authorization policies and procedures. The member is always a participant in the RAD or other Department-approved service authorization policies and procedures.

ii. If the service authorization process requires that additional MCO employees or other professionals be involved in decision-making about a member request for service, the MCO shall assure that:

a) The additional MCO employee(s) shall join with the IDT staff; and

b) The expanded IDT shall use the RAD or other Department-approved service authorization policies and procedures with the member; and,

c) The IDT shall make the final decision taking into consideration the recommendations of the MCO employees or other professionals.

iii. If the service authorization process requires that the IDT seek additional information outside the team prior to authorization or approval, assure that the additional information is obtained promptly.

iv. The timeframe for decision-making must be in accordance with the timeframe outlined in paragraph 9, Timeframe for Decisions, below.

f. If the IDT staff determines that the service or the amount, duration or scope of the service is not necessary or appropriate and therefore approves less service than requested or declines to provide or authorize the service, the IDT staff shall do all of the following:

i. Within the timeframes identified in paragraph 9 below, provide the member notice of action of any decision by the team to deny a request, or to authorize a service in an amount, duration, or scope that is less than requested.

Failure to reach a service authorization decision within the timeframes specified in paragraph 9, Timeframe for Decisions, below constitutes a denial and therefore requires a notice of action.

The notice of action must meet the requirements of Article XI, Grievances and Appeals, page 135.

ii. When appropriate, notify the requesting provider of the authorization decision. Notices to providers need not be in writing.

iii. All service requests that are denied, limited, or discontinued shall be recorded, along with the disposition. Aggregate data on service requests that are denied, limited, or discontinued are compiled for use in quality assessment and monitoring and shall be made available to the Department upon request.

9. *Timeframe for Decisions*

The IDT staff shall make decisions on direct requests for services and provide notice as expeditiously as the member's health condition requires.

a. Standard Service Authorization Decisions

i. For Family Care and Partnership, standard service authorization decisions shall be made no later than fourteen (14) calendar days following receipt of the request for the service unless the MCO extends the timeframe for up to fourteen (14) additional calendar days. If the timeframe is extended, the MCO must send a written notification to the member no later than the fourteenth day after the original request

ii. For PACE, decisions on direct requests for services must be made and notice provided as expeditiously as the member's health condition requires but not more than 72 hours after the date the interdisciplinary team receives the request. The interdisciplinary team may extend this 72-hour timeframe by up to five (5) additional calendar days for either of the following reasons:

a) The participant or designated representative requests the extension, or

b) The team documents its need for additional information and how the delay is in the interest of the participant.

b. Expedited Service Authorization Decisions

For cases in which a member or provider indicates, or the MCO determines, that following the standard timeframe could seriously jeopardize the member's life or health or ability to attain, maintain, or regain maximum function, the MCO shall make an expedited service authorization no later than seventy two (72) hours after receipt of the request for service.

In Family Care and Partnership, the MCO may extend the timeframes of expedited service authorization decisions by up to eleven (11) additional calendar days if the member or a provider requests the extension or if

needed by the MCO to gather more information. For any extension not requested by the member, the MCO must give the member written notice of the reason for delay.

c. Failure to Comply with Service Authorization Decision Timelines

Failure to reach a service authorization decision within these specified timeframes constitutes a denial and therefore requires a notice of action. The notice of action must meet the requirements of Article XI, Grievances and Appeals, page 135.

10. *Notice of Action*

In accordance with Article XI, Grievances and Appeals, page 135, the MCO shall provide written notice of action to the member when a decision is made to:

a. Deny or limit a member's request for a service;

b. Terminate, reduce, or suspend a current service; or

c. Deny payment for an authorized service.

K. Services During Periods of Temporary Absence

Services are provided during a member's temporary absence from the MCO service area in accordance with Medicaid rules as specified in s. DHS 103.03(3) and s. DHS 104.01(6) Wis. Admin. Code. If a member asks the MCO to provide services during a temporary absence from its service area, the MCO shall conduct two tests to determine whether to provide the services:

1. *Income Maintenance Residency Test*

Request that Income Maintenance complete a residency test to determine whether the member is still considered a resident of a county within the MCO's service area.

a. If no, the member is no longer a resident and he/she loses eligibility and must be disenrolled.

b. If yes, the member remains a resident and the MCO must go on to the second test.

2. *Cost-effective Plan Test*

Using the Department-approved service authorization policy, test whether a cost-effective plan can be developed for supporting the member's outcomes and assuring the member's health and safety during the absence by considering:

a. Is there a reason, related to the member's outcomes, for the member to be out of the MCO service area?

b. Is there a way for the MCO to effectively arrange and manage the member's services during the absence? Factors to consider include:

i. Duration of absence;

ii. Distance from MCO;

iii. Availability of providers; and,

iv. Ability to monitor the care plan directly, through contracting or other arrangements.

c. Is there an effective way to arrange and manage the member's services during the absence that is cost-effective? Factors to consider include:

i. Cost in comparison to effectiveness in supporting the member's outcomes;

ii. Cost in comparison to the member's care plan costs when in the service area;

iii. MCO staff time and effort in comparison to time and effort when in the service area; and,

iv. Duration of absence.

3. *Cost-Effective Plan*

If the MCO decides that it can establish a cost-effective care plan for supporting a member's outcomes and assuring health and safety during the absence, it must do so.

4. *Possible MCO-Requested Disenrollment*

If the MCO decides that it cannot establish a cost-effective care plan for supporting a member's outcomes and assuring health and safety during the absence, it may request Department approval for disenrollment.

In considering whether to allow an MCO-requested disenrollment, the Department will expect the MCO to demonstrate that it is unable to continue to support the member's outcomes and assure the member's health and safety with reasonable cost and effort.

The member will be given the opportunity to challenge this contention and demonstrate that her/his outcomes can be met and health and safety assured with reasonable cost and effort, which could include a SDS plan.

L. Department Review

The Department will review the performance of the MCO and its staff in carrying out the care management functions specified in this article. The MCO shall make readily available member records and any other materials the Department deems necessary for such reviews in accordance with Article XIII.H., Access to Premises and Information, page 174.

VI. Self Directed Supports

A. Option to Self-Direct

Under Self Directed Supports (SDS) a member may purchase long-term care benefits listed in Addendum XII, Sections A, Home and Community Based Waiver Services (except for residential care services) and B., Medicaid State Plan Services – Family Care Benefit Package, page 256, if they are identified by the IDT as consistent with the member's outcomes.

B. MCO Requirements

The MCO must present SDS as a choice to all members as specified in s DHS 10.44(6) Wis. Admin. Code. Specific responsibilities of the MCO are to:

1. Ensure that SDS funds are not used to purchase residential services that are included as part of a bundled residential services rate in a long-term care facility. Members who live in residential settings can self-direct services that are not part of the residential rate. The cost of residential services may be used in establishing the member's SDS budget if the MCO would have authorized residential services for the member if the member were not participating in SDS.
2. Continue to expand the variety of choices and supports available within SDS.
3. Ensure that all IDT staff understand SDS, how to create a budget with a member and how to monitor SDS with a member and their support team, or ensure team staff have access to someone within the MCO who has expertise in SDS to assist with setting budgets and monitoring for quality and safety.
4. Collaborate with the Department in its efforts to develop systems for evaluating the quality of SDS, including members' experiences with SDS.
5. Develop and implement a Department-approved policy and procedure describing conditions under which the MCO may restrict the level of self-management exercised by a member where the team finds any of the following:
    a. The health and safety of the member or another person is threatened.
    b. The member's expenditures are inconsistent with the established plan and budget.
    c. The conflicting interests of another person are taking precedence over the outcomes and preferences of the member.
    d. Funds have been used for illegal purposes.
    e. Additional criteria for restricting the level of self-management exercised by a member may be approved by the Department in relation to other situations that the MCO has identified as having negative consequences.

The MCO's policy and procedure for limiting SDS shall be submitted to the Department for approval prior to implementation, whenever a change occurs, and upon request.

The MCO shall share SDS materials with the resource centers in their service areas that will allow the resource centers to provide appropriate options counseling about the SDS option to potential enrollees.

C. IDT Staff Responsibilities

It is the responsibility of the IDT staff to:

1. Provide information regarding the philosophy of SDS and the choices available to members within SDS. The information provided to members must include:
    a. A clear explanation that participation in SDS is voluntary, and the extent to which members would like to self-direct is the members' choice;
    b. A clear explanation of the choices available within SDS;
    c. An overview of the supports and resources available to assist members to participate to the extent desired in SDS; and,
    d. An overview of the conditions in which the MCO may limit the level of self-management by members, the actions that would result in the removal of the limitation, and the members' right to participate in the grievance process, as specified in Article XI, Grievances and Appeals, page 135.
2. On a yearly basis, obtain a dated signature from the member or member's authorized representative on a form, or section of an existing form, where the member must do the following:
    a. Affirm the statement below:

        "My interdisciplinary team has explained the self-directed supports option to me. I understand that under this option I can choose which services and supports I want to self-direct. I understand that this includes the option to accept a fixed budget that I can use to authorize the purchase of services or support items from any qualified provider."

    b. Affirm one of the two statements below:
        i. "I accept the offer of self-directed supports and the interdisciplinary team is helping me explore that option."
        ii. "I decline self-directed supports at this time but understand I can choose this option at any time in the future by asking my interdisciplinary team."
3. Maintain the signed form required in paragraph 2 above as part of the member's file.

4. Work jointly with members during the comprehensive assessment and member-centered planning process to ensure all key SDS components are addressed, including:
    a. What specific service/support do members want to self-direct;
    b. To what extent does the member want to participate in SDS in this service area;
    c. Are there areas within the comprehensive assessment that indicate that members may need assistance/support to participate in SDS to the extent they desire;
    d. Identification of resources available to support members as needed, including a thorough investigation of natural supports, as well as identifying the members' preferences regarding how/by whom these supports are provided;
    e. Identification of potential health and safety issues related to SDS and specific action plans to address these;
    f. Development of a budget for the support members have chosen to self-direct, and a plan that clearly articulates to what extent members would like to participate in the budgeting/payment process;
    g. Identification of what mechanism members have chosen to assure compliance with requirements for the deduction of payroll taxes and legally mandated fringe benefits for those employed by members; and,
    h. For members with guardians, the identification of the need for guardian training in the area of identification of member preferences, and member self-advocacy training.
5. Ensure all key SDS components are included in the member-centered plan, including:
    a. Desired outcomes related to SDS;
    b. Supports/resources that will be utilized to ensure members' participation in SDS to the extent they desire; and,
    c. Identification of potential health and safety issues, and a plan of action to address them.
6. Ensure mechanisms are in place for ongoing check-in and support regarding the members' participation in SDS, including:
    a. Systems for ensuring member's expenditures are consistent with the agreed upon budget;
    b. Identification of any changes needed in the SDS budget or identified supports/resources;

c. Check-in regarding potential health and safety issues and the action plans developed to address them; and,

d. Check-in regarding potential conflicts of interest – other persons' views taking precedence over the members' outcomes and preferences.

VII. Services

A. General Provisions

1. *Comprehensive Service Delivery System*

   The MCO will provide members with high-quality long-term care and health care services that:

   a. Are from appropriate and qualified providers;

   b. Are fair and safe;

   c. Serve to maintain community connections, including work, and that are cost effective.

   Services are delivered through a comprehensive interdisciplinary health and social services delivery system appropriate to the benefit package pursuant to this contract and any applicable state and federal regulations.

2. *Sufficient Services*

   Services must be sufficient in amount, duration, or scope to reasonably be expected to achieve the purpose for which the services are furnished. The MCO's benefit package services that are Medicaid state plan services as defined in Addendum XII, Section B for Family Care (page 266) and Section C for Partnership and PACE (page 267) must be no more restrictive than the Medicaid fee-for-service coverage. The MCO is responsible for covering services related to the following:

   a. The prevention, diagnosis, and treatment of health impairments;

   b. The ability to achieve age-appropriate growth and development;

   c. The ability to attain, maintain, or regain functional capacity.

3. *Benefit Package Services*

   Benefit package services must minimally include the services outlined in Addendum XII, Benefit Package Service Definitions, page 256.

4. *Inform Members of the Benefit Package*

   The MCO will inform members of the full range of services in the benefit package appropriate for their level of care. The MCO will provide a range of services to meet the needs and outcomes of its members, as identified in the member-centered planning process (described in Article V.C., page 48).

5. *Alternate Services*

   Members have a right to request any covered service, whether or not the service has been recommended as necessary or appropriate by a professional or the interdisciplinary team responsible for coordinating their care.

The MCO is not restricted to providing only the services in the benefit package. The MCO may provide, but is not required to provide, a support or service to a specific member that is not specified in the benefit package if the alternative support or service is:

a. An alternative to a support or service that is in the benefit package otherwise available to the member, and

b. Cost-effective in comparison to the support or service in the benefit package for which it is substituting, and

c. Appropriate to support that member's long-term care outcomes and needs.

The cost of such alternatives that are specifically documented in the encounter reporting system defined in Article XIV, Reports and Data, page 178, will be examined by the Department's actuary and, if appropriate, will be included in the development of actuarially sound rates as defined in Addendum I, Actuarial Basis, page 223.

6. *Long-term Care Services Where Members Live*

Members shall receive the long-term care services in the benefit package where they live, including:

a. The member's own home, including supported apartments.

b. Alternative residential settings including, but not limited to:

i. State Certified Residential Care Apartment Complexes (RCAC).

ii. Community-Based Residential Facilities (CBRF).

iii. Adult Family Homes (AFH).

c. Nursing Facilities or Intermediate Care Facilities for People with Mental Retardation (ICF MR)

7. *Services During Temporary Absence*

The MCO shall provide services during periods of temporary absence as described in Article V.K., Services During Periods of Temporary Absence, page 67.

8. *Self-Directed Supports*

The MCO shall provide support for self-directed care as described in Article VI, Self Directed Supports, page 69.

B. Provision of Services in the Family Care Benefit Package

1. *Services for Members at the Nursing Home Level of Care*

The MCO shall promptly provide or arrange for the provision of all health and long-term care services in the benefit package, consistent with the member-

centered plan (MCP) described in Article V.C., Member-Centered Planning Process, page 48.

Coverage of services identified in each individual member's MCP must be consistent with the definition of "Services Necessary to Support Outcomes," in Article I, Definitions.

Family Care services include all of the following:

a. The home and community-based waiver services defined in Addendum XII.A., page 256;

b. The long term care Medicaid State Plan Services identified in Addendum XII.B., page 266; and

c. Any cost-effective health care services the MCO substitutes for a long term care service in the Medicaid State Plan identified in Addendum XII.B., page 266.

2. *Services for Members at the Non-Nursing Home Level of Care – Family Care*

The following policies apply to Family Care members who are at the non-nursing home level of care:

a. The MCO shall promptly provide or arrange for the provision of all services in the benefit package, consistent with the Member-Centered Plan, and as defined in Addendum XII.B.

b. If a member at the non-nursing home level of care is admitted to a nursing facility or ICF-MR, the LTC Functional Screen must be updated by a certified screener within ten (10) business days of admission to determine whether changes in the member's long-term health and care needs are consistent with the nursing home level of care. The Member-Centered Plan must be updated based upon review of the changes in care needs and the preferences of the member. The member must be rescreened to determine level of care within sixty (60) calendar days following discharge from the nursing home or ICF-MR.

c. If a member at the non-nursing home level of care enrolls when residing in a nursing facility or ICF-MR, the LTC Functional Screen must be updated by a certified screener within three (3) business days of enrollment to determine the appropriate level of care.

   If the member remains at the non-nursing home level of care the member and nursing facility must be notified that this service is not in the member's benefit package. If the MCO will terminate the nursing home service, it must provide appropriate notice in accordance with Article XI.D., Notice of Action and Appeal Rights, page 138.

3. *Services for Members Eligible as Grandfathers – Family Care*

Members eligible as grandfathers have access to the full Family Care benefit package and all rights of membership in the MCO. The MCO shall promptly arrange for the provision of all services in the benefit package consistent with the member-centered plan. If the care needs of an individual eligible for Family Care as a grandfather increase, the individual must be rescreened to determine whether the individual meets the nursing home or non-nursing home level of care.
Requirements Related to Delivery of Services

C. Provision of Services in the Partnership and PACE Benefit Packages

1. *Services for All Members*

All members of Partnership and PACE, who are at the nursing home level of care, shall receive integrated acute, primary and long-term care services pursuant to this contract, state and federal regulations.

a. The MCO shall promptly provide or arrange for the provision of all health and long-term care services in the benefit package, consistent with the member-centered plan described in Article V.C., Member-Centered Planning Process, page 48.

b. Coverage of services identified in each individual member's MCP must be consistent with the definition of "Services Necessary to Support Outcomes" in Article I, Definitions, beginning on page 3.

c. Partnership and PACE services include all the following:

i. The home and community-based waiver services defined in Addendum XII.A., page 256;

ii. All Medicaid State Plan Services identified in Addendum XII.C., page 267;

iii. Any cost-effective health care services the MCO substitutes for a service in the Medicaid State Plan identified in Addendum XII.C., page 267; and,

iv. Medicare Part A/B deductibles, co-payments and co-insurance.

2. *Requirements Related to Delivery of Specific Services in PACE and Partnership*

a. Provision of Family Planning Services

i. When applicable, MCO members must have access to family planning services, whether the provider is or is not part of the network. If the member chooses an out of plan provider, the MCO will reimburse the out-of-plan provider of those family planning services according to the Wisconsin Medicaid Fee-for-Service rule and rates. All such information and medical records relating to family planning shall be kept confidential.

ii. The MCO must provide female members with direct access to a women's health specialist within the network for covered care necessary to provide women's routine and preventive health care services. This is in addition to the member's designated source of primary care if that source is not a women's health specialist.

b. Provision of Abortions, Hysterectomies and Sterilizations

The MCO shall comply with the following state and federal compliance requirements for the services listed below:

i. Abortions must comply with the requirements of s. 20.927, Wis. Stats., and with 42 CFR 441 Subpart E - Abortions.

ii. Hysterectomies and sterilizations must comply with 42 CFR 441 Subpart F - Sterilizations.

iii. Sanctions in the amount of ten thousand dollars ($10,000.00) may be imposed for non-compliance with the above compliance requirements.

iv. The MCO must abide by s. 609.30, Wis. Stats.

v. The MCO must comply with all record keeping and retention requirements for abortions, hysterectomies and sterilizations.

c. Transplants

i. As a general principle, the MCO shall cover the same transplants as covered by Medicare regardless of whether the member is enrolled in Medicare. If the transplant is not covered by Medicare, the MCO shall follow the procedure outlined in Section F., Determining if Services, Procedures, Items and Treatments are Proven and Effective, page 80, to determine coverage.

ii. All individuals who need a transplant, or who have received a transplant are eligible to enroll or remain enrolled in the Program.

d. Emergency and Urgent Care

i. Coordination of 24-Hour Emergency Care

a) The MCO coordinates all emergency contract services and post-stabilization services as defined in this contract twenty-four (24) hours each day, seven (7) days a week, either by the MCO's own facilities or through arrangements approved by the Department with other providers.

b) Services shall include but not be limited to one (1) phone line in a service area to receive emergency calls. Individuals with authority to authorize treatment as appropriate must be accessible via this phone number.

c) The MCO is responsible for coverage and payment of emergency services and post stabilization care services. The MCO must cover and pay for emergency services regardless of whether the provider that furnishes the services has a contract with the MCO in a manner consistent with Medicare and Medicaid regulations.

d) The MCO may not deny payment for treatment obtained when a member had an emergency medical condition, including cases in which the absence of immediate medical attention would not have had the outcomes specified in 42 CFR 438.114(a) of the definition of emergency medical condition or when a representative of the MCO instructs the member to receive emergency care.

e) The MCO may not limit what constitutes an emergency medical condition on the basis of lists of diagnoses or symptoms.

f) The MCO may not refuse to cover emergency services based on the emergency room provider, hospital, or fiscal agent not notifying the member's primary care provider, or MCO of the member's screening and treatment within (10) calendar days of presentation for emergency services.

g) The attending emergency physician, or the provider actually treating the member, is responsible for determining when the member is sufficiently stabilized for transfer or discharge, and that determination is binding on the MCO as identified in 42 CFR 438.114(b) as responsible for coverage and payment.

h) The MCO is financially responsible for emergency services and post-stabilization services obtained within or outside the MCO's network that are pre-approved by the MCO. Post-stabilization services are covered and paid for in accordance with provisions set forth at 42 CFR 422.113(c).

i) The MCO is financially responsible for post-stabilization care services obtained within or outside the MCO's network that are not pre-approved by the MCO, but administered to maintain, improve or resolve the member's stabilized condition if:

   1) The MCO does not respond to a request for pre-approval of further post-stabilization care services within one (1) hour;

   2) The MCO cannot be contacted; or,

3) The MCO and the treating physician cannot reach an agreement concerning the member's care and a plan physician is not available for consultation. In this situation, the MCO must give the treating physician the opportunity to consult with the MCO care team or medical director. The treating physician may continue with care of the patient until the MCO care team or medical director is reached or one of the criteria in subsection l) below, is met.

j) Payment for post-stabilization service must be made in a manner consistent with Medicare and Medicaid regulations.

k) The MCO must limit charges to members for post-stabilization care services to an amount no greater than what the organization would charge the member if he/she had obtained the services through the MCO. A member who has an emergency medical condition may not be held liable for payment of subsequent screening and treatment needed to diagnose the specific condition or stabilize the patient.

l) The MCO's financial responsibility for post-stabilization care services it has not pre-approved ends when:

1) The member's primary care physician assumes responsibility for the member's care;

2) The member's primary care physician assumes responsibility for the member's care through transfer;

3) The MCO and the treating physician reach an agreement concerning the member's care; or,

4) The member is discharged.

ii. Urgent Care

MCO members must have access to urgent care services during regular business hours of Urgent Care facilities. The Emergency Room (ER) is used when Urgent Care is closed.

D. Primary Care and Coordination of Health Care Services

The MCO must implement procedures to:

1. *Ensure an Ongoing Source of Primary Care*

   Ensure that each member has an ongoing source of primary care appropriate to his/her needs and a person or entity formally designated as primarily responsible for coordinating the health care services furnished to the member.

2. *Coordinate Services*

   Coordinate the services the MCO furnishes to the member with the services the member receives from any other provider of health care or insurance plan.

3. *Share Results*

   Share with other MCOs serving the member the results of its identification and assessment of any member with special health care needs so that those activities need not be duplicated.

4. *Protect Privacy*

   Ensure that in the process of coordinating care, each member's privacy is protected consistent with the confidentiality requirements in 45 CFR 160 and 164. Requirements regarding the privacy of individually identifiable health information is specifically described in 45 CFR 164.

E. Second Opinion

The MCO, consistent with the scope of the MCO's benefit package, must provide for a second opinion from a qualified health care professional within the network. The MCO shall arrange for the member to obtain a second opinion outside the network, at no cost to the member, if the MCO does not have a health professional qualified to provide a second opinion.

F. Determining if Services, Procedures, Items and Treatments are Proven and Effective

1. *Non-coverage of experimental services, procedures, items and treatment*

   As a general principle, Medicaid does not pay for services, procedures, items and treatments that it determines to be experimental in nature and which are not a proven and effective treatment for the condition for which it is intended or used. Experimental services are defined in s. DHS 107.035(1) and (2), Wis. Admin. Code.

2. *Services, procedures, items or treatments that are proven and effective*

   A service, procedure, item or treatment is not considered experimental when it is proven and effective, generally accepted medical practice and clinically appropriate to treat the member's condition.

3. *Determining if a service, procedure, item or treatment is proven and effective*

   The MCO shall utilize a process to determine whether a service, procedure, item or treatment is proven and effective.

In this process, the MCO can consider:

a. The current and historical judgment of the medical community as evidenced by medical research, studies, journals or treatises;

b. The extent to which Medicare and private health insurers recognize and provide coverage; and

c. The current judgment of experts and specialists in the medical specialty area or areas in which the service is applicable or used.

4. *Coverage of proven and effective services, procedures, items or treatment that is cost effective*

After following the procedures outlined in this section, the MCO must cover services, procedures, items and treatments that the MCO has determined are proven and effective treatments for the conditions for which they are intended or used, if the services, procedures, items and treatments are cost effective.

G. Changes in Mandated Services

Changes to Medicaid covered services mandated by federal or state law, and amendments to Wisconsin's CMS approved waivers subsequent to the effective date of this contract will not alter the services in the benefit package for the term of this contract, unless agreed to by mutual consent, or unless the change is necessary to continue to receive federal funds or due to action of a court of law.

1. *Capitation Payment Adjustment*

If any change in services in the benefit package occurs that are mandated by federal or state law and incorporated into this contract, the Department shall adjust the capitation rate accordingly.

2. *Changes by Mutual Agreement*

The Department will give the MCO thirty (30) calendar days notice of any such change that reflects service increases, and the MCO may elect to accept or reject the service increases for the remainder of the term of this contract.

The Department will give the MCO sixty (60) calendar days notice of any such change that reflects service decreases, with the right of the MCO to dispute the amount of the decrease within that sixty (60) calendar day period. The MCO has the right to accept or reject service decreases for the remainder of the term of this contract.

3. *Date of Change Implementation*

The implementation date of the change in coverage will coincide with the effective date of the increased or decreased funding. This section does not limit the Department's ability to modify this contract for changes made necessary by the state budget.

4. *Notification to Members*

The MCO shall notify members within ten (10) business days after the effective date of changes in the type of services in the benefit package.

H. 24-Hour Coverage

1. *Responsibility*

The MCO shall be responsible twenty-four (24) hours each day, seven (7) days a week for providing members with services necessary to support outcomes including:

a. Immediate access to urgent and emergency services needed immediately to protect health and safety.

b. Access to services in the benefit package;

c. Coordination of services that remain Medicaid fee-for-service for Family Care members who are Medicaid beneficiaries; and

d. Linkages to Adult Protective Services.

2. *Policies and Procedures*

The MCO shall develop and submit to the Department for approval a policy and procedure on the 24-Hour Coverage/On-Call system. The policy and procedure shall identify how the MCO meets the following requirements:

a. Provide a telephone number that members or individuals acting on behalf of members can call at any time to obtain advance authorization for services in the benefit package. This number must provide access to individuals with authority to authorize the services in the benefit package as appropriate. Individuals at this number must also have familiarity with the MCO and the MCO's provider network.

b. Respond to such calls within thirty (30) minutes.

c. Assure adequate communication with the caller in the language spoken by the caller.

d. Document these calls with time, date and any pertinent information related to person(s) involved, resolution and follow-up instructions and submit this documentation to the Department upon request.

e. Notify members and the Department of any changes of the phone number within seven (7) business days of change.

I. Billing Members

1. *Prohibition on Billing Recipients for Covered Services*

The MCO, its providers and subcontractors shall not bill a member for services in the benefit package provided during the member's enrollment period in the MCO,

except as provided for in the 1915(c) waiver post-eligibility treatment of income and the purchase of enhanced services as allowed under this article, Section J., Department Policy for Member Use of Personal Resources. This provision pertains even if the:

a. MCO becomes insolvent;

b. Department does not pay the MCO for covered services provided to the member;

c. Department or the MCO does not pay the provider that furnishes the services under a subcontractual referral or other arrangement; and,

d. Payment for services furnished under a subcontract, referral, or other arrangement, to the extent that those payments are in excess of the amount that the member would owe if the MCO provided the service directly.

2. *Prohibition on Billing in Insolvency*

In the event of the MCO's insolvency, the MCO shall not bill members for debts of the MCO or for services in the benefit package and provided during the member's period of MCO enrollment.

3. *Penalties for Billing Members*

Any provider who knowingly and willfully bills an MCO member for a Medicaid covered service may be guilty of a felony and upon conviction shall be fined, imprisoned, or both, as defined in s. 1128B(d)(1)[42 U.S.C. 1320-7b] of the Social Security Act and s. 49.49(3m), Wis. Stats.

J. Department Policy for Member Use of Personal Resources

The MCO is responsible for items and services in the benefit package that are necessary to support the member's individual outcomes. The MCO and its providers are strictly prohibited from billing members for such services. Any use of personal resources to enhance services or make a gift to the MCO or one of its providers must be wholly voluntary on the part of the consumer.

1. *Limitations to When the MCO, an MCO Provider or the State Medicaid Program May Accept Member's Personal Resources*

The MCO, an MCO provider, or the state Medicaid program may only accept personal resources in excess of cost share from a member or the member's family or significant others if the purpose of the member or the member's family or significant others is:

a. The purchase of enhanced services or items (see Article I for definition);

b. To make a donation of cash or something else of value to the MCO (see Article I for definition); or

c. To make a payment to the State Medicaid Program.

2. *Assurance the Use of Personal Resources is Voluntary*

   The MCO is responsible for providing counseling to help the member or the member's family or significant others understand:

   a. Whether the use of personal resources falls within one of these limited situations when the MCO, an MCO provider or the State Medicaid Program may accept member's personal resources, and

   b. That in these situations the use of personal resources is entirely voluntary. For the purchase of enhanced services or items, there must be documentation that the IDT used the RAD process to determine that the enhanced service or item was not necessary to support outcomes.

3. *Scope*

   The MCO is not responsible for providing counseling regarding purchases or donations made by a member prior to the MCO becoming aware of the purchase or donation.

4. *Documentation*

   Documentation that required counseling was provided by the MCO must be maintained in the member's case record.

5. *Purchase of Enhanced Services or Items (refer to definition on page 18)*

   a. Applicability

      i. A member's choice to purchase enhanced services or items from the MCO or an MCO provider will be considered significant and subject to the Department policy for member use of personal resources only if the cost of the service or item purchased is more than $100 for a single purchase, or $100 per month for a service or item purchased on an ongoing basis.

      ii. Members may use their personal resources to purchase enhanced services or items from the MCO or an MCO provider only for the following benefits, if covered in the benefit package:

         a) All long-term care services included in the Family Care benefit package that are listed in Addendum X, Sections A, page 242.

         b) Private hospital room when not medically necessary;

         c) Durable Medical Equipment;

         d) Prosthetic dental services;

         e) Prosthesis;

         f) Disposable Medical Supplies;

         g) Eyeglasses; and

h) Hearing aids.

iii. Members may not use their personal resources for enhanced services or items for the following benefits, if covered in the benefit package:

a) Physician services;

b) Hospital inpatient services, except a private room (MCO must cover private rooms when medically necessary);

c) Lab and x-ray;

d) Therapies covered by Medicaid;

e) Pharmaceuticals;

f) Acute and primary care and other benefits listed in Addendum X, Section C, page 254.

b. Payment Amounts for Enhanced Services or Items

The member's payment amount for enhanced services or items will be based on the following payment policies:

i. If the service or item substitutes for a service or item in the member's care plan or is an added value service or item, then the member is responsible for paying the difference between the plan's payment for a covered service or item and the cost of the substitute service or item.

ii. If the service or item is not a substitute for a service or item in the member's care plan and is not an added value service or item, and is determined to be a non-covered service, the member is responsible for paying the full cost of the service or item.

c. Family or Others Payment for Ongoing Enhanced Services for a Member

Payment for enhanced services by someone else on behalf of a member on an ongoing basis may be considered income for the member if the payment is made directly to the member rather than directly to the provider. In this situation, the MCO will refer the member to the income maintenance agency.

d. Purchase of Enhanced Services through a Medicaid Eligibility Self-Support Plan

Nothing in this section precludes a member from establishing a Medicaid eligibility self-support plan in accordance with Medicaid rules and using the income set aside under the self-support plan for the purchase of enhanced services related to training or purchasing equipment necessary for self support.

6. *Donations*

A member or the member's family or significant others may make a voluntary choice to transfer cash or something else of value to the MCO as a recognition of or expression of gratitude for services to the member. Such a choice is considered a donation.

A voluntary transfer of assets for the purpose of becoming or remaining eligible for Medicaid may be considered divestment of an asset and could lead to loss of Medicaid eligibility. When the MCO becomes aware that a member has made or plans to make a donation to the MCO or any other organization, the MCO shall always advise the member to consult with the local income maintenance agency to determine whether the donation will be considered a divestment.

7. *Voluntary Payments, Prepayments or Repayments*

The voluntary choice of a member or the member's family or significant others to pay an amount to Medicaid to maintain Medicaid eligibility, prepay a Medicaid deductible or reduce potential claim in an estate is considered a voluntary payment, prepayment or repayment.

When the MCO is aware of a planned payment, the MCO shall refer to the income maintenance agency a member or the member's family or significant others who wish to make voluntary payments to Medicaid to maintain Medicaid eligibility, prepay a Medicaid deductible, or reduce the potential claim in an estate.

8. *Reporting*

The MCO shall report to the MCO Governing Board and in the MCO quarterly report it submits to the Department:

a. All payments for enhanced services covered under this section; and

b. All donations directly received by the MCO.

9. *Preventing Unacceptable Use of Member Resources*

Notwithstanding any other provision in this Section J, the MCO shall take steps to investigate the situation in accordance with its Program Integrity Plan under Article XIII, Section G of this contract if and when the MCO learns that:

a. A member or the member's family or significant others has purchased an enhanced service or item or has made a donation directly; and

b. The MCO has reason to believe that this purchase or donation might involve a violation of, or be contrary to, its Program Integrity Plan.

K. Prevention and Wellness

1. *Prevention and Wellness Plan*

Prevention and wellness shall be part of the normal course of communications with members, and the development of the member's MCP. The MCO shall inform all members of contributions they can make to the maintenance of their own health and the proper use of long-term care and health care services.

The activities and materials used in the prevention and wellness activities shall be accessible by the Department and the Centers for Medicare & Medicaid Services (CMS). The MCO's plan for implementing the prevention and wellness program must be approved by the Department. At any time the Department determines there has been a significant change in the MCO's capacity to offer prevention and wellness services or in the MCO's projected membership, the Department may require the MCO to submit documentation to demonstrate its capacity to provide prevention and wellness services.

2. *Prevention and Wellness Program*

The MCO's prevention and wellness program shall include the following components:

a. Program Coordination

Designated staff are responsible for the coordination and delivery of services in the program.

b. Practice Guidelines

Practice guidelines are guidelines that are developed to assist health care professionals to apply the current best evidence in making decisions about the care of individual members.

The MCO shall use practice guidelines for prevention and wellness services that include member education, motivation and counseling about long-term care and health care related services. The MCO must disseminate or make available the guidelines to providers for whom the guidelines apply and, upon request, to members.

Practice guidelines that are condition-specific and/or disease related shall include the following elements:

i. Overview of condition/disease;

ii. Information related to anticipating, recognizing and responding to condition/disease related symptoms;

iii. Information related to best practice standards for prevention and management of condition/disease;

iv. Guidelines/process for interdisciplinary team to use regarding negotiating incorporation of condition/disease prevention and management plan with member into the MCP; and,

v. Plan for quality assurance monitoring of guideline effectiveness.

c. Measurement

The capacity to collect, analyze and report data necessary to measure the performance of the prevention and wellness program. The reports based on this data shall be communicated to providers and members.

d. Program Resources

Mechanisms for facilitating appropriate use of prevention and wellness services and educating members on health promotion.

e. Disease Prevention

Information and policies on the prevention and management of diseases which affect the populations served by the MCO. This includes specific information for persons who have or who are at risk of developing health problems that are likely to benefit from preventive practices. Hypertension and diabetes are examples of such health problems.

f. Independent Functioning

Information and policies on maintaining and improving members' functional status, and the ability to perform ADLs and IADLs more independently, for the populations served by the MCO. This includes specific information for persons who have or who are at risk of impaired ability to function independently and are likely to benefit from preventive practices.

g. Outreach Strategies

Outreach strategies for identifying and reaching members who are least likely to receive adequate preventive services.

h. Special Health Issues

The dissemination of information relevant to the membership, such as nutrition, AODA prevention, reducing self-mutilation behaviors, exercise, skin integrity, self care training, and coping with dementia.

i. General Information

The dissemination of information on how to obtain the services of the prevention and wellness program (e.g., resource center, public health department etc.), as well as additional information on, and promotion of, other available prevention services offered outside of the MCO, such as special programs on women's health.

j. Sensitivity to Population

Long-term care and health care related educational materials produced by the MCO shall be appropriate for its target population(s) and reflect sensitivity to the diverse cultures served.

L. Court-Ordered Services

1. *Coordinate with County Agencies*

   The MCO shall attempt to coordinate the provision of court-ordered services with the county agencies that provide services to the court.

2. *Provide Court-ordered Services*

   The MCO shall provide for court-ordered services and treatment if the service is a benefit package service for which the MCO would be the primary payer and the member has been court ordered into placement or to receive services such as through Chs. 51, 54, or 55, Wis. Stats.

3. *Prompt Referrals or Authorization*

   Necessary MCO referrals or treatment authorizations for court-related protective, Alcohol and Other Drug Abuse (AODA) and/or mental health services must be furnished promptly. For AODA any services requiring a referral or authorization of services it is expected that no more than five (5) business days will elapse between receipt of a written request by the MCO and the issuance of a referral or authorization for treatment. Such referral or authorization, once determined to be medically necessary, will be retroactive to the date of the request. After the fifth day an assumption will exist that an authorization has been made until such time as the MCO responds in writing.

4. *Emergency Court-Ordered Services*

   The MCO has responsibility to pay for protective treatment services in the benefit package provided on an emergency basis or as ordered by the court as the result of court action or as part of a stipulated agreement between the county protective service unit and the member.

5. *Collaborate on the Plan of Care*

   Whenever possible, the MCO shall collaborate with the appropriate county agency to develop recommendations to the court for a plan of care that meets the protective service and/or treatment needs of the member.

6. *Utilize the MCO Network of Providers*

   Whenever possible, protective and/or treatment services shall be provided within the MCO network of providers.

7. *Non-network Providers*

   The MCO will pay for covered services provided by a non-network provider to any member pursuant to a court order, effective with the receipt of a written request for authorization from the non-MCO provider, and extending until the MCO issues a written denial of authorization. This requirement does not apply if the MCO issues a written denial of authorization within five (5) business days of receiving the request for referral.

M. Elder Adults/Adults at Risk Agencies and Adult Protective Services

1. *Access to Elder Adults/Adults at Risk (EA/AAR) and Adult Protective Services (APS)*

   For members in need of services provided by EA/AAR Agencies or APS, the MCO shall involve the entity or Department (which the County has designated to administer EA/AAR/APS) in the following capacities:

   a. The MCO shall, as appropriate, invite an EA/AAR/APS staff person to participate in the member-centered planning process including plan development and updates, comprehensive assessment and re-assessments; and,

   b. The MCO shall, as appropriate, invite an EA/AAR/APS staff person to participate on the interdisciplinary team to the extent that the staff person makes recommendations as necessary to fulfill their EA/AAR/APS responsibilities.

   c. The MCO shall designate a contact person to assist staff working in county EA/AAR/APS agencies to develop service options for MCO members or potential members. This contact person, or a representative of the member's MCO interdisciplinary team, may participate in the county EA/AAR interdisciplinary team.

   The MCO will cooperate fully in executing a memorandum of understanding with the agency responsible for Adult Protective Services that describes the expectation for the MCO to work with the member's family and informal supports to identify a volunteer guardian who does not require a stipend.

   The MCO shall arrange for the provision of examination and treatment services by providers with expertise and experience in dealing with the medical/psychiatric aspects of caring for victims and perpetrators of elder abuse, abuse of vulnerable adults, and domestic violence. Such expertise shall include the identification of possible and potential victims of elder abuse and domestic violence, statutory reporting requirements, and local community resources for the prevention and treatment of elder abuse and domestic violence.

   The MCO shall consult with human service agencies on appropriate providers in their community.

   The MCO shall further assure that providers with appropriate expertise and experience in dealing with perpetrators and victims of domestic abuse and incest are utilized in service provision.

2. *Court Ordered Services*

   The MCO shall comply with the provisions in Section L, Court-Ordered Services, in this article for all adult protective services through Chs. 51, 54, or 55, Wis. Stats.

N. MOU on Institute for Mental Disease (IMD) Discharge Planning

MCOs will negotiate, or make a "good faith" effort to negotiate, an MOU with all counties within their service areas addressing expectations for discharge planning when the member, someone who was a member prior to losing eligibility due to institutional status, or someone who is eligible to enroll upon discharge, is currently a resident of an IMD. The purpose of this discharge planning will be to return the individual to the most integrated setting appropriate to his/her needs.

O. Private Pay Care Management

The MCO shall provide care management to private pay individuals as follows (Refer to Article I for definitions of "Care Management" and "Private Pay Individual"):

1. *Care Management Available for Purchase*

   An MCO shall offer care management services, at rates approved by the Department, to private pay individuals who wish to purchase the services. A private pay individual may purchase from the MCO any types and amounts of care management. The types and amounts of care management and the cost of the services shall be specified in a written agreement signed by the authorized representative of the MCO and the individual purchasing the service or the person's authorized representative. The private pay care management agreement shall meet the following:

   a. The MCO's rates for private pay care management shall either:

      i. Be no higher than the Medicaid targeted care management rates which are in effect at the time of providing the service; or,

      ii. Be approved by the Department.

   b. The MCO shall meet with the individual to achieve the following:

      i. Fully review the specific aspects of care management the individual may purchase;

      ii. Clearly explain the cost of the service, and the billing and payment arrangements, including provisions for discontinuing service for failure to pay;

      iii. Clarify the specific care management tasks the individual agrees to purchase, the amount (e.g., number of hours) of care management that is being purchased, and who will be providing the care management;

      iv. Inform private pay individuals of their rights under federal and state law (such as the Civil Rights Act of 1964, the Age Discrimination Act of 1975, and the Americans with Disabilities Act of 1990) and their rights to have access to their service records in accordance with applicable Federal and State laws;

v. Inform private pay individuals that they are not eligible to purchase services from MCO's contracted providers at rates the MCO has negotiated for services it purchases for members; and,

vi. Execute a written agreement containing the specific information described above. This agreement shall be signed by an authorized representative of the MCO and by the individual purchasing the service, or that person's authorized representative.

c. The MCO's private pay care management service shall contain the following aspects at a minimum:

i. A comprehensive assessment of the person's long-term care and health care needs;

ii. Development of a care plan to meet the needs identified in the comprehensive assessment, as well as the person's identified outcomes and lifestyle preferences. The care plan in no way limits the person's ability to purchase services at his/her own expense from service providers;

iii. Implementation and coordination of the care plan;

iv. As appropriate, either assisting the person in filing appeals and grievances with non-MCO service providers, or referring the person for advocacy services; and,

v. Periodic reassessment, with appropriate updates to the care plan.

d. Individuals purchasing private pay care management may access the MCO's appeal and grievance process only insofar as those appeals or grievances pertain to the care management provided by the MCO. Appeals or grievances against the MCO may be filed with or appealed to the Department only insofar as those appeals or grievances pertain to the care management provided by the MCO. Appeals or grievances about other non-MCO services, which may be coordinated by the MCO, shall be filed with the service provider and if desired, with the appropriate regulatory agency.

2. *Limitations on Purchase of Other Services*

a. A private pay individual may not enroll in an MCO, but, subject to Section O.1.b. of this article may purchase services other than care management services, on a fee-for-service basis, from an MCO.

b. A private pay individual may purchase any service that the MCO provides directly and offers to the general public, at prices normally charged to the public.

c. A private pay individual may purchase any service purchased or provided by the MCO for its members.

P. Provider Moral or Religious Objection

The MCO is not required to provide counseling or referral service if the MCO objects to the service on moral or religious grounds. If the MCO elects not to provide, reimburse for, or provide coverage of, counseling or referral service because of an objection on moral or religious grounds, it must furnish information about the services it does not cover as follows:

- To the Department;
- With the MCO's application for a Medicaid contract;
- Whenever the MCO adopts the policy during the term of the contract;
- It must be consistent with the provisions of 42 CFR 438.10;
- It must be provided to potential members before and during enrollment;
- It must be provided to members within ninety (90) calendar days after adopting the policy with respect to any particular service; and
- In a written and prominent manner, the MCO shall inform an applicant, on or before an individual enrolls, of any benefits to which the member may be entitled under the benefit package but which are not available through the MCO because of an objection on moral or religious grounds.

VIII. Provider Network

The MCO shall establish and maintain a provider network that furnishes timely, quality services in the benefit package.

A. Member Choice

1. *Information to Members*

   The MCO shall inform members about the full range of provider choice available to them, including free choice of medical and other providers that remain fee-for-service for Family Care members, as applicable.

2. *Member Choice of Interdisciplinary Teams*

   The MCO shall allow a member to change interdisciplinary teams up to two times per calendar year if the MCO has additional interdisciplinary teams to offer the member.

3. *Member Choice of Intimate Care Providers and Providers Regularly in the Home*

   For services in the LTC benefit package that involve providing intimate personal care or when a provider regularly comes into the member's home, the MCO shall, upon request of the member, purchase services from any qualified provider who will accept and meet the provisions of the MCO's standards for subcontractors of the same service. (See Section O.3., Intimate Care Services, page 114, in this article.) These services include, but are not limited to, personal care, home health, private duty nursing, supportive home care and chore service.

   The provisions of subcontracts for services mentioned in this paragraph shall focus on quality and cost effectiveness, and not be constructed in such a way so as to limit the network of providers.

4. *Choice of Primary Health Care Professional for Partnership and PACE*

   Members must choose a physician or other primary care health professional from the MCO's provider network. The MCO will honor member's requests to enroll a physician or other primary care health professional in the MCO's provider network to the extent appropriate and possible.

   The MCO shall inform members at the time of enrollment that they have the right to change primary providers. If the MCO is not able to accommodate a member's choice of primary provider, the member may voluntarily disenroll from the program.

5. *Providers Not in the MCO Network*

   a. The MCO shall maintain a process to consider a member's request for a non-MCO provider, which is a provider who does not have an agreement with the MCO for providing services in the benefit package to members. Only Non-MCO providers that satisfy the MCO's standards will be considered.

b. The MCO shall adequately and timely authorize and arrange for services with non-MCO providers when:

i. The MCO does not have the capacity to meet the need(s) of the member and provide medically necessary services or necessary long-term care services in the benefit package;

ii. The MCO does not have the specialized expertise, specialized knowledge or appropriate cultural diversity in its network of providers;

iii. The MCO cannot meet the need(s) of the member on a timely basis; or,

iv. Transportation or physical access to the MCO providers causes an undue hardship to the member.

c. The MCO must coordinate payment with providers not in the MCO's network. The MCO must ensure that cost to the member is no greater than it would be if the services were provided within the network.

d. Second Opinion from a Provider Outside the Network

If the MCO does not have a health professional qualified to provide a second opinion in accordance with Article VII.E., Second Opinion page 80, the MCO shall arrange for the member to obtain a second opinion outside the network, at no cost to the member.

B. Member Communications

1. *Licensed Health Care Providers Advising and Advocating*

An MCO may not prohibit, or otherwise restrict, a provider acting within the lawful scope of practice, from advising or advocating on behalf of an member who is his/her patient, including any of the following:

a. For the member's health status, medical care, or treatment options, including any alternative treatment that may be self-administered;

b. For any information the member needs in order to decide among all relevant treatment options;

c. For the risks, benefits, and consequences of treatment or non-treatment;

d. For the member's right to participate in decisions regarding his/her health care, including the right to refuse treatment, and to express preferences about future treatment decisions.

2. *Information to Members*

Upon the request of members, the MCO shall make available:

a. The licensure, certification and accreditation status of the managed care organization, its staff and providers in the MCO's provider network;

b. The education, board certification and recertification of health professions who are certified by Medicaid and the qualifications of other providers; and

c. Information about the identity, locations, and availability of services in the benefit package from providers that participate in the MCO.

C. Subcontracting

1. *Ability to Subcontract*

The MCO may subcontract for any or all functions covered by this contract, subject to the requirements of this contract.

2. *Accountability for Subcontracts*

The MCO oversees and is held accountable for any functions and responsibilities that it delegates to any subcontractor. In order to meet these requirements the MCO must assure that:

a. All subcontracts fulfill the Medicaid managed care requirements in 42 CFR 438 that are appropriate to the service or activity delegated under the subcontract;

b. The MCO evaluates the prospective subcontractor's ability to perform the activities to be delegated; and

c. The MCO and the subcontractor have a written agreement that specifies the activities and reporting responsibilities delegated to the subcontractor and provides for revoking delegation or imposing other sanctions if the subcontractor's performance is inadequate.

3. *Certification of Subcontracts*

a. The Department shall review MCO subcontracts. The Department's subcontract review will assure that the MCO has the standard language in this article in subcontracts, except for specific provisions that are inapplicable in a specific MCO management subcontract.

b. By the effective date of this contract, the MCO shall have submitted to the Department its subcontracts, or revisions to previously approved subcontracts, for approval. This can occur by one of two means:

i. The MCO submits each subcontract; or

ii. The MCO submits template language planned for use in the MCO's subcontracts.

c. The MCO shall attest annually that all subcontracts include the required provisions for subcontracts in this article.

4. *Department's Discretion Regarding Subcontracts*

   a. At any time, the Department may review, approve, approve with modification, impose conditions or limitations or deny any and all subcontracts under this contract at its sole discretion and without the need to demonstrate cause. The Department may consider factors to protect the interests of the State and members, including but not limited to, the subcontractor's past performance.

   b. If as the result of a Department action under paragraph 4.a., the Department requires the MCO to find a new subcontractor, the MCO shall secure a new subcontractor in one hundred-twenty (120) calendar days, and allow sixty (60) calendar days to implement any other change required by the Department:

      i. The MCO may request a waiver of this deadline for subcontracting and for any other change, justifying the reasons the extension is needed.

      ii. The Department, at its own discretion, may extend the deadline if the MCO shows to the satisfaction of the Department that additional time is needed.

   c. Any disapproval of subcontracts or failure of the MCO to comply with conditions or limitations imposed under paragraph 4.a.may result in the application by the Department of remedies pursuant to Article XVI.D., Sanctions for Violation, Breach, or Non-Performance, page 193.

D. Standard Language for Subcontracts

All subcontracts for member services shall be in writing, shall include the provisions of this subsection, and shall include and comply with any general requirements of this contract that are appropriate to the service.

The subcontractor must agree to abide by all applicable provisions of this contract. Subcontractor compliance with this contract specifically includes, but is not limited to, the following requirements (except for specific areas that are inapplicable in a specific subcontract):

1. *Parties of the Subcontract*

   The MCO and subcontractor entering into the agreement are clearly defined.

2. *Purpose of the Program*

   The subcontract clearly defines the purpose of the program.

3. *Services*

   The subcontract clearly delineates the services being provided, arranged, or coordinated by the subcontractor.

4. *Compensation*

   The subcontract specifies rates for purchasing services from the provider. The subcontract specifies payment arrangements in accordance with Section M., Payment, of this article.

5. *Term and Termination*

   The subcontract specifies the start date of the subcontract and the means to renew, terminate and renegotiate. The subcontract specifies the MCO's ability to terminate and suspend the subcontract based on quality deficiencies and a process for the provider appealing the termination or suspension decision.

   The MCO will ensure that subcontracts reflect all current MCO contract and subcontract requirements.

6. *Legal Liability*

   The subcontract must not terminate legal liability of the MCO.

   If the MCO delegates selection of providers to another entity, the MCO retains the right to approve, suspend, or terminate any provider selected by that entity.

7. *Quality Management (QM) Programs*

   The subcontractor agrees to participate in and contribute required data to the MCO's QM programs as required in Article XII, Quality Management (QM), page 152.

8. *Utilization Data*

   The subcontractor agrees to submit MCO utilization data in the format specified by the MCO, so the MCO can meet the Department's specifications required by Article XIV, Reports and Data, page 178.

9. *Restrictive Measures*

   The MCO must require its subcontractors to adhere to regulatory requirements and standards set by the MCO relative to restrictive measures including any type of restraint, isolation, seclusion, protective equipment, or medical restraint as required in Article V, Care Management, page 46.

10. *Critical Incidents*

    The MCO shall require its subcontractors to identify, respond to and document and report critical incidents including unexpected deaths, as required in Article XII, Quality Management (QM), page 152.

11. *Non-Discrimination*

    The subcontractor agrees to comply with all non-discrimination requirements and all applicable affirmative action and civil rights compliance laws and regulations as described in Article XIII.B., page 164 (also reference http://dhs.wisconsin.gov/civilrights/Index.htm).

12. *Insurance and Indemnification*

    The subcontractor attests to carrying the appropriate insurance and indemnification.

13. *Notices*

    The subcontract specifies a means and a contact person for each party for purposes related to the subcontract (e.g., interpretations, subcontract termination).

14. *Access to Premises*

    The subcontractor agrees to provide representatives of the MCO, as well as duly authorized agents or representatives of the Department and the Federal Department of Health and Human Services, access to its premises, and/or medical records in accordance with Article XIII.H., Access to Premises and Information, page 174.

15. *Certification and Licensure*

    The subcontractor agrees to provide applicable licensure, certification and accreditation status upon request of the MCO and to comply with all applicable regulations. Health professions which are certified by Medicaid agree to provide information about their education, board certification and recertification upon request of the MCO. The subcontractor agrees to notify the MCO of changes in licensure.

16. *Records*

    The subcontractor agrees to comply with all applicable Federal and State record retention requirements in Article XIV.F., Records Retention, page 181.

17. *Member Records*

    The subcontractor agrees to the requirements for maintenance and transfer of member records stipulated in Article XIII.A., Member Records, page 162.

    The subcontractor agrees to make records available to members and his/her authorized representatives within ten (10) business days of the record request if the records are maintained on site and sixty (60) calendar days if maintained off site in accordance with the standards in 45 CFR 164.524 (b)(2).

    The subcontractor agrees to forward records to the MCO pursuant to grievances and appeals within fifteen (15) business days of the MCO's request or, immediately, if the appeal is expedited. If the subcontractor does not meet the fifteen (15) business day requirement, the subcontractor must explain why and indicate when the records will be provided.

18. *Confidentiality*

    The subcontractor agrees otherwise to preserve the full confidentiality of records, in accordance with Article XIII.A., Member Records, page 162, and protect from unauthorized disclosure all information, records, and data collected under the

subcontract. Access to this information shall be limited to persons who, or agencies such as the Department and CMS which, require information in order to perform their duties related to this contract.

19. *Access to Services*

The subcontractor agrees not to create barriers to access to care by imposing requirements on members that are inconsistent with the provision of services in the benefit package that are necessary to support outcomes.

20. *Authorization for Providing Services*

The subcontract directs the subcontractor on how to obtain information that delineates the process the subcontractor follows to receive authorization for providing services in the benefit package to members. The subcontractor agrees to clearly specify authorization requirements to its providers and in any sub-subcontracts.

21. *Billing Members /Hold Harmless*

The payments by the MCO and/or any third party payer will be the sole compensation for services rendered under the contract. The subcontractor agrees not to bill members and to hold harmless individual members, the Department and CMS in the event the MCO cannot pay for services that are the legal obligation of the MCO to pay, including, but not limited to, the MCO's insolvency, breach of contract, and provider billing.

The MCO and the subcontractor may not bill a member for covered and non-covered services, except in accordance with provisions in Article VII, Sections I. Billing Members, and J. Department Policy for Member Use of Personal Resources, page 82.

22. *Provider Appeals*

The subcontractor agrees to abide by the terms of Section N, Appeals to the MCO and Department for Payment/Denial of Providers Claims, page 111 of this article.

The MCO must furnish all providers information regarding the provider appeals process at the time they enter into the contract, and through provider materials posted on the MCO's website or sent to providers, upon request.

23. *Member Appeals and Grievances*

The subcontractor must recognize that members have the right to file appeals or grievances and assure that such action will not adversely affect the way that the subcontractor treats the member.

The subcontractor agrees to cooperate and not interfere with the members' appeals, grievances and fair hearings procedures and investigations and timeframes in accordance with Article XI, Grievances and Appeals, page 135.

The MCO must furnish the following grievance, appeal and fair hearing procedures and timeframes to all providers and subcontractors at the time that they enter into a contract:

a. The member's right to a fair hearing, how to obtain a hearing, and representation rules at a hearing;

b. The member's right to file grievances and appeals and their requirements and timeframes for filing;

c. The availability of assistance in filing;

d. The toll-free numbers to file oral grievances and appeals;

e. The member's right to request continuation of benefits during an appeal or fair hearing filing and, if the MCO's action is upheld in a hearing, the member may be liable for the cost of any continued benefits; and

f. The member's appeal rights to challenge the failure of the MCO to cover a service.

24. *Prohibited Practice*

a. The MCO and the subcontractor agree to prohibit communication, activities or written materials that make any assertion or statement, that the MCO or provider is endorsed by CMS, the Federal or State government, or any other entity.

b. Marketing/outreach activities or materials distributed by a residential services subcontractor, which claim in marketing its services to the general public, that the Family Care, Partnership or PACE programs will pay for an individual to continue to receive services from the subcontractor after the individual's private financial resources have been exhausted are prohibited.

E. Management of Subcontractors

1. *Establishing and Maintaining Subcontracts*

The MCO must:

a. Establish mechanisms to monitor the performance of subcontractors to ensure compliance with provisions of the subcontract on an ongoing basis, including formal review according to a periodic schedule, consistent with industry standards or state laws and regulations.

b. Identify deficiencies or areas for improvement.

c. Take corrective action if there is a failure to comply.

2. *Additional Requirements for Management Subcontracts*

Management subcontracts for administrative services will be subject to additional review to assure that rates are reasonable:

a. Services and Compensation

Subcontracts for MCO administrative services must clearly describe the services to be provided and the compensation to be paid.

b. Bonuses, Profit Sharing

i. Any potential bonus, profit-sharing, or other compensation not directly related to costs of providing goods and services to the MCO, shall be identified and clearly defined in terms of potential magnitude and expected magnitude during the subcontract period.

ii. Any such bonus or profit sharing shall be reasonable compared to services performed. The MCO shall document reasonableness.

iii. A maximum dollar amount for such bonus or profit sharing shall be specified for the subcontract period.

F. Memorandum of Understanding (MOU)

1. *Entering into an MOU*

An MCO may enter into an MOU with a business, provider or similar entity. Such an MOU may not violate any of the requirements found in this contract concerning contracts or subcontracts between the MCO and a business, provider or similar entity.

2. *Submission of Memoranda of Understanding (MOUs) to the Department*

The MCO shall submit MOUs referred to in this contract to the Department upon the Department's request.

The MCO shall submit copies of changes in MOUs to the Department within fifteen (15) business days of the effective date of the MOU.

G. Provider Network

1. *MCO Provider Selection and Retention Process*

a. The MCO shall implement written policies and procedures for a provider selection and retention process that meet the requirements of this article.

b. The MCO must allow any community-based residential facility (CBRF), residential care apartment complex (RCAC), community rehabilitation program, home health agency, day service provider, personal care provider, or nursing facility to serve as a contracted provider if:

i. The provider agrees to be reimbursed at the MCO's contract rate negotiated with similar providers for the same care, services, and supplies; and

ii. The facility or organization meets all guidelines established by the MCO related to quality of care, utilization, and other criteria

applicable to facilities or organizations under contract for the same care, services, and supplies.

c. If the MCO declines to include an individual or group of providers in its network, it must give the affected providers written notice of the reason for its decision.

d. In establishing provider and management subcontracts, the MCO shall seek to maximize the use of available resources and to control costs.

e. An MCO is:

i. Not required to contract with providers beyond the number necessary to meet the needs of its members;

ii. Not precluded from using different reimbursement amounts for different specialties or for different practitioners in the same specialty; or

iii. Not precluded from establishing measures that are designed to maintain quality of services and control costs and are consistent with its responsibilities to members.

2. *Discrimination*

a. The MCO shall not discriminate for the participation, reimbursement or indemnification of any provider who is acting within the scope of his/her license or certification under applicable State law, solely on the basis of that license or certification.

b. The MCO shall not discriminate against particular providers that serve high-risk populations or specialize in conditions that require costly treatment.

3. *Training*

The MCO will identify areas where further subcontractor and staff training is needed, identify available resources, and then facilitate training. The MCO shall facilitate training provided by the Department to MCO providers.

H. Provider Certification and Standards

1. *Wisconsin Provider Standards*

The MCO shall use only providers that:

a. Meet the provider standards in Wisconsin's approved s. 1915 (c) home and community-based waiver in Addendum XII, Benefit Package Service Definitions, and are consistent with any applicable Department policies and procedures; or,

b. Are certified as providers under DHS 105 Wis. Admin. Code to provide acute, primary or long term care services specified in DHS 107 Wis.

Admin. Code. These are the standards that apply to providers and services under the Medicaid State Plan; or

c. Meet the MCO's provider standards that have been approved by the Department.

2. *Laboratory Providers for Partnership and PACE*

For laboratory providers, the MCO will use only laboratories that have a valid Clinical Laboratory Improvement Amendments (CLIA) certification or a certificate along with a CLIA identification number and that comply with the CLIA regulations as specified by 42 CFR 493D. Those laboratories with certificates will provide only the types of tests permitted under the terms of 42 CFR 493.

3. *Emergency and Non-Clinical Services*

Exceptions to provider certification standards may include emergency medical services and non-clinical services or as otherwise requested by the MCO and approved by the Department.

4. *Excluded Providers*

All providers utilized by the MCO must not be excluded from participation in federal health care programs under either section 1128 or section 1128A of the Social Security Act. Except for emergency services, Medicaid payment is not available for excluded providers.

I. Cultural Competency

1. *Cultural Competency and Values*

The MCO shall encourage and foster cultural competency among MCO staff and providers.

The MCO shall incorporate in its policies, administration, provider contract, and service practice the values of honoring members' beliefs, being sensitive to cultural diversity including members with limited English proficiency and diverse cultural and ethnic backgrounds, and fostering in staff/providers attitudes and interpersonal communication styles which respect members' cultural backgrounds.

The MCO shall have specific policy statements on these topics and communicate them to subcontractors.

2. *Cultural Preference and Choice*

The MCO shall permit members to choose providers from among the MCO's network based on cultural preference, including the choice of Indian members to choose to receive services from any Indian health care provider in the network as long as that provider has capacity to provide the services.

3. *Appeals and Grievances*

The MCO shall accept appeals and grievances from members related to a lack of access to culturally appropriate care. Culturally appropriate care is care delivered with sensitivity, understanding, and respect for the member's culture.

J. Access to Providers

1. *Access Standards*

The MCO shall ensure all services and all service providers comply with access standards provided in Article VII, Services, page 73 and the access standards in this article.

2. *Assuring Access*

The MCO must do the following to assure access:

a. Meet and require its providers to meet state standards for timely access to care and services, taking into account the urgency of the need for services.

b. Ensure that network providers offer hours of operation that are no less than the hours of operation offered to commercial members or comparable to Medicaid fee-for-service members, if the provider serves only Medicaid members.

c. Make benefit package services that are necessary to support outcomes or that are medically necessary, available twenty-four (24) hours a day, seven (7) days a week, as appropriate.

3. *MCO Certification of Adequate Capacity and Access*

By the effective date of this contract, the MCO shall demonstrate to the Department an adequate internal staff and subcontracted provider capacity to provide the projected membership in the service area with:

a. The appropriate range of services to make all services in the benefit package readily available;

b. Access to prevention and wellness services;

c. A sufficient number, mix and geographic distribution of providers of all services;

d. Specialized expertise with the target population(s) served by the MCO;

e. Culturally competent providers (see Section I. of this article) including Indian health care providers; and

f. Services that are physically accessible and available on a timely basis.

4. *Demonstrating Capacity*

In demonstrating capacity, the MCO must consider:

a. The anticipated MCO enrollment;

b. The expected utilization of services, taking into consideration the characteristics and health care needs of the MCO's members;

c. The numbers and types (in terms of training, experience, and specialization) of providers required to furnish the services in the benefit package;

d. The numbers of network providers who are not accepting new MCO members;

e. The geographic location of providers and MCO members, considering distance, travel time, the means of transportation ordinarily used by MCO members, and whether the location provides physical access for members with disabilities.

5. *Geographic and Timeliness Access Standards*

The MCO shall develop standards for geographic access and timeliness of access to services in the benefit package and monitor the performance of providers in relation to those standards.

6. *Evidence of Adequate Service Capacity*

Evidence of adequate service capacity to serve the MCO membership includes:

a. Submission of a provider network listing for all services in the benefit package that includes, but is not limited to, the following:

i. Provider or facility name;

ii. Exact location where services are being provided;

iii. Services being provided (e.g. home health or respite);

iv. For Partnership and PACE programs, whether or not physicians and hospitals are accepting new MCO members;

v. Upon Department request, whether or not other network providers are accepting new MCO members; and

vi. Verification that providers are credentialed, when appropriate.

b. For residential care facilities, evidence of adequate capacity shall include identification of the availability of residential providers offering private rooms, and a process for moving an individual to a private room when one becomes available that is consistent with the member's preferences.

7. *Additional Information for Certification*

The Department may require submission of additional information that includes:

a. Actual and projected enrollment by target group;

b. A description of how the MCO projects the needs for each target group;

c. MCO standards for travel and distance times or service delivery timeframes for any of the services listed in the benefit package; and

d. Other information the Department determines to be necessary for certification of the MCO provider network.

8. *Monitoring Access to Services*

The MCO shall continuously monitor the extent to which it maintains an adequate capacity and take corrective action if it discovers deficiencies in its capacity to meet the requirements of Article VII, Services, page 73.

This shall include MCO policies and procedures for interdisciplinary teams to notify the MCO network developers when they experience problems in accessing services for members.

9. *Full Enrollment*

Any MCO that will, at any time during the term of this contract, operate the MCO in a service area where the Family Care benefit is available to all entitled persons in the service area shall demonstrate capacity to provide services to all entitled persons who seek enrollment in the MCO. The entitlement period is specified in s. 46.286(3)(c), Wis. Stats.

K. Change in Providers

1. *Notify the Department*

The MCO is required to notify the Department of anticipated and unexpected changes in the provider network that have potential to limit member access or compromise the MCO's ability to provide necessary services.

2. *Notification Timetable*

The MCO shall notify the Department within seven (7) calendar days of any notice given by the MCO to a subcontractor, or any notice given to the MCO from a subcontractor, of a subcontract termination, a pending subcontract termination, or a pending modification in subcontract terms, that could reduce member access to care or compromise the MCO's ability to provide necessary services.

3. *Termination of Contracted Provider*

The MCO must make a good faith effort to give written notice of termination of a contracted provider, within fifteen (15) business days after receipt or issuance of the termination notice, to each member who received his/her primary care from, or was seen on a regular basis by, the terminated provider.

4. *Notices to Members and the Resource Centers*

The MCO shall provide each member and the resource centers in the service area affected by the change, written notice of the change at least thirty (30) calendar days before the effective date of the change. Notices about significant changes in

providers that are to be sent to members and shared with the resource center must be submitted to the Department prior to delivery.

5. *Certification of Subcontracts Related to the Change*

At any time the Department determines there has been a significant change in the MCO's capacity to offer services in the benefit package or in the MCO's projected membership or in the service area, the Department may, at its discretion, require recertification of the MCO network.

6. *Invoking Remedies*

If the Department determines that a pending subcontract termination or pending modification in subcontract terms will jeopardize member access to care, the Department may invoke the remedies provided for in Article XVI.D., Sanctions for Violation, Breach, or Non-Performance, page 193. These remedies include contract termination (with notice to the MCO and an opportunity to correct provided for), and suspension of new enrollment.

L. Health Information System

1. *Accurate and Complete Data*

The MCO must ensure that data received from providers is accurate and complete by following the requirements in Article XII, Quality Management (QM), page 152 and Article XIV, Reports and Data, page 178 and by:

a. Verifying the accuracy and timeliness of reported data;

b. Screening the data for completeness, logic, and consistency; and,

c. Collecting service information in standardized formats to the extent feasible and appropriate.

2. *Unique Identifier*

The MCO must require each physician and other eligible provider to have a unique identifier to the extent required under the Health Insurance Portability and Accountability Act (HIPAA).

M. Payment

1. *Payment for Services Provided to Members*

The MCO shall be responsible for payment of all services in the benefit package provided to members listed as ADDs or CONTINUEs on either the Initial or Final Enrollment Reports generated for the month of coverage. Additionally, the MCO agrees to provide or authorize provision of services to all Medicaid members with valid Medicaid ID (identification) cards indicating MCO enrollment without regard to disputes about enrollment status and without regard to any other identification requirements.

Any discrepancies between the cards and the reports will be reported to the Department for resolution. The MCO shall continue to provide and authorize provision of all contract services until the discrepancy is resolved. This includes recipients who were PENDING on the Initial Report and held a valid Medicaid identification card indicating MCO enrollment, but did not appear as an ADD or CONTINUE on the Final Report.

2. *Federally Qualified Health Centers (FQHCs)*

   a. Payment

      If the MCO contracts with a facility or program, which has been certified as an FQHC, for the provision of services to its members, the MCO must increase the FQHC's payment in direct proportion to any annual increase the MCO receives from the Department for any type of provider.

   b. Reporting

      If the MCO contracts with a FQHC, it must report to the Department within forty-five (45) calendar days of the end of each quarter the total amount paid to each FQHC, per month as reported on the 1099 forms prepared by the MCO for each FQHC. FQHC payments include direct payments to a medical provider who is employed by the FQHC.

3. *Indian Health Care Providers*

   Indian health care providers, whether participating in the MCO network or not, shall be paid according to the following requirements.

   a. Indian health care providers shall be paid for services in the benefit package provided to Indian enrollees who are eligible to receive services from such providers either:

      i. At a rate negotiated between the MCO and the provider, or

      ii. If there is no negotiated rate, at a rate not less than the level and amount of payment that would be made if the provider were not an Indian health care provider.

   b. Indian health care providers shall be paid promptly in accordance with this section.

4. *Allowable Cost Policy Not Applicable*

   In subcontracting with and paying providers, the MCO is not subject to ss. 46.036(3) and (5m), Wis. Stats, which refer to allowable costs.

5. *Subcapitation*

   The MCO may expend funds from its capitation payments on a subcapitated basis.

6. *Medicaid Rates*

   a. Negotiated Rates

      If the MCO can negotiate such agreements with providers, the MCO may pay providers less than Medicaid fee-for-service rates.

   b. The Medicaid Rate for Nursing Home Services

      In determining the "Medicaid fee-for-service rate" in paragraphs 6. a. and c. for the purchase of nursing home services, the MCO must employ the Medicaid fee-for-service nursing home rate methodology applied solely to the MCO's residents in that nursing facility.

   c. Department Approval to Pay Above the Medicaid Rate

      The MCO shall not pay itself or its providers more than the Medicaid fee-for-service rates for Medicaid covered services in the benefit package unless the Department approves a higher level of payment. The Department will base the approval on whether the service will result in added quality or value, or if the availability of service providers at the Medicaid fee-for-service rate is not sufficient.

   d. MCO Requests

      i. Prior to the effective date of this contract, the MCO shall submit a request to the Department to pay itself a rate for care management or any other service provided by the MCO that is higher than the Medicaid fee-for-service rate. The MCO is required to identify the methodology by which the rate was created and documentation to support the rate calculation.

      ii. Prior to the effective date of any subcontract, the MCO shall submit a request to the Department to pay any subcontractor a rate for a Medicaid covered service that is higher than the Medicaid fee-for-service rate.

      iii. Rate changes resulting in any additional increase in payment are also subject to Department approval according to the requirements described above.

7. *Payments for Court-Ordered Services*

   The MCO will pay for covered court-ordered services that are in the benefit package in accordance with Article VII.L., Court-Ordered Services, page 89. Pursuant to a court order for treatment the MCO will pay for covered services provided by a provider that is not in the MCO's provider network to any member.

   Coverage of a service is effective upon receipt of a written request for a referral from the non-network provider, and extends until the MCO issues a written denial of the referral. This requirement does not apply if the MCO issues a written denial

of the referral within five (5) business days of receiving the request for the referral.

N. Appeals to the MCO and Department for Payment/Denial of Providers Claims

1. *Provider Appeal to the MCO*

All providers must appeal first to the MCO if they disagree with the MCO's payment, nonpayment, partial payment, late payment or denial of a claim. To enable a provider to appeal, the MCO shall:

a. Provide written notification to providers of the MCO payment, nonpayment, partial payment or denial determinations. These notifications will include:

i. A specific explanation of the payment amount or a specific reason for the nonpayment, partial payment or denial;

ii. A statement explaining the appeal process and the provider's rights and responsibilities in appealing the MCO's determination by submitting a separate letter or form which:

a) Is clearly marked "appeal";

b) Contains the provider's name, date of service, date of billing, date of rejection, and reason(s) claim merits reconsideration for each appeal; and,

c) Is submitted to the person and/or unit at the MCO that handles Provider Appeals within sixty (60) calendar days of the initial denial or partial payment.

iii. The name of the person and/or unit at the MCO to whom provider appeals should be submitted.

iv. A statement advising the provider of the provider's right to appeal to the Department, the timeframes for those appeals, and the address to submit the appeals if the MCO fails to respond to the appeal within forty five (45) calendar days or if the provider is not satisfied with the MCO's response to the request. Appeals to the Department are submitted to:

Provider Appeals Investigator
Division of Long-Term Care
1 West Wilson Street, Room 518
PO Box 7851
Madison, WI 53707-7851

b. Accept written appeals from providers who disagree with the MCO's payment, nonpayment, partial payment or denial determination, if the provider submits the dispute in writing within sixty (60) calendar days of the initial payment/denial notice.

c. Respond in writing to the provider within forty-five (45) calendar days from the date of receipt of the request for reconsideration. If the MCO fails to respond within that time frame, or if the provider is not satisfied with the MCO's response, the provider may seek a final determination from the Department.

2. *Provider Appeals to the Department*

a. The Department will review appeals and make final determinations in cases where;

i. The provider has requested a reconsideration by the MCO according to the terms described above; and

ii. The provider continues to dispute the MCO's appeal determination; or

iii. The MCO or provider fails to respond within forty-five (45) calendar days from the date of receipt of the provider's request for reconsideration.

b. Appeals must be submitted to the Department within:

i. Sixty (60) calendar days of the date of written notification of the MCO's final decision resulting from a request for reconsideration; or

ii. Sixty (60) calendar days after the MCO's failure to respond within forty-five (45) calendar days to the provider's request for reconsideration.

c. The Department will notify the MCO when a provider appeal is received and will share pertinent information so the MCO has an opportunity to respond.

d. The Department will accept written comments from all parties to the dispute prior to making the decision.

e. The Department can make a decision based on the information that it has even if it might not have all of the information that it has requested because the MCO or provider has failed to respond to a request from the Department for information by the deadline set by the Department.

f. The Department has forty-five (45) calendar days from the date of receipt of all written comments to respond to a provider's appeals.

g. The Department determinations may include the override of the MCO's time limit for submission of claims and appeals in exceptional cases. The Department will not exercise its authority in this regard unreasonably.

h. The MCO shall accept the Department's determinations regarding appeals of disputed claims. The MCO shall pay provider(s) within forty-five (45) calendar days of receipt of the Department's final determination.

3. *Provider Appeal Log*

The MCO shall submit to the Department a provider appeal log as specified in Article XIV.C.2., page 180. The log will include the:

a. Name of the provider;

b. Type of service;

c. Date of service;

d. Amount of the claim;

e. Date of receipt of the appeal;

f. Appeal decision by the MCO; and,

g. Reason for the decision.

O. Standards for MCO Staff

1. *Competency Standards*

The MCO shall set competency standards for MCO staff that provide services in the benefit package. The MCO shall provide or arrange for training to assure that MCO employees meet competency standards.

The MCO shall establish a system for monitoring MCO staff who deliver services in the benefit package to assure the provision of quality services. Refer to paragraph 5, Caregiver Background Checks, below for related employee standards.

2. *Family Members*

The MCO shall have policies addressing the circumstances in which a family member may be paid by the MCO for services. Those policies must reflect the goal of supporting and maintaining informal supports and may allow for family members to be paid only if all the following apply:

a. The service is authorized by the interdisciplinary team;

b. The member's preference is for the family member to provide the service;

c. The interdisciplinary team monitors and manages any conflict of interest situation that may occur as a result of the family member providing services;

d. The family member meets the MCO's standards for its subcontractors or employees providing the same service; and

e. The family member will either:

i. Provide an amount of service that exceeds normal family care giving responsibilities for a person in a similar family relationship who does not have a disability; or,

ii. Find it necessary to forego paid employment in order to provide the service and is not receiving a pension (including Social Security retirement benefits).

3. *Intimate Care Services*

If the MCO is the employer of attendants for the purposes of supportive home care, personal care or home health aid services the following conditions shall be met:

a. Members are offered the opportunity to participate with the MCO in choice and assignment of attendant(s) that provide the service;

b. Members are involved with training the MCO attendant(s) (if desired by the member);

c. Members are involved in negotiating hours of services;

d. Members regularly participate in the evaluation of services provided by their MCO attendant(s); and,

e. Members are involved in the supervision of MCO attendant(s) along with the MCO attendant supervisor (if desired by the member and to the extent of his/her abilities).

4. *Federal Department of Labor*

The MCO shall implement and adhere to rules and regulations prescribed by the United States Department of Labor and in accordance with 41 CFR 60.

5. *Caregiver Background Checks*

The MCO shall comply with ch. DHS 12 and ch. DHS 13, Wis. Admin. Code, related to caregiver background and other checks.

All requirements of ch. DHS 12 and ch. DHS 13, Wis. Admin. Code, pertain to any providers or MCO staff who comes into direct contact with a member, including:

a. The MCO shall establish and implement a policy consistent with ch. DHS 12 and ch. DHS 13, Wis. Admin. Code, to appropriately respond to an MCO employee who is paid to provide services to a member when the employee has a caregiver conviction that is substantially related to the care of a member;

b. The MCO shall perform, or require providers to perform, caregiver background checks on people paid to provide services to a member in accordance with ch. DHS 12, Wis. Admin. Code;

c. For MCO subcontractors that have staff providing services that result in direct contact with MCO members, the MCO shall ensure caregiver background checks are completed in accordance with ch. DHS 12, Wis. Admin. Code;

d. The MCO maintains the ability to not pay or contract with any provider if the MCO deems it is unsafe based on the findings of past criminal convictions stated in the caregiver background check; and,

e. The caregiver background check shall be made available to the member or entity that is the employer.

P. Physician Incentive Plans for Partnership and PACE

1. *Federal Requirements*

If the MCO implements a physician incentive plan then the MCO must meet the following requirements:

a. 42 CFR 422.208, 417.479 PIP: Requirements and Limitations;

b. Stark Laws I & II;

c. SOCIAL SECURITY ACT1903(m)(2)(A)(viii) & SSA1903(m)(4) Disclosure of Ownership and Report Transactions;

d. 42 CFR 438.6(h) Physician Incentive Plans;

e. 42 CFR 438.210(e) State Requirements;

f. 1903(m)(2)(A)(x) Prohibition;

g. 42 CFR 422.210 Disclosure of PIP;

h. 42 CFR 438.6(h) PIP Requirements; and

i. 42 CFR 434.70(a)(3) Conditions for FFP (Federal Financial Participation).

2. *Stark Laws I and II*

If the MCO implements a physician incentive plan, then the MCO must meet the Stark Laws I & II, 42 CFR 422.208, 417.479, Social Security Act Physician Incentive Plan 1903(m)(2)(A)(viii) and Social Security Act1903(m)(4) that require:

a. No specific payment of any kind be made directly or indirectly under the plan to a physician or physician group as an inducement to reduce or to limit medically necessary services. Indirect payments include offerings of monetary value (such as stock options or waivers of debt) measured in the present or future.

b. If the MCO places a physician or physician group at substantial financial risk (as determined by the Secretary of the Department) for services not provided by the physician or physician group, the MCO shall provide stop-loss protection for the physician or physician group that is adequate and appropriate based on standards developed by the Secretary that take into account the number of physicians placed at such substantial financial risk in the group or under the plan and the number of individuals enrolled

with the organization who receive services from the physician or the physician group.

3. *Conduct Surveys*

If the MCO implements a physician incentive plan, then the MCO must conduct surveys that:

a. Include either all current Medicare/Medicaid members and individuals previously enrolled who have disenrolled during the past 12 months, or a sample of these same enrollees and disenrollees.

b. Are designed, implemented, and analyzed in accordance with commonly accepted principles of survey design and statistical analysis.

c. Address consumer satisfaction with the quality of services provided and the degree of access to the services.

d. Begin no later than one year after the effective date of the incentive plan. Thereafter, surveys must be conducted at least every two years.

4. *Information Concerning the Plans*

If the MCO implements a physician incentive plan, then the MCO must provide CMS and the Department information concerning the plans, sufficient to permit the Secretary to determine whether the plan is in compliance. Disclosure must be made upon application for a contract or for a service area expansion, and upon request by CMS or the Department. The disclosure must contain the following information:

a. Whether the incentive plan covers services not furnished by the physician or physician groups. If the plan covers only the services furnished by the physician or physician group, disclosure of other aspects of the plan is not needed.

b. The type of incentive arrangement; for example, withhold, bonus, capitation.

c. If withhold or bonus, the percent of the withhold or bonus.

d. The amount and type of stop-loss protection.

e. The panel size and, if patients are pooled according to one of the following permitted methods, the method used.

f. Commercial, Medicare and/or Medicaid members in the calculation of the panel size.

g. Pooling together of several physician groups into a single panel.

h. Capitation payments, if any, paid to primary care physicians for the most recent year broken down by percent of primary care services, referral services to specialists, and hospital and other types of provider (for example, nursing home and home health agency) services.

i. The results of surveys.

5. *Informing Members*

If the MCO implements a physician incentive plan, then the MCO must inform any Medicare/Medicaid beneficiaries whether they use a physician incentive plan that affects the use of referral services, the type of incentive arrangement, and, if available, the results of surveys.

IX. Marketing and Member Materials

A. Marketing/Outreach Plans and Materials

The MCO agrees to engage only in marketing/outreach activities and distribute only those marketing materials that are pre-approved in writing, as outlined in this section.

Marketing/outreach materials are defined in Article I, Definitions. The Department will determine what marketing/outreach materials and activities are subject to the requirements of this contract.

1. *Marketing/Outreach Plan Approval*

   If the MCO engages in marketing/outreach activities, a plan describing those activities must be approved in writing by the Department before the plan is implemented.

2. *Marketing Material Approval*

   a. The MCO must ensure that members and potential members receive accurate oral and written information sufficient to make informed choices.

   b. The MCO shall submit to the Department for approval all marketing/outreach materials that describe the program or the benefit package, prior to disseminating the materials.

   c. All marketing/outreach materials must be approved by the Department prior to distribution.

      i. The Department will review all marketing/outreach plans and materials in a manner which does not unduly restrict or inhibit the MCO's marketing/outreach plans and materials, and which considers the entire content and use of the marketing/outreach materials and activities.

      ii. Issues identified by the Department will be reviewed with the MCO. The MCO will be asked to make the appropriate revisions and resubmit the document for approval. The Department will not approve any materials it deems confusing, fraudulent, or misleading, or that do not accurately reflect the scope, philosophy, or covered benefits of the Program.

      iii. For Partnership and PACE programs, the Department will assist the MCO when issues arise in obtaining CMS approval for materials.

   d. This requirement includes marketing materials that are produced by providers under subcontract to the MCO or owned by the MCO in whole or in part.

3. *Timeline for Department's Approval*

   The Department will review marketing materials within (45) calendar days of receipt.

4. *MCO Agreement to Abide by Marketing and Distribution Criteria*

   a. The MCO agrees to engage only in marketing activities and distribute only those marketing materials that are pre-approved in writing.

   b. Any activities must occur in its entire service area in a county. All materials must be distributed to potentially eligible members in an entire service area, as defined in MCO's marketing plan and must be equitably available to all consumers eligible for enrollment in the MCO's service area.

   c. All marketing and outreach materials must be distributed to the Resource Centers in the service area at the same time these materials are first used.

5. *Sanctions*

   The MCO that fails to abide by these marketing requirements may be subject to any and all sanctions available under Article XVI.D., Sanctions for Violation, Breach, or Non-Performance, page 193. In determining any sanctions, the Department will take into consideration any past unfair marketing practices, the nature of the current problem and the specific implications on the health and well-being of the enrolled member.

   In the event that the MCO's subcontractor fails to abide by these requirements, the Department will evaluate whether the MCO should have had knowledge of the marketing issue and the MCO's ability to adequately monitor ongoing future marketing activities of the subcontractor(s).

6. *Review by Consumer Representatives*

   All marketing/outreach materials must be reviewed by a group that includes consumer representatives to assure materials are understandable and readable for the average consumer.

7. *MCO Operated by a County*

   For any MCO operated by a county, all marketing and outreach materials must indicate that the MCO is a county agency and that the county is also operating the resource center.

8. *Prohibited Practices*

   The following marketing/outreach practices are prohibited:

   a. Practices that are discriminatory;

   b. Practices that seek to influence enrollment in conjunction with the sale or offering of any other insurance product;

c. Direct and indirect cold calls, either door-to-door or telephone or other cold call marketing activity;

d. Offer of material or financial gain to potential members as an inducement to enroll;

e. Activities and materials that could mislead, confuse or defraud members or potential members or otherwise misrepresent the MCO, its marketing representatives, the Department, or CMS. Statements that would be considered inaccurate, false, or misleading include, but are not limited to any assertion or statement (whether written or oral) that:

   i. The recipient must enroll in the MCO in order to obtain benefits or in order to not lose benefits; or,

   ii. The MCO is endorsed by CMS, the federal or state government, or other similar entity.

f. Practices that are reasonably expected to have the effect of denying or discouraging enrollment;

g. Practices to influence the recipient to either not enroll in or to disenroll from another MCO plan; and,

h. Marketing/outreach activities that have not received written approval from the Department.

B. Member Materials – General Requirements

Member materials are defined in Article I, Definitions.

1. Member materials shall be accurate, appropriate for and easily understood by the MCO target population and in accordance with accessibility of language requirements in this article Section E, Accessible Formats and Languages and Cultural Sensitivity.

2. Member materials shall be available to members in paper form, unless electronic materials are available and the member or member's representative prefers electronic materials. Member materials in other languages are not required to be available in paper form. Alternatives for other languages are addressed in Section E.3., Obtaining Accessible Information, of this Article.

3. The MCO shall have all member materials approved by the Department before distribution. The Department will review member materials within (45) calendar days of receipt.

4. For Partnership and PACE programs, the Department will assist the MCO when issues arise in obtaining CMS approval for materials.

5. Within ten (10) business days of initial enrollment notification, the MCO shall provide new members or their authorized representatives a member handbook and provider network directory.

6. On an annual basis and upon request, the MCO shall provide all members with a member handbook, and for Partnership either a summary of the entire drug formulary or formulary changes. Annual distribution will be on or before January 31 each year.

7. The MCO shall give the resource centers and enrollment consultant member and marketing materials to disseminate to potential MCO members and to provide information for counseling. This information includes Department-approved member handbooks, provider network directories, self-directed supports materials, and grievance and appeals processes. In addition, Partnership plans will provide the drug formulary, pharmacy network information and summary of benefits. PACE plans will provide pharmacy information in addition to the list above. These materials shall be provided promptly upon initial development and whenever modified.

8. For the Family Care program, the MCO shall use the standard member handbook template developed by the Department and submit plan-specific changes for Department approval prior to distribution.

9. For the PACE and Partnership programs, the member handbook, summary of benefits, and annual notice of change templates will be developed cooperatively with all the Partnership/PACE plans and approved by the Department. Subsequently each plan will submit plan-specific publications, noting the changes, for Department and CMS approval prior to distribution.

10. As part of annual certification, the MCO will submit the following documents to the Department annually:

    a. Member handbook;

    b. Provider network directory or updates;

    c. Summary of Benefits for Partnership;

    d. Annual Notice of Change for Partnership;

    e. Pharmacy network information and drug formulary for Partnership; and

    f. Pharmacy information for PACE.

11. Educational materials prepared by the MCO or by their contracted providers and sent to the MCO's other membership do not require the Department's approval, unless there is specific mention of Partnership and/or Medicaid. Educational materials prepared by outside entities do not require Department approval.

12. The Family Care member handbook and all provider network directories must be reviewed by a group that includes consumer representatives and IDT staff to assure that materials are understandable and readable for the average consumer.

C. Member Handbook

In addition to providing members with a Member Handbook annually, the MCO shall provide members or their authorized representatives with periodic updates to the Member Handbook as needed to explain changes in any of the minimum information requirements (below) at least thirty (30) calendar days in advance of the effective date of the significant change. The Department will have final authority to determine if a change is significant. Such changes must be approved by the Department prior to distribution.

The Member Handbook, at a minimum, will include information about:

1. Membership in the MCO. This information shall include the nature of membership in a Managed Care Organization as compared to fee-for-service;
2. How to obtain information in the appropriate language or accessible format (e.g. sign language) and how to access such translation/interpreter services;
3. Available assistance for members with cognitive impairments to review materials about membership in the MCO;
4. The location(s) of the MCO facility or facilities;
5. The hours of service;
6. The services covered in the benefit package, including:
    a. A list of services in the benefit package and information about the benefits available in sufficient detail to ensure that members understand the benefits to which they are entitled in the benefit package;
    b. The MCO's ability to provide an alternative support or service that is not specified in the benefit package.
    c. Each member's right to select from the MCO's network of providers, and any restrictions on member rights in selecting providers;
    d. A member's ability to change providers;
    e. Any cost sharing related to these services;
    f. A member's liability for unauthorized services; and
    g. The range of residential options including the availability of private rooms and any potential associated costs.
7. For Family Care members, Medicaid covered services not in the benefit package that remain fee-for-service and procedures for obtaining these services, including:
    a. A list of these services;
    b. How and where to obtain these services;
    c. How transportation is arranged to and from fee-for-service providers; and,
    d. A statement on copayment.

8. Electing and maximizing Medicare benefits including:
    a. For Family Care members:
        i. The expectation that Medicare benefits will be elected by members who are currently enrolled in Medicare Parts A and/or B and that the Medicare benefit is maximized; and,
        ii. That if the member is currently enrolled in Medicare Parts A and/or B and chooses not to use his/her Medicare benefits, the MCO may refuse to pay for costs that Medicare would otherwise cover.
    b. Partnership members must:
        i. Enroll in and remain enrolled in all parts of Medicare for which they are eligible (Medicare Part A, Part B and/or Part D); and
        ii. Enroll in the MCO's Special Needs Plan if the member is eligible.
    c. PACE members must:
        i. Enroll in and remain enrolled in all parts of Medicare for which they are eligible (Medicare Part A, Part B and/or Part D);
        ii. Enroll in the MCO's PACE Plan; and
        iii. Obtain all Medicare Part A, Part B and Part D benefits, if eligible, from the MCO's PACE Plan.
9. The right to receive services from culturally competent providers, and information about specific capacities of providers, such as languages spoken by staff;
10. Self-Directed Supports and how and where members can get more information;
11. The extent to which members may obtain services, including family planning services for Partnership and PACE members, outside of the provider network;
12. Obtaining benefits and advance authorization of services, and on the member's ability to obtain services necessary to support outcomes;
13. Using after hours services and obtaining services out of the MCO's service area;
14. The use of emergency and urgent care facilities for Partnership and PACE including:
    a. What constitutes emergency medical condition, emergency services, and post-stabilization services, as defined in Article VII, Services, page 73;
    b. The fact that prior authorization is not required for emergency services;
    c. The process and procedures for obtaining emergency services, including use of the 911-telephone system or its local equivalent; and
    d. The fact that, subject to the provisions of this section, the member has a right to use any hospital or other setting for emergency care.

15. The telephone numbers including:
    a. The 24 hour a day toll free telephone number that can be used for assistance in obtaining urgent and emergency care; and
    b. A toll free telephone number where members can acquire information about the requirements and benefits of the program;
16. The post-stabilization care services rules set forth at Article VII, Services, page 73, and 42 CFR 422.113(c) for Partnership and PACE members;
17. The policy on referrals for specialist care and for other benefits not furnished by the member's primary care provider for Partnership and PACE members;
18. Voluntary enrollment, voluntary disenrollment, and involuntary disenrollment;
19. Members' rights, responsibilities and protections as defined by the Department and specified in 42 CFR 438.100;
20. Abuse, neglect and financial exploitation including:
    a. What constitutes abuse, neglect and financial exploitation; and
    b. What resources exist for reporting and assistance, including emergency twenty-four (24) hour phone numbers.
21. Ombudsman and independent advocacy services available as sources of advice, assistance and advocacy in obtaining services;
22. The appeal and grievance process, including:
    a. What constitutes an appeal, grievance, or fair hearing request;
    b. The right to file appeals, grievances or fair hearing request;
    c. How to file appeals, grievances, fair hearing requests and expedited review, including the timeframes, the rules that govern representation at the hearing and the member's ability to appear in person before the MCO personnel assigned to resolve appeals and grievances;
    d. Information about the availability of assistance with the appeal and grievance process, and fair hearings;
    e. The toll-free numbers that the member can use to register a grievance or an appeal orally and request that the MCO put the grievance or appeal into writing;
    f. The specific titles and telephone numbers of the MCO staff who have responsibility for the proper functioning of the process, and who have the authority to take or order corrective action;
    g. The assurance that filing an appeal or grievance or requesting a fair hearing process will not negatively impact the way the MCO, its providers, or the Department treat the member; and,

h. How to obtain services during the appeal and fair hearing process, including the fact that, when requested by the member:

i. The benefits may continue if the member files an appeal or a request for state fair hearing and requests continuation of services within the timeframes specified for filing; and

ii. The member may be required to pay the cost of services furnished while the appeal is pending, if the final decision is adverse to the member.

23. Obtaining second medical opinions;

24. Advance directives, as set forth in 42 CFR 438.6(i)(1);

25. How members and their authorized representatives can have input on changes in the MCO's policies and services;

26. The right to obtain results of member surveys;

27. Estate recovery provisions applying to MCO membership;

28. If the MCO is operated by a county, that the MCO is a county agency and that the county also operates the resource center;

29. The notification that members may be asked to voluntarily participate in the quality review process;

30. The additional information that is available upon request, including the following:

a. Structure and operation of the MCO; and

b. Any physician incentive plans as set forth in 42 CFR 438.6(h) for Partnership and PACE members.

D. Provider Network Directory and Information

1. The MCO must develop and maintain up-to-date provider network directories and information.

a. An electronic version of the MCO's provider network directory must be maintained with complete and current information.

b. The paper version of the provider network directory must be updated when significant changes occur and, at minimum, annually.

c. At least every three (3) years the MCOs must develop a complete, new paper version of its provider network directory or directories for its entire service area.

2. The MCO must make updated provider network directories available to members.

a. Upon enrollment, the MCO will give new members a provider network directory with updated information that is no more than one (1) year old.

b. The MCO will provide all members with updated network information through addendums to the directory or new directories:

i. Upon request;

ii. When significant changes occur; and,

iii. At minimum annually.

Annual distribution will be on or before March 31 each year.

c. Every three (3) years the MCO must offer a complete provider network directory to all members in the service area. A member may decline the offer in writing with the understanding that the member can request an updated complete or partial copy of the provider network directory at any time.

The offer of an updated directory or the distribution of the complete directory will be on or before March 31 every three years.

3. The MCO must make current information on the MCO's provider network available to IDT staff for care planning and appropriate authorization of services.

4. The MCO must provide all ADRCs in its service area with electronic access to complete and up-to-date provider network information, so that ADRCs can access the information at any time for the purpose of enrollment counseling.

5. The provider directory shall include long-term care providers and for Partnership and PACE acute and primary care providers under contract with the MCO:

a. Provider name (individual practitioner, clinic or agency as appropriate) including primary care physicians, specialists and hospitals for Partnership and PACE;

b. Provider location, and telephone number;

c. Services furnished by the provider;

d. The locations of any emergency settings and other locations at which providers and hospitals furnish emergency services and post-stabilization services covered under the contract;

e. For PACE and Partnership, any known provider limitations by physicians or hospitals in accepting new MCO members. If a preferred provider is not accepting new members, the MCO will assist the member in obtaining an alternate provider;

f. Non-English languages spoken by current providers; and

g. Accessibility of the provider's premises (if the member will be receiving services at the provider's premises).

E. Accessible Formats and Languages and Cultural Sensitivity

The MCO shall provide member and marketing materials in formats accessible due to language spoken and various impairments. Materials shared with potential members and members shall be understandable in language and format based on the following:

1. *Understandable Language or Interpretation*

   Material directed at a specific member shall be in the language understood by the individual or oral interpretation shall be provided to the individual free of charge.

   In general, material directed at potential members or members shall be provided in languages prevalent in the MCO service area, and in accessible formats.

   Member handbooks should be made available in Spanish, Russian, and Hmong if the MCO has members who are conversant only in those languages.

   Member information must explain how to obtain information about MCO services and procedures in other languages.

2. *Materials Easily Understood*

   All materials including all enrollment notices, informational materials and instructional materials shall be in easily understood language and format. Materials shall take into account individuals who are visually limited or who have limited reading proficiency.

3. *Obtaining Accessible Information*

   The MCO shall provide instructions to members and potential members in the materials on how to obtain information in the appropriate language or accessible format (e.g., sign language) and how to access such translation/interpreter services.

   As an alternative to making available the entire Member Handbook, Provider network directory or other marketing or member materials in Spanish, Russian, and Hmong, the MCO may insert a note in the materials. The note shall direct the member to a customer service number for assistance in understanding the handbook and in receiving services. In large documents, such as the Member Handbook and provider network directory, the note shall be written in each of the above languages.

   Accessible materials and interpretive services must be available free-of-charge to members and potential members.

4. *Cultural Sensitivity*

   Materials for marketing and for health-promotion or wellness information produced by the MCO must be appropriate for its target population and reflect sensitivity to the diverse cultures served.

If the MCO uses material produced by other entities, the MCO must review these materials for appropriateness to its target population and for sensitivity to the diverse cultures served.

F. Reproduction and Distribution of Materials

The MCO shall reproduce and distribute at the MCO's expense, according to a reasonable Department timetable, information or documents sent to the MCO from the Department that contains information the MCO members and/or the MCO-affiliated providers must have in order to implement fully this contract.

G. MCO Identification (ID) Cards

The MCO may issue its own MCO ID cards. The ForwardHealth and Forward cards will always determine the MCO enrollment, even where the MCO issues MCO ID cards.

X. Member Rights and Responsibilities

A. Protection of Member Rights

For Family Care and Partnership, the MCO shall have in effect written safeguards of the rights of enrolled participants, including a member bill of rights, in accordance with regulations and with other requirements of 42 CFR 438.100, Enrollee Rights and Protections, and of federal and state laws that are designed for the protection of members.

For PACE, the MCO shall have in effect written safeguards of the rights of enrolled participants, including a member bill of rights, in accordance with PACE regulations 42 CFR 460.110, Bill of Rights, and 42 CFR 460.112, Specific Rights to which a Participant is entitled and state laws that are designed for the protection of PACE members.

The language and practices of the MCO shall recognize each member as an individual and emphasize each member's capabilities. MCO staff and affiliated providers shall demonstrate dignity and respect in all of their interactions with members and take members' rights into account when furnishing services to members.

The MCO must have written policies regarding the enrollee rights specified in this section, including but not limited to:

1. Being treated with respect and with due consideration for his/her dignity and privacy.
2. Receiving information on available treatment options and alternatives, presented in a manner appropriate to the enrollee's condition and ability to understand.
3. Participating in decisions regarding health and long-term care, including the right to refuse treatment and the right to request a second opinion.
4. Being free from any form of restraint or seclusion used as a means of coercion, discipline, convenience, or retaliation.
5. Being able to request and receive a copy of his/her medical records, and to request that they be amended or corrected, as specified in 45 CFR 164.

B. Member Rights

Members have the right to all of the following:

1. Freedom from unlawful discrimination in applying for or receiving the benefit.
2. Accuracy and confidentiality of member information.
3. Prompt eligibility, entitlement and cost-sharing decisions and assistance.
4. Access to personal, program and service system information.
5. Choice to enroll in an MCO, if eligible, and to disenroll at any time.

6. Information about and access to all services of the Department, Resource Centers and MCOs to the extent that the member is eligible for such services.

7. Support in understanding member rights and responsibilities related to Family Care, Partnership or PACE.

8. Support from the MCO in all of the following:

   a. Self-identifying outcomes and long-term care needs.

   b. Securing information regarding all services and supports potentially available to the member through the benefit.

   c. Actively participating in planning individualized services and making reasonable service and provider choices for supporting identified outcomes.

   d. Identifying, eliminating or monitoring and managing situations where a conflict of interest may exist due to a person or entity having an interest in, or the potential to benefit from, a particular decision, outcome or expenditure.

9. Services identified in the member's member-centered plan.

10. Support in the exercise of any rights and available grievance and appeal procedures beyond those specified elsewhere in this article.

11. Exercise rights, and to be assured that the exercise of those rights does not adversely affect the way the MCO and its providers or any state agency treat the enrollee.

C. Member Responsibilities

The MCO shall encourage and support members to carry out the following responsibilities.

1. *Responsibilities Related to Individual Outcomes*

   Members are responsible to participate in the comprehensive assessment of their strengths and needs, in the identification of the outcomes important to them and in the development of a member-centered plan designed to support their identified outcomes and meet their identified needs. In addition, members are expected to utilize the available grievance and appeal processes to improve the quality of their own services and supports.

2. *Responsibilities Related to Overall MCO Quality Improvement*

   Members are responsible to participate in evaluating the overall quality of the MCO through member surveys, member interviews conducted by the Department or its external quality review organization and other evaluations conducted by the MCO or the Department. In addition, members' participation in the available grievance and appeal processes will provide valuable information to the MCO and

the Department about the quality of the services and supports delivered by the MCO.

D. Member Rights and Responsibilities Education

The MCO shall provide education to members on the grievance and appeal process within ninety (90) calendar days of enrollment. Responsibility for member education may be delegated to the member's lead/primary care manager.

At a minimum, this education process shall include reviewing the MCO grievance and appeal process described in the member handbook, including information about the availability of the MCO Member Rights Specialist. The MCO shall work proactively with the membership to encourage the use of the internal appeal and grievance process as the first step in the resolution of issues.

E. Member Rights Specialist and MCO Advocacy Services

The MCO shall designate a Member Rights Specialist to serve as a member advocate within the agency.

1. *Member Rights Specialist*

   The Member Rights Specialist shall provide support for all members in understanding their rights and responsibilities related to Family Care, Partnership or PACE, including due process procedures available to them in a grievance or appeal and other opportunities that may be available to express opinions and concerns about the Resource Center, providers with which the MCO contracts and services received by the member.

   The Member Rights Specialist shall also assist members to identify all rights to which they are entitled. If multiple grievance, review or fair hearing processes are available to the member, the Member Rights Specialist shall also offer advice about which process might best meet the member needs.

2. *MCO Advocacy Services*

   a. The MCO Member Rights Specialist shall have direct access to top level management of the MCO, and shall perform the following functions at a minimum:

      i. Assist individual members with issues and concerns that relate to the care management or the services provided through the MCO; and,

      ii. Assist in assuring quality services throughout the MCO.

   b. The MCO shall assure that, within 90 calendar days after enrollment, members have had a face-to-face contact to make certain they are aware of the advocacy services available to them. This contact may be done by the interdisciplinary team.

F. Authorized Representatives

The MCO shall include the member's authorized representative in communications between the MCO and the member and in providing documents to the member. The MCO shall allow the member's authorized representative to facilitate care or treatment decisions when the member is unable to do so for themselves.

G. Informal Resolution

Members shall obtain a prompt resolution, through established procedures, of issues raised by the members, including grievances and appeals. Members shall have the option to be represented by an advocate, peer or representative in these processes. Whenever possible, the MCO shall attempt to resolve appeals and grievances through internal review, negotiation or mediation. Such attempts do not, however, relieve the MCO of any responsibility to comply with all requirements of the grievance and appeals process including timely resolution and prompt notice of any decisions.

H. Advance Directives

1. The MCO shall comply with requirements of federal and state law with respect to advance directives (e.g., living wills, durable power of attorney for health care).
2. The MCO shall not base the provision of care or otherwise discriminate against a member based on whether or not the member has executed an advance directive. This provision shall not be construed as requiring the provision of care that conflicts with an advance directive.
3. The MCO shall:
    a. Provide written information at time of MCO enrollment to all adults receiving medical care through the MCO regarding:
        i. The individual's rights under Wisconsin law (whether statutory or recognized by the courts of Wisconsin) to make decisions concerning such medical care, including the right to accept or refuse medical or surgical treatment and the right to formulate advance directives;
        ii. The individual's right to file a grievance with the Department of Health Services, Division of Quality Assurance, regarding noncompliance with advance directive requirements. If requested, assist the member in filing a grievance with the Division of Quality Assurance regarding noncompliance with advance directive requirements, and
        iii. The MCO's written policies respecting the implementation of such rights, including a statement on any limitation regarding implementation of advance directives as a matter of conscience.
    b. Document in the member record whether or not the member has executed an advance directive.

c. Provide education for staff and the community on issues concerning advance directives including information and/or training about ways to recognize and minimize or eliminate any potential conflicts of interest associated with providing counseling and assistance to members in executing advance directives.

d. Provide referral to appropriate community resources, including the Resource Center, for any member or individual seeking assistance in the preparation of advance directives.

e. Have written policies and procedures regarding advance directives for all members that include all requirements listed in this section.

4. The written information must reflect changes in State law related to advance directives as soon as possible, but no later than ninety (90) calendar days after the effective date of change.

5. The above provisions shall not be construed to prohibit the application of any Wisconsin law which allows for an objection on the basis of conscience for any health care provider or any agent of such provider who, as a matter of conscience, cannot implement an advance directive.

I. Provision of Interpreters

The MCO shall provide interpreter services for members, as necessary, to ensure availability of effective communication regarding treatment, medical history, health education and information provided to members. The MCO must offer an interpreter, such as a foreign language or a sign language interpreter or a transcriber, in all crucial situations requiring language assistance as soon as it is determined that the member is of limited English proficiency or needs other interpreter services. (For related information, refer to Article IX.E., Accessible Formats and Languages and Cultural Sensitivity, page 127. The MCO shall meet the following requirements in the provision of interpreter services.

1. *Availability*

   The MCO must provide for twenty-four (24) hour a day, seven (7) days a week access to interpreters conversant in languages spoken by the members in the MCO. In a specific situation when a member needs care from the benefit package and requests interpreter services, the MCO shall make all reasonable efforts to acquire an interpreter in time to assist adequately with all necessary care.

2. *Professional Interpreters*

   Professional interpreters shall be used when needed where technical, medical, or treatment information is to be discussed.

3. *Family Members as Interpreters*

   Family members, especially children, may not be used as interpreters for discussion of technical, medical or treatment information or in assessments, therapy and other situations where impartiality is critical.

4. *Civil Rights Act of 1964*

   Provision of interpreter services must be in compliance with Title VI of the Civil Rights Act.

XI. Grievances and Appeals

A. Purpose and Philosophy

Members have the right to grieve or appeal any action or inaction of an MCO that the member perceives as negatively impacting the member. The overall system for dealing with grievances and appeals has been developed in cooperation with members and other stakeholders. It is intentionally designed to offer members different options for attempting to resolve differences.

While multiple options are available to resolve grievances and appeals, members are encouraged, and usually best served, to seek to directly resolve most concerns.

1. The member's interdisciplinary team is usually in the best position to deal with issues directly and expeditiously. The Member Rights Specialist within the MCO is the next most direct source of information and assistance.
2. When a concern cannot be resolved through internal review, negotiation, or mediation with the assistance of these individuals, the MCO's grievance and appeal process is the next most direct source for resolving differences. It is described in more detail in Section E of this article.
3. The Department reviews grievances and appeals primarily to assure that MCOs follow their own internal grievance and appeal policies and procedures and comply with the requirements of this contract in handling any disputes with members. For more information about the Department review process see Section F of this article.
4. The State Fair Hearing process is the final decision-making process for the Department in resolving members' appeals. It is described more fully in Section G of this article.
5. Other remedies available to members may include ch. DHS 94, Wis. Admin. Code, Patient Rights and Resolution of Patient Grievances and seeking resolution in Circuit Court.

B. Definitions

As used in this article, the following terms have the indicated meanings:

1. *Action*
    a. An "action" is any of the following:
        i. The denial of functional eligibility under s. 46.286(1)(a), Wis. Stats. as a result of administration of the long-term care functional screen, including a change from nursing home level of care to non-nursing home level of care.
        ii. The denial or limited authorization of a requested service, including the type or level of service.

iii. The reduction, suspension, or termination of a previously authorized service.

iv. The denial, in whole or in part, of payment for a service.

v. The failure to provide services and support items included in the member's MCP in a timely manner, as defined by the Department.

vi. The failure of the MCO to act within the timeframes of this article for resolution of grievances or appeals.

vii. The development of a member-centered plan that is unacceptable to the member because any of the following apply.

a) The plan is contrary to a member's wishes insofar as it requires the member to live in a place that is unacceptable to the member.

b) The plan does not provide sufficient care, treatment or support to meet the member's needs and support the member's identified outcomes.

c) The plan requires the member to accept care, treatment or support items that are unnecessarily restrictive or unwanted by the member.

viii. Notification by the MCO of a decision made in response to a member's grievance.

b. An "action" is not:

i. A change in provider;

ii. A change in the rate the MCO pays a provider;

iii. A termination of a service that was authorized for a limited number of units of service or duration of a service as defined in Article V.J.3.a. and b., page 63; or

iv. An adverse action that is the result of a change in state or federal law; however, a member does have the right to a State fair hearing in regard to whether he/she is a member of the group impacted by the change.

2. *Appeal*

An "appeal" is a request for review of an "action."

3. *Grievance*

"Grievance" is an expression of a member's dissatisfaction about any matter other than an "action."

4. *Grievance and Appeal System*

The term "Grievance and Appeal System" is used to refer to the overall system that includes grievances and appeals handled at the MCO level and the DHS level, and access to the State fair hearing process.

5. *Fair Hearing*

A "fair hearing" means a de novo review under ch. HA 3, Wis. Admin. Code, before an impartial administrative law judge of an action by the Department, a county agency, a resource center or an MCO.

6. *Date of Receipt*

"Date of receipt" when used in terms of establishing the time during which a member has a right to file a grievance or appeal means five (5) calendar days from the date of mailing of a notice unless the member can demonstrate that the actual date of receipt was later than five (5) calendar days after mailing.

C. Overall Policies and Procedures for Grievances and Appeals

1. *General MCO Requirement*

The only means by which members may contest functional and financial eligibility or cost share determinations is by using the State Fair Hearing process. For all other matters, the governing board of the MCO is responsible to assure that the MCO has a grievance and appeal system that is responsive to concerns raised by members. This function may be delegated in writing to a grievance and appeal committee.

The MCO must dispose of each grievance and resolve each appeal, and provide notice of a final decision, as expeditiously as the member's health condition requires, within timeframes that may not exceed the Department-established timeframes specified in this article.

2. *Information for Members*

A description of the grievance and appeal process must be included in the MCO Member Handbook or Evidence of Coverage.

3. *Cooperation with Advocates*

MCOs must cooperate with all advocates a member has chosen to assist him or her in a grievance or appeal.

4. *Reversed Appeal Decisions*

If the MCO appeal process, the Department review process, or a State Fair Hearing reverses a decision to deny, limit, or delay services that were not furnished during the appeal, the MCO must authorize or provide the disputed services promptly, and as expeditiously as the member's health condition requires.

If the MCO appeal process, the Department review process, or a State Fair Hearing reverses a decision to deny authorization of services, and the member received the disputed services during the appeal, the MCO must pay for those services.

5. *Continuation of Benefits During an Appeal*

   a. If a member requests continuation of benefits during an MCO appeal, Department review or State Fair Hearing, the MCO must continue to provide them if the request for continuation of benefits is made prior to the effective date in a notice of action, appeal decision or Department review of the termination, suspension, or reduction of a previously authorized service or course of treatment. Services must be continued until the member withdraws the appeal or there is a final disposition of the appeal and any subsequent appeals related to the same action, whichever is sooner.

   b. A member does not have a right to continuation of benefits:

      i. Beyond any limit in a service authorization as defined in Article V.J.1.a. and b., page 63 when that limit is reached during the course of an appeal.

      ii. When grieving a change in provider that is the result of a change in the MCO's provider network due to contracting changes; however, in such a situation the member does have a right to appeal dissatisfaction with her/his MCP.

      iii. When grieving adverse actions that are the result of a change in state or federal law; however, in such a situation a member does have the right to appeal whether he/she is a member of the group impacted by the change.

   c. If the final disposition of the appeal and any subsequent appeals is adverse to the member and upholds the MCO's action, the MCO or its providers may recover the cost of services continued solely because of the requirements of this section unless the Department or the MCO determines that the person would incur a significant and substantial financial hardship as a result of repaying the cost of the services provided, in which case the Department may waive or reduce the enrollee's liability.

6. *Information to Providers*

   In its subcontracts with providers, the MCO shall furnish providers with information regarding the grievance and appeal processes as specified in this article and require subcontractors to cooperate in grievance and appeal investigations.

D. Notice of Action and Appeal Rights

1. *Requirement to Provide Notice of Action*

The MCO must provide a written notice of action to affected members when the MCO applies or intends to apply an "action" as defined in this article. An oral or e-mail notice or reference to information in the member handbook or other materials does not meet the requirement to provide notice of action.

2. *Documentation*

The MCO is required to maintain any notice of action in the member's paper or electronic record.

3. *Language and Format Requirements for Notice of Action*

A notice of action provided to a member must be in writing. A notice of action must use easily understood language and format. It must include a statement that written or oral interpretation is available for individuals who speak non-English languages and indicate how such interpretation can be obtained. A notice of action must meet the language and format requirements of 42 CFR 438.10(c) and (d) and 42 CFR 438.404 to ensure ease of understanding.

4. *Content of Notice of Action*

For the Family Care and Partnership programs, the standardized notice templates approved by the Department will be used for notice of action of termination, reductions or denial of services.

The notice must include the date the notice is mailed and explain the following:

a. The action the MCO or its contractor has taken or intends to take, including the effective date of the action.

b. The reasons for the action.

c. Any laws that support the action.

d. The right of the member or any other authorized person to simultaneously file an appeal with the MCO, request Department review and/or request a State Fair Hearing in regard to the action.

e. The procedures for exercising the rights specified in this paragraph, including appropriate phone numbers and addresses.

f. The member's right to appear in person before the MCO grievance and appeal committee.

g. The circumstances under which expedited resolution is available and how to request it.

h. The availability of independent advocacy services and other local organizations that might assist the member in an MCO grievance or appeal, Department review or State fair hearing.

i. That the member may obtain, free of charge, copies of member records relevant to the MCO grievance or appeal, Department review or State Fair Hearing and how to obtain copies.

j. The member's right to have benefits continue pending resolution of the appeal, how to request that benefits be continued, and the circumstances under which the member may be required to re-pay the costs of these continued services.

5. *Timing of Notice of Action*

The MCO must mail or otherwise provide the notice of action within the following timeframes:

a. Loss or Change of Functional Eligibility

When administration of the long-term care functional screen results in a loss or change in functional eligibility under s. 46.286(1)(a), Wis. Stats., the screener shall verify the results and then immediately transfer the screen results to CARES. In addition:

i. For Family Care, Partnership and PACE, if the functional screen resulted in a complete loss of functional eligibility for the program, CARES will generate the notice of action and the MCO must continue to provide services until the date of disenrollment.

ii. For Family Care only:

a) If the functional screen resulted in a change in level of care from the non-nursing home level of care to the nursing home level of care, the MCO must, as appropriate, provide any services in the nursing home level of care benefit package that are now available to the member.

b) If the screen resulted in a change in level of care from the nursing home level of care to the non-nursing home level of care, the MCO shall immediately provide notice of action of the change in level of care to the member effective the date the screen was calculated.

If the member remains enrolled at the non-nursing home level of care and the MCO will reduce or terminate any service as a result of the change in level of care, it must provide an additional notice of action in accordance with paragraph 5.b. below.

b. Service Authorization Decisions

i. For standard service authorization decisions that deny or limit a requested service, within fourteen (14) calendar days of the request unless the MCO extends the timeframe for up to fourteen (14) additional calendar days in order to gather more information. If the timeframe is extended, the MCO must send a written notification to the member no later than the fourteenth day after the original

request. The notification of extension must inform the member that:

a) The member may appeal if dissatisfied with the extension, in which case the extension will be considered a denial, and

b) The member may contact the Member Rights Specialist for assistance.

If the decision is to deny or limit the requested service, the maximum time between a request and notice is twenty-eight (28) calendar days.

ii. For cases in which an expedited decision is needed because a provider indicates, or the MCO determines, that following the standard timeframe could seriously jeopardize the member's life or health or ability to attain, maintain, or regain maximum function, the MCO must make the service authorization decision and provide notice as expeditiously as the member's health condition requires and no later than seventy-two (72) hours after the request unless the timeframe has been extended.

In the case of an expedited decision, the timeline for a decision may be extended by an additional eleven (11) days up to a total of fourteen (14) calendar days.

If the timeframe is extended, the MCO must:

a) Give the member written notice of the reason for the decision to extend the timeframe and inform the member of the right to file a grievance if he/she disagrees with that decision; and,

b) Issue and carry out its determination as expeditiously as the member's health condition requires and no later than the date the extension expires.

iii. A standard or expedited service authorization decision that is not reached within the timeframes specified in paragraphs i. or ii. constitutes a denial. In such situations, the MCO must send a notice of action as soon as the timeframes have passed.

c. Termination, Suspension Or Reduction of Services

For termination, suspension, or reduction of previously authorized Medicaid-covered services, at least fifteen (15) calendar days. This includes five (5) mailing days to ensure that member receives the notice of action 10 days before the effective date of the action.

d. Denial of Payment

For denial of payment, on the date of the action.

6. *Exception to the Fifteen (15) Calendar Day Notice of Action*

The MCO does not need to give the fifteen (15) calendar day notice in the following circumstances.

a. Notice of Action Is Required Five (5) Calendar Days in Advance

The period of advance notice is shortened to five (5) calendar days if probable member fraud has been reported to the county Medicaid Fraud Unit.

b. No Advance Notice of Action Is Required

In the following circumstances, the MCO may take action to immediately reduce or terminate a member's service. The MCO shall send a notice of action to the member at the same time it takes such an action in the following circumstances.

i. The member has requested, in writing, the termination or reduction of service(s). The written request and termination or reduction must be documented in the member's record.

ii. The member has provided information that will result in a loss of eligibility and has indicated in writing that s/he understands that will be the result of supplying that information.

iii. An immediate change in the plan of care, including the reduction or termination of a service, is necessary to assure the safety or health of the member or other individuals.

c. No Notice of Action Is Required

The MCO is not required to provide notice of action when terminating services when a member is disenrolled.

E. MCO Grievance and Appeal Process

The MCO grievance and appeal process must meet the following requirements.

1. *Assistance in Filing a Grievance or Appeal*

The MCO must designate a "Member Rights Specialist" who is responsible for assisting members when they are dissatisfied. The MCO Member Rights Specialist must offer assistance to members in submitting grievances or appeals.

The Member Rights Specialist assigned to assist a member in a specific circumstance may be responsible for scheduling and facilitating meetings, but may not be a member of the MCO grievance and appeal committee that considers that specific circumstance. The Member Rights Specialist may not represent the MCO at a hearing of the MCO grievance and appeal committee, in a Department Review or at a State Fair Hearing.

The MCO must attempt to resolve issues and concerns without formal hearings or reviews whenever possible. When a member presents a grievance or appeal, the interdisciplinary team and the Member Rights Specialist must attempt to resolve the issue or concern through internal review, negotiation, or mediation, if possible.

a. The interdisciplinary team is the first level of support when a member is dissatisfied. Unless contrary to the expressed desire of the member, the IDT will attempt to resolve the issue through internal review, negotiation, or mediation, if possible. If the IDT cannot resolve the issue, it will refer the member to the Member Rights Specialist or offer assistance to the member or other authorized person who wishes to file a grievance or appeal.

b. The Member Rights Specialist will assist the member or other authorized person to understand the grievance or appeal options and help to complete any required paperwork to file the grievance or appeal. At the same time, unless contrary to the expressed desire of the member, the Member Rights Specialist will attempt to resolve issues through internal review, negotiation, or mediation.

c. The MCO must provide members with any reasonable assistance in completing forms and taking other procedural steps. This includes, but is not limited to, providing interpreter services and toll-free numbers that have adequate TTY/TTD and interpreter capability.

d. The MCO must allow members to involve anyone the member chooses to assist in any part of the grievance and appeal process, including informal negotiations.

2. *Grievance and Appeal Decision Makers*

The MCO must ensure that the MCO grievance and appeal committee is comprised of:

a. Individuals who were not involved in any previous level of review or decision making;

b. At least one member or guardian, or one person or guardian of a person, who meets the functional eligibility for one of the target populations served by the MCO. This person must be free from conflict of interest regarding his/her participation in the governing board/committee;

c. Individuals who, if deciding any of the following, are health care professionals possessing the appropriate clinical expertise, as determined by the Department, in treating the member's condition or disease:

i. An appeal of an action that is based on lack of medical necessity.

ii. A grievance regarding denial of expedited resolution of an appeal.

iii. A grievance or appeal that involves clinical issues.

3. *Confidentiality*

The MCO shall assure the confidentiality of any member who uses the grievance and appeal process is maintained, including:

a. Assuring that all members of the grievance and appeal committee have agreed to respect the privacy of members who bring a grievance or appeal before the committee and have received appropriate training in maintaining confidentiality and;

b. Offering a member the choice to exclude any consumer representatives from participation in a hearing on a matter the member is bringing before the grievance and appeal committee.

4. *MCO Process for Medicaid Grievances*

a. Authority to File

A member or a member's legal representative or anyone acting on the member's behalf with the member's written permission may file a grievance with the MCO.

b. Timing of Filing

A grievance can be filed with the MCO at any time.

c. Acknowledgement of Grievance Receipt

The MCO must acknowledge in writing within five (5) business days from the date of receipt of each grievance.

d. Procedures

i. A grievance may be filed either orally or in writing with the MCO. In order to establish the earliest possible filing date for the grievance, the MCO must document all grievances whether received orally or in writing.

ii. Unless contrary to the expressed desire of the member, the MCO must attempt to resolve all grievances through internal review, negotiation, or mediation.

iii. A grievance that cannot be resolved through internal review, negotiation, or mediation, must be reviewed by the MCO grievance and appeal committee.

iv. The MCO grievance and appeal committee must make a decision on a grievance as expeditiously as the member's situation and health condition requires, but no later than twenty (20) business days after the date of receipt of the grievance.

v. The MCO grievance and appeal committee must immediately send written notice of its disposition of the grievance to the member and the member's representative if applicable. The written resolution

notice must include the results and date of the decision. For decisions not wholly in the member's favor the notice must include the right to request a State Fair Hearing and how to do so.

5. *MCO Process for Medicaid Appeals*

a. Authority to File

i. There is no MCO level appeal of loss of functional eligibility. The MCO shall provide for functional eligibility re-screening by a different screener at the request of a member or a member's authorized representative. For appeals related to denial of functional eligibility under s. 46.286(1)(a), Wis. Stats., as a result of administration of the long-term care functional screen, a member or a member's authorized representative or anyone acting on the member's behalf with the member's written permission may request a State Fair Hearing.

ii. For all other MCO actions, a member or a member's authorized representative or anyone acting on the member's behalf with the member's written permission may file an appeal with the MCO, request a Department review or request a State Fair Hearing. A provider, acting on behalf of the member and with the member's written consent, may file an appeal.

b. Timing of Filing

An appeal must be filed within forty-five (45) calendar days of the date of receipt of the notice of action being appealed.

c. Acknowledgement of Appeal Receipt

The MCO must acknowledge in writing within five (5) business days of the date of receipt of each appeal.

d. Procedures

i. An appeal may be filed either orally or in writing with the MCO. However, for standard appeals, the individual must follow an oral filing with a written, signed appeal. In order to establish the earliest possible filing date for the appeal, the MCO must document all appeals whether received orally or in writing. The MCO will process oral requests for expedited appeals without requiring further action of the member.

ii. Unless contrary to the expressed desire of the member, the MCO must attempt to resolve all appeals through internal review, negotiation, or mediation.

iii. An appeal that cannot be resolved through internal review, negotiation, or mediation, must be reviewed by the MCO grievance and appeal committee.

iv. The MCO grievance and appeal committee must make a decision on an appeal as expeditiously as the member's situation and health condition requires.

a) Standard appeal resolution.

Unless the member requests expedited resolution, for Family Care and Partnership the MCO must make a decision on the appeal no later than twenty (20) business days after the date of receipt of the appeal. This timeframe for resolution may extend the appeal by up to ten (10) business days, up to a total of thirty (30) business days if the member requests the extension or if the MCO determines there is need for additional information and that the delay is in the member's interest. For an extension not requested by the member, the MCO must give the member (and the Department if requested) written notice of the reason for the delay.

b) Expedited appeal resolution.

Members may request an expedited resolution if the standard resolution timeframe could seriously jeopardize the member's life, health or ability to attain, maintain, or regain maximum function. The MCO must make reasonable efforts to give the member prompt oral notice of approval or denial of the request for expedited resolution and a written notice within two (2) calendar days. If the MCO denies a request for expedited resolution it must reach a decision on the appeal within the standard timeframe.

If the request for expedited resolution meets the criteria in this subsection, the MCO must make a decision on the appeal as expeditiously as the member's health condition requires, but not more than seventy-two (72) hours after the date of receipt of the appeal. The timeframe for an expedited appeal may be extended by an additional eleven (11) days up to a total of fourteen (14) calendar days if the member requests the extension or if the MCO determines there is need for additional information and that the delay is in the member's interest. For an extension not requested by the member, the MCO must give the member (and the Department if requested) written notice of the reason for the delay.

In an expedited review, the MCO must inform the member of the limited time available to present evidence and

allegations of fact or law. The MCO must ensure that punitive action is not taken against a member or provider who either requests an expedited resolution or supports a member's request for an expedited resolution.

v. The MCO grievance and appeal committee will make its determinations related to authorization of services based on whether services are necessary to support outcomes as defined in Article I, Definitions.

vi. The MCO grievance and appeal committee must immediately send written notice of its disposition of the appeal to the member and, if applicable, the member's authorized representative. The written resolution notice must include the results and date of the decision. For decisions not wholly in the member's favor the notice must include the right to request a State Fair Hearing and how to do so and the right to continue to receive benefits pending a hearing and how to request the continuation of benefits, and that the member may be liable for the cost of any continued benefits if the MCO's decision is upheld in the State Fair Hearing.

F. The Department Review Process

The MCO will participate in the Department Review Process.

1. *General Review Process*

a. In every situation where a member loses functional eligibility under s. 46.286 (1) (a) as a result of administration of the long-term care functional screen, the Department shall conduct a desk review of the functional screen. There is no other Department review of loss of functional eligibility.

b. For all other member concerns, the Department shall complete a timely review, investigation and analysis of the facts surrounding member grievances and appeals in an attempt to resolve concerns and problems through internal review, negotiation, or mediation, whenever a member or a member's authorized representative:

i. Requests a Department review directly; or,

ii. Requests a Department review of a decision arrived at through a county agency, resource center or MCO grievance and appeal process.

c. Unless the member and the Department agree to an extension for a specified period of time, the Department has twenty (20) business days from the date of receipt of a request for review from a member in which to resolve the member's concern or problem through internal review, negotiation, or mediation.

If, during the course of its review, the Department determines that the MCO failed to act within the requirements of this contract, the Department may order the MCO to take corrective action. The MCO shall comply with any corrective action required within the timeframes established by the Department.

d. The MCO shall provide the Department or its delegate with all requested documentation to support the review process within five (5) calendar days of the date of receipt of the request.

2. *Concurrent Review Process*

Whenever the Department receives notice from the Department of Administration's Division of Hearings and Appeals that it has received a fair hearing request, the Department shall use the general review process described above to conduct a concurrent review in accordance with s. DHS 10.55(4), Wis. Admin. Code.

G. The State Fair Hearing Process

The MCO will participate in the State Fair Hearing Process.

1. *Request for Fair Hearing*

A member, immediate family member, or someone with legal authority to act on the member's behalf (as specified in s. HA 3.05(2), Wis. Admin. Code) can file a request for a fair hearing for the following types of MCO actions before, during or after using the MCO grievance and appeal process or the Department review process:

a. Denial of functional eligibility under s. 46.286(1)(a), Wis. Stats., as a result of administration of the long-term care functional screen.

b. Failure to provide timely services and items that are included in the member's member-centered plan;

c. Reduction of services or support items in the member's member-centered plan, except in accordance with a change agreed to by the member;

d. A member-centered plan that is unacceptable to the member because any of the following apply:

i. The plan is contrary to a member's wishes insofar as it requires the member to live in a place that is unacceptable to the member.

ii. The plan does not provide sufficient care, treatment or support to meet the member's needs and identified outcomes.

iii. The plan requires the member to accept care, treatment or support items that are unnecessarily restrictive or unwanted by the member.

e. Involuntary disenrollment;

f. The MCO makes a decision on a grievance or appeal that is entirely or partially adverse to the member; or,

g. The member disagrees with the conclusion following a Department investigation of a grievance or appeal.

2. *Timeliness of Request for Fair Hearing*

The member must file the request for a fair hearing within forty-five (45) calendar days of one of the types of incidences noted above, or from the date of receipt of written notice from the MCO.

3. *MCO Response*

When it is notified by the Wisconsin Department of Administration, Division of Hearings and Appeals (DHA) that a member has requested a State Fair Hearing, the MCO must submit an explanation of its actions within ten (10) calendar days to DHA. A copy of this explanation must also be sent to the member, the member's authorized representative if known, the person designated by the Department as responsible for concurrent reviews and the Contract Coordinator and Member Care Quality Specialist the Department has assigned to the MCO.

4. *Participation of MCO Representative at State Fair Hearing*

The MCO will assure that a representative of the MCO participates in all State Fair Hearings in which the MCO is a party. The MCO representative will be prepared to:

a. Represent the MCO's position;

b. Explain the rationale and authority for the MCO action that is being appealed;

c. Accurately reference and characterize any policies and procedures in this contract related to the action that is being appealed; and

d. Accurately reference and characterize any specific MCO policies and procedures related to the action that is being appealed.

5. *Timeline for Resolution of Fair Hearing*

The Wisconsin Department of Administration, Division of Hearings and Appeals (DHA) is required to make a decision through the fair hearing process within ninety (90) calendar days of the date a member files a request for the hearing.

6. *Parties to the Appeal*

The parties to the appeal include:

a. The member and his/her representative; or,

b. The legal representative of a deceased member's estate; and,

c. The representatives of the MCO.

7. *Fair Hearing Decision*

   Any formal decision made through the fair hearing process under this section, shall be subject to member appeal rights as provided by State and federal laws and rules. The fair hearing process will include receiving input from the member and the MCO in considering the appeal.

8. *Access to Services*

   If the MCO's decision to deny or limit a service is reversed through the fair hearing process, the MCO shall authorize or provide the service as expeditiously as the member's situation or health condition requires, or by the deadline ordered in the Fair Hearing decision, but in no case later than thirty (30) calendar days after the date of receipt of the Fair Hearing decision.

H. Documentation and Reporting

The documentation and reporting required in this article regarding grievances and appeals provide the basis for monitoring by the MCO and the Department. The MCO and the Department shall review grievance and appeal information as part of overall quality management strategies.

1. *Confidentiality of Grievance and Appeal Records*

   The MCO shall keep grievance and appeal records confidential in accordance with Article XIII.A., Member Records, page 162.

2. *Retention of Grievance and Appeal Records*

   The MCO shall retain the documents related to each grievance and appeal in accordance with Article XIV.F., Records Retention, page 181.

3. *Notice of Adverse Decisions to the Department*

   If the MCO makes a decision on a grievance or appeal that is entirely or partially adverse to the member, the MCO shall submit the decision and all supporting documentation to the Department as expeditiously as the member's situation and health condition requires, but no later than twenty (20) business days after the date of receipt of notification of the decision from the standard grievance or appeal resolution process.

4. *Quarterly Reports*

   The MCO shall submit to the Department a quarterly grievance and appeal report as specified in Article XIV.C.2., page 180 consisting of a summary and a log, as follows:

   a. Summary

      The summary shall be an analysis of the trends the MCO has experienced regarding types of issues appealed and grieved through the local MCO process, the DHS process and the State fair hearing process. In addition, the summary should identify whether specific providers are the subject of

grievances or appeals. If the summary reveals undesirable trends, the MCO shall conduct an in-depth review, report the results to DHS, and take appropriate corrective action.

b. Log

The log shall include the following information about each grievance and appeal received through the local process:

i. Whether it is a grievance or an appeal;

ii. The nature of the grievance or appeal;

iii. The date of receipt of the grievance or appeal;

iv. The date the receipt was acknowledged by the MCO;

v. The date on which the grievance or appeal was resolved through internal review, negotiation, or mediation or the date a decision was issued by the local grievance and appeal committee;

vi. A summary of the decision;

vii. Whether the member's request was upheld by a local committee decision, whether the member's request was partially upheld or whether the committee agreed with the MCO decision or response to a grievance or appeal; and,

viii. Whether a disenrollment occurred during the course of the grievance or appeal or within fourteen (14) calendar days of receipt of a committee decision, and if so, the reason for the disenrollment.

XII. Quality Management (QM)

A. Leadership and Organization of the QM Program

1. *Responsibility for the QM Program*

   The MCO's quality management (QM) program shall be administered through clear and appropriate administrative structures, such that:

   a. The governing board oversees and is accountable for the QM program;

   b. The manager responsible for implementation of the QM plan has direct authority to deploy the resources committed to it;

   c. Responsibility for each aspect of the QM program shall be clearly identified and assigned;

   d. A quality management committee or other coordinating structure that includes both administrative and clinical personnel shall exist to facilitate communication and coordination among all aspects of the QM program and between other functional areas of the organization that affect the quality of service delivery and clinical care (e.g., utilization management, risk management, appeals and grievances, etc.).

2. *Member Participation*

   a. The MCO shall create a means for members to participate in the QM program and shall actively encourage and support the participation of members and other community individuals who represent the MCO's target population(s).

   b. The MCO shall keep documentation, e.g., minutes of attendance at QM committee meetings or correspondence, that documents the level of member and community participation in the QM program, and make this documentation available to the Department upon request.

3. *Staff and Provider Participation*

   a. The MCO shall create a means for MCO staff and providers, including attendants, informal caregivers, and long-term care and health care providers with appropriate professional expertise to participate in the QM program and shall actively encourage that participation.

   b. The MCO shall keep documentation, e.g., minutes of attendance at QM committee meetings or correspondence, that documents the level of staff and provider participation in the QM program, and make this documentation available to the Department upon request.

B. QM Annual Workplan and Evaluation

1. *Creation and Approval of an Annual QM Workplan*

Each year, the MCO's governing board or its designee shall approve a written QM workplan that outlines the scope of activity and the goals, objectives, timelines, and responsible person for the QM workplan for the contract period, and contains evidence of the MCO's commitment of adequate resources to carry out the program. The MCO's annual QM plan shall be based on findings from quality assurance and improvement activities included in the QM program.

2. *Annual Evaluation and Revision*

The MCO shall evaluate the overall effectiveness, including the impact, of its QM program annually to determine whether the program has achieved significant improvement, where needed, in the quality of service provided to its members.

3. *Special Needs Plan (SNP) and PACE Quality Reports*

For those MCOs that are special needs plans (SNPs) or operate a PACE program, the MCO shall submit to the Department any quality reports that it submits to CMS pursuant to Medicare regulations for SNPs or PACE.

C. Activities of the QM Program

Explanatory Material: The QM program will assess and improve the quality of care and services provided through MCO staff and through its sub-contracted providers. The purposes of this program include:

- potential problem identification through ongoing monitoring efforts;
- identification of quality-related problems and causes;
- evaluation of problems to determine severity and whether or not further study is warranted by audit or other means;
- design of activities to address deficiencies;
- development and implementation of corrective action plans; and
- conducting follow-up activities to determine whether identified quality issues have been corrected and whether care meets acceptable standards.

1. *Documentation of QM Activities, Findings, and Results*

The MCO shall maintain documentation of the following activities of the QM program and have that documentation available for Department review upon request:

a. The annual QM workplan and its approval by the governing board or its designee;

b. Monitoring the quality of assessments and member-centered care plans;

c. Monitoring the completeness and accuracy of completed functional screens;

d. Member satisfaction surveys;

e. Provider surveys;

f. Response to critical incidents;

g. Monitoring adverse events, including appeals and grievances that were resolved as requested by the members;

h. Monitoring access to providers and verifying that the services were actually provided;

i. Performance improvement projects; and

j. Results of the annual evaluation of the quality management program.

2. *Obtaining Member Feedback*

Annually, the MCO shall survey its membership or a representative sample of its enrolled members to identify their level of satisfaction with the MCO's services. This survey shall include a set of standard questions provided by the Department, and the MCO shall compile these results and provide them to the Department.

3. *Monitoring the Quality of Care Management*

The MCO will conduct an ongoing program of reviews that collects evidence that:

a. Appropriate risk assessments are performed on a timely basis;

b. Members and guardians when appropriate participate in the preparation of the care plan and are provided opportunities to review and accept it;

c. Member-centered plans (MCP) address all participants' assessed needs (including health and safety risk factors) and outcomes;

d. MCPs are updated and revised in accordance with the applicable standards for timeliness and when warranted by changes in the members' needs and outcomes;

e. Services are delivered in accordance with the type, scope, amount, and frequency specified in the member-centered plan, and

f. Members are afforded choice among covered services and providers.

4. *Monitoring the Quality of Services Provided by MCO Staff*

a. The MCO shall operate a system for monitoring the quality of services provided by MCO staff.

b. The MCO shall adopt written standards and procedures to govern quality management for its functional screening activities and will upon request submit those that describe:

i. The MCO methods employed to monitor the accuracy, completeness, and timeliness of annual and change-in-condition screens submitted by the MCO or an MCO contractor;

ii. The criteria employed to evaluate the accuracy, completeness, and timeliness of annual and change-in-condition screens submitted by the MCO or an MCO contractor; and

iii. The most recent results of the quality management monitoring of functional screen activities.

5. *Monitoring the Quality of Purchased Services*

a. The MCO shall monitor the performance of subcontracted providers and collect evidence that both licensed/certified providers and non-licensed/non-certified providers continuously meet required licensure, certification, or other standards and expectations, including those for:

i. Caregiver background checks;

ii. Education or skills training for individuals who provide specific services; and

iii. Reporting of critical incidents to the MCO.

If the MCO identifies deficiencies or areas for improvement, the MCO and the provider(s) shall take corrective action.

b. For MCOs that include primary and acute medical services in the benefit package, the scope of activities of the QM program must also include review of the provision of health services by appropriate health professionals.

6. *Identifying and Responding to Critical Incidents*

a. The MCO will adopt and carry out policies governing the processes used for identification, review and analysis of each critical incident. These policies will include procedures to ensure that:

i. Critical incidents are reported to designated MCO staff by providers or by MCO staff immediately after the incident or death was discovered;

ii. Effective steps are taken immediately to prevent further harm to or by the affected member(s);

iii. Incidents where there is a potential violation of criminal law are reported to local law enforcement authorities;

iv. Incidents meeting criteria in s. 46.90(4) or s. 55.043(1m), Wis. Stats. are reported in accordance with the applicable statute to the appropriate authority; the MCO is not responsible for or a substitute for Adult Protective Service investigations;

v. The MCO, within three (3) calendar days of learning of the incident, notifies the member or his/her guardian of the incident, unless the MCO has within that time determined that the report

was false or baseless, or unless the guardian is a subject of the investigation;

vi. The MCO has designated staff to conduct critical incident investigations who:

a) Were not directly responsible for authorizing or providing the member's care;

b) Have sufficient authority to obtain information from those involved and;

c) Have clinical expertise to evaluate the adequacy of the care provided relevant to the critical incident.

vii. Designated staff of the MCO or the provider complete an investigation of the incident and related events to determine and document whether the reported incident occurred and if it did:

a) The facts of the reported incident (including the date and location of occurrence), the type and extent of harm experienced by the member, any actions that were taken immediately to protect the member and to halt or ameliorate the harm;

b) The cause(s) of the incident;

c) Whether reasonable actions by the provider or others with responsibility for the well-being of the member would have prevented the incident; and

d) Whether any changes in the MCO's or provider's policies or practices might prevent occurrence of similar incidents in the future.

This investigation shall be completed within thirty (30) calendar days unless information or findings necessary for completion of the investigation cannot be obtained within that time for reasons outside of the MCO's control, in which case the investigation should be completed as promptly as possible.

b. The MCO shall instruct the MCO staff and provider staff in identifying, responding to and documenting and reporting critical incidents.

c. The MCO shall quarterly compile and report to the Department information related to its identification of and response to critical incidents as stated in Article XIV.C.2., Quarterly Report, page 180.

For each incident analysis completed during the quarter, the quarterly report shall contain:

i. The target group of the affected member(s);

ii. The category of incident, as defined by the Department in Technical Assistance memo #10-03 (http://www.dhs.wisconsin.gov/LTCare/Partners/infoseries/ta10-03.pdf);

iii. The date the incident occurred;

iv. The date the MCO first became aware of the incident;

v. The setting where the incident occurred (specify AFH, CBRF, RCAC, own home, specific community location);

vi. A short description of the harm experienced by the member;

vii. A short description of the immediate actions taken to protect the member and to halt or ameliorate the harm;

viii. A short description of the underlying circumstance(s) that caused or allowed the incident to occur;

ix. The date the MCO incident analysis was completed; and

x. A brief description of any policies or standard practices that have been or will be changed or adopted to prevent similar incidents in the future.

7. *Monitoring Adverse Events*

The MCO shall have an ongoing program of collecting information about adverse events, monitoring for patterns or trends, and using that information in the quality management program.

8. *Performance Improvement Projects*

a. During each contract period, the MCO shall make active progress on at least one performance improvement project relevant to long-term care, and for those MCOs that include primary and acute care in the benefit package, one additional performance improvement project relevant to primary and acute care.

Performance improvement projects are designed to achieve, through ongoing measurements and intervention, significant improvement, sustained over time, in clinical care and nonclinical care areas that are expected to have a favorable effect on outcomes and member satisfaction.

'Active progress' is progress to the point of having implemented at least one intervention and measured its effects on at least one indicator.

The MCO may satisfy this requirement by actively participating in a collaborative performance improvement project in conjunction with one or more MCOs. If the MCO is participating in a collaborative performance improvement project, activities and results must be reported separately for each MCO.

Each performance improvement project must be completed in a reasonable time period so as to generally allow information on the success of the performance improvement project in aggregate to produce new information on quality of care every year.

'Significant improvement' is defined either as reaching a specific target or as improving performance in the focus area by a fixed percentage defined in advance by the MCO or by the Department.

b. The Department may require specific topics for performance improvement projects and specify performance measures.

c. An MCO may conduct a PIP at any time for any purpose. PIPs that are submitted in fulfillment of this provision must be approved by the Department before the interventions are implemented. While the PIP is in the planning stage, the MCO must submit the study questions and the project aims or goals, as described in Section C of Addendum VIII, Performance Improvement Projects, to the Department for review and approval. The Department or EQRO will review the plans to assess whether an adequate needs assessment demonstrates that the focus area is suitable for the needs of the MCO's population and whether the aims or goals provide a good basis for demonstrable significant improvement. The Department or the EQRO will consult with the MCO to revise and strengthen the PIP plan and will approve the plan when it describes a project that, if implemented, is likely to be successful.

d. Each performance improvement project must clearly define a focus area that relates to the demographic characteristics and to the prevalence and potential consequences of the desirable or undesirable conditions among the MCO's membership. The planned improvements should affect either a significant portion of the members or a clearly specified sub-portion.

The focus area should be selected on the basis of data collection and analysis of members' needs, care, and services, or on the basis of member input. Over time, an MCO's performance improvement projects should address a broad spectrum of key aspects for member care and services, in both clinical and non-clinical focus areas.

e. One or more quality indicators must be specified for each project and used to document a baseline and to track performance and improvement over time. Indicators and measures currently in use for other purposes may be used for improvement projects.

All indicators must be objective, clearly and unambiguously defined, objectively measurable, and based on current knowledge in health or long-term care services research. Pilot testing to determine utility, relevance, or reliability may be a necessary step for some indicators or data-collection tools. If measurement methods for any indicators involve sampling, the

sample must be representative of the entire population that is intended to be affected by the intervention.

f. Improvement projects must clearly define the intervention strategies to be undertaken. Interventions should be related to causes or barriers that were identified through data analysis or through objective quality-management processes, and must be designed to have sustainable system-level effects.

g. The MCO must document the project plan for each improvement project, including interim objectives and target dates and must document progress in activity logs, worksheets, workbooks, or some other consistent format.

h. Improvement projects should incorporate analyses of interim progress through plan-do-study-act (PDSA) improvement cycles.

i. Upon request, the MCO shall report to the Department the status and results of any performance improvement project. The report should describe the:

i. Project indicators or measures, both baseline and target;

ii. Target population that will be affected by the project;

iii. Interventions or strategies that are being implemented to achieve the improvement;

iv. Planning and initiation of activities for increasing or sustaining improvement;

v. Major activities and progress in implementation; and

vi. Results obtained during the year including the evaluation of the effectiveness of the interventions or strategies.

j. Explanatory material describing recommended practices for designing and implementing performance improvement projects is included in Addendum VIII, Performance Improvement Projects, page 244.

9. *Compiling and Using Quality and Performance Indicators*

a. The MCO shall maintain a health information system that collects, analyzes, integrates, and reports data that can support the objectives of the MCO's QM program. The system must:

i. Provide information on areas including, but not limited to, utilization, grievances and appeals, and disenrollments for other than loss of Medicaid eligibility;

ii. Include systematic data collection relating to achievement of member outcomes;

iii. Produce performance indicators for internal use that are relevant and timely for quality-management purposes; and

iv. Provide for presentation and interpretation of the indicators to care managers and providers.

b. The MCO shall submit performance indicators as specified in Addendum VII, MCO Quality Indicators, page 240.

10. *Utilization Review*

a. The QM program shall include processes to:

i. Monitor and detect underutilization and overutilization of services.

ii. Assess the quality and appropriateness of care furnished to members.

b. For medical services in the benefit package, the documented policies and procedures for medical record content and utilization review of medical services shall reflect current standards of medical practice in processing requests for initial or continued authorization of services, and shall:

i. Be consistent with the utilization control requirement of 42 CFR 456, Utilization Control including:

a) Safeguards to prevent unnecessary or inappropriate use of Medicaid services available under this plan, and guard against excess payments;

b) Under-utilization and over-utilization of services to assure that members receive and have access to services that promote health and safety; and

c) Medical record content for hospitals and mental hospitals is consistent with the utilization control requirements of 42 CFR 456.111 and 42 CFR 456.211.

ii. Have appropriate health professionals reviewing the provision of health services;

iii. Provide for systematic data collection of performance and results; and

iv. Provide for making needed changes.

D. Cooperation with the Department QM Program

1. *Cooperation with Department Review*

The MCO is subject to, at a minimum, an annual external independent review of quality outcomes, timeliness of, and access to, the services covered in the benefit package.

The MCO must assist the Department and the external quality review organization (EQRO) in identifying and collecting information required to carry

out on-site or off-site reviews and interviews with MCO staff, providers, and members.

2. *Response to Department Findings*

In the event that a review by the Department or the EQRO results in findings that concern the Department, the MCO will cooperate in further investigation or remediation, which may include:

a. Revision of a care plan or any of its elements for correction, if found to be incomplete or unsatisfactory;

b. Corrective action within a time frame to be specified in the notice, if the effect on the member is determined to be serious;

c. Additional review by the Department or by the MCO to determine the extent and causes of the noted problems; or

d. Action to correct systemic problems that are found to be affecting additional members.

XIII. MCO Administration

A. Member Records

The MCO shall have a system for maintaining member records and for monitoring compliance with their policies and procedures.

1. *Confidentiality*

   The MCO shall implement specific procedures to assure the confidentiality of health and medical records and of other personal information about members, including:

   a. Members have the right to approve or refuse the release of personally identifiable information, except when such release is authorized by law;

   b. Medical records shall be released only in accordance with federal or state law, or court orders or subpoenas;

   c. Copies of records and information from the MCO shall be released only to authorized individuals; and,

   d. Unauthorized individuals shall be prohibited from gaining access to, or altering, member records.

2. *Member Access to Records*

   Members shall have access to their records in accordance with applicable state or federal law. The MCO shall use best efforts to assist a member, his/her authorized representatives, and others designated by the member to obtain records within ten (10) business days of the request. The MCO shall identify an individual who can assist the member and his/her authorized representatives in obtaining records.

3. *Medical Information Available to MCOs*

   The MCO is a Contractor of the State and is therefore entitled to obtain records according to s. DHS 104.01(3), Wis. Admin. Code. The Department requires Medicaid-certified providers to release relevant records to the MCO to assist in compliance with this section. Where the MCO has not specifically addressed photocopying expenses in their provider subcontracts or other arrangements, the MCO is liable for charges for copying records only to the extent that the Department would reimburse on a fee-for-service basis.

4. *Care of Records*

   Member records shall be accurate, legible and safeguarded against loss, destruction, or unauthorized use.

5. *Maintain Complete Records*

   Documentation in member records must reflect all aspects of care, including documentation of assistance with transitional care in the event of a disenrollment.

Member records must be readily available for member encounters, and for administrative purposes.

6. *Professional Standards*

The MCO shall maintain, or require the MCO subcontractors to maintain, individual member records in accordance with any applicable professional and legal standards.

7. *Provision of Records*

The MCO shall make all pertinent and sufficient information relating to the management of each member's medical and long-term care readily available to the Department. The MCO shall have procedures to provide copies of records promptly to other providers for the management of the member's medical and long-term care, and the appropriate exchange of information among the MCO and other providers receiving referrals.

8. *Records Available for Quality Management (QM) and Utilization Review*

Member records shall be readily available for MCO-wide QM and utilization review activities. The member records shall provide adequate medical and long-term care service information, and other clinical data needed for QM and utilization review purposes, and for investigating member appeals and grievances.

9. *Record Retention*

Records must be retained in accordance with the requirements in Article XIV.F., Records Retention, page 181.

10. *Continuity of Records*

The MCO shall have adequate information and record transfer procedures to provide continuity of care when members are treated by more than one provider.

11. *Contents of Member Records*

A member record shall contain at least the following items:

a. Face sheet of demographic information;

b. Consent forms;

c. Comprehensive health assessment;

d. Comprehensive social assessment;

e. Documentation of re-assessment(s);

f. Member-centered plan;

g. Advance directive (if applicable);

h. Guardianship, power of attorney (if applicable);

i. Case notes by MCO interdisciplinary team members;

j. Cost share forms/documentation (if applicable);

k. Notice of change forms (if applicable);

l. Signed enrollment request; and

m. Reports of consultations.

Minimum member record documentation per chart entry or encounter must conform to the applicable provisions of s. DHS 106.02(9), Wis. Admin. Code.

B. Civil Rights Compliance/Affirmative Action Plan Requirements

1. *MCO*

All MCOs must comply with the Department's Affirmative Action/Civil Rights Compliance requirements at http://DHS.wisconsin.gov/civilrights/Index.HTM.

2. *MCO Subcontract*

a. All MCO subcontracts must contain a statement that the subcontractor is required to comply with all applicable affirmative action and civil rights compliance laws and regulations.

b. A vendor that subcontracts with an MCO is required to develop and provide a copy of a civil rights compliance/affirmative action plan to the MCO, except:

i. A vendor that provides only services in the benefit package; or

ii. A vendor that:

a) Is under a contract with the MCO of less than $25,000; or

b) Has less than twenty-five (25) employees regardless of the amount of the contract; or

c) Is a foreign company with a work force of less than twenty-five (25) employees in the United States; or

d) Is a federal government agency or a Wisconsin municipality; or

e) Has a balanced work force.

C. Contracts

1. *MCO Responsibility*

The MCO may subcontract for any or all functions covered by this contract, subject to the requirements of this contract.

The MCO retains responsibility for fulfillment of all terms and conditions of this contract when it enters into sub-contractual agreements and will be subject to enforcement of the terms and conditions of this Subcontract Agreement including assurance of civil rights compliance.

2. *Procurement or Termination of Subcontracts*

The MCO will notify the Department when considering procurement of new contracts or termination of current contracts for:

a. Care management under Article V, Care Management;

b. Claims administration under Article XIII, MCO Administration, Section D, Claims Administration; or

c. Quality management under Article XII, Quality Management (QM).

3. *Department Approval for Subcontracts*

The MCO may subcontract part of the functions in Article XIII, MCO Administration, Section C.2., Procurement or Termination of Subcontracts, only with the prior written approval of the Department. In addition, Department approval may be required prior to completing an award process, selection of a subcontractor or finalizing the terms and conditions of the subcontracts and the subcontractors selected.

Approval of a subcontractor or subcontract will be withheld if the Department reasonably believes that the intended subcontractor will not be a responsible provider in terms of services provided and costs billed.

Approval is not required for renewal of existing subcontracts, unless the subcontract changes.

Failure to receive approval for a subcontract prior to execution of the subcontract may result in application by the Department of remedies pursuant to Article XVI.D., Sanctions for Violation, Breach, or Non-Performance, page 193.

Article VIII, Provider Network defines the Department requirements for provider subcontracting.

D. Claims Administration

The MCO must maintain a management information system that is in accordance with:

- The claims administration requirements in this section; and
- Article XIV, Reports and Data, Section A., Management Information System, page 178.

The MCO is responsible for ensuring claims administration for all services provided to members in compliance with the requirements enumerated in this contract.

1. *Claims Retrieval System*

The MCO shall maintain or contract for a claims retrieval system that can, on request, identify the date a service was received, action taken on all provider claims (e.g., paid, denied, other), and when action was taken. All provider claims shall be date stamped upon receipt.

2. *Claims Processing Payment Requirement*

a. Definitions

The following definitions apply in this section:

i. Authorized service means a service or item in the benefit that, if required, has been authorized by the MCO in accordance with Article V.J., Service Authorization, page 61.

ii. Claim means a single transaction submitted by a provider as a bill or other approved document or format for all authorized services for one member.

iii. Clean claim means a claim that can be processed without obtaining additional information from the provider of the service. A claim is still considered a clean claim if the only error(s) in the submitted information are the result of an error originating in the Department's system or with errors originating from an MCO's claims processing system problem, an MCO's internal claims or an MCO's business process problem. A clean claim does not include a claim that is under review for medical necessity or any claim from a provider who is under investigation for fraud or abuse.

iv. Date of receipt means the date the MCO or its third party administrator (TPA) receives the claim, as indicated by its date stamp on the claim.

v. The date of adjudicating and mailing or transmitting the remittance advice with payment, partial payment or denial of payment is the date on which the remittance advice with payment, partial payment or denial of payment is mailed or otherwise transmitted.

b. Requirement for Medicaid State Plan Services in the Benefit Package (Addendum XII, Benefit Package Service Definitions, Section B., Medicaid State Plan Services – Family Care Benefit Package, or Section C., Medicaid State Plan Services – Partnership and PACE Benefit Packages).

Except to the extent providers or subcontractors have agreed to later payment, the MCO shall adjudicate and mail or transmit the remittance advice with payment, partial payment or denial of payment:

i. For at least ninety (90) percent of clean claims from providers or subcontractors within thirty (30) calendar days of receipt; and

ii. For at least ninety nine (99) percent of clean claims from providers or subcontractors within ninety (90) calendar days of receipt; and

iii. For one hundred (100) percent of clean claims from providers or subcontractors within one hundred eighty (180) calendar days of receipt.

c. Requirement for Home and Community Based Waiver Services in the Benefit Package (Addendum XII, Benefit Package Service Definitions, Section A., Home and Community Based Waiver Services).

Except to the extent providers or subcontractors have agreed to later payment, the MCO shall adjudicate and mail or transmit the remittance advice with payment, partial payment or denial of payment:

i. For at least ninety-five (95) percent of clean claims from providers or subcontractors within thirty (30) calendar days of receipt; and

ii. For one hundred (100) percent of clean claims from providers or subcontractors within ninety (90) calendar days of receipt.

d. Third Party Liability

The MCO agrees not to delay payment to subcontractors pending subcontractor collection of third party liability (TPL) unless the MCO has an agreement with a subcontractor to delay payment after collection of TPL.

3. *Failure to Pay or Inappropriate Payment Denials*

a. The MCO must notify the Department immediately if it is unable to meet the standards in Article XIII, MCO Administration, Section D., Claims Administration, page 165.

b. An MCO must establish a Department-approved process to assure payment of at-risk providers if claims are delayed beyond 30 days.

At-risk providers are either:

i. All providers of home and community based services as defined in Addendum XII, Benefit Package Service Definitions, Section A., Home and Community Based Waiver Services; or

ii. Providers that are determined to be at-risk as defined by the MCO's Department-approved policies and procedures.

c. If the MCO inappropriately fails to provide timely payment or denies payment for services, the MCO may be subject to the following sanctions:

i. Article XVI.D., Sanctions for Violation, Breach, or Non-Performance, page 193;

ii. Limiting risk-sharing or enhanced payments;

iii. Reducing administrative funding;

iv. Requiring an increased amount in the MCO's reserves;

v. Requiring administrative actions necessary to assure timely and appropriate payment of claims under current funding levels.

These sanctions may be applied not only to cases where the Department has ordered payment after appeal, but also to cases where no appeal has been made.

4. *New or Transitioning Contracts for Claims Administration by a Third Party Administrator*

a. Any new external contract between the MCO and a third party administrator (TPA) for claims administration must meet the standards in the Department's Final Claims RFP Master Agreement and the RFP at http://dhs.wisconsin.gov/ltcare/ProgramOps/Index.htm for claims processing services.

b. The MCO must receive Department approval on any external contract for claims administration services prior to finalizing any contract. The MCO must submit the contract, along with documentation that it meets the Department's Final Claims RFP Master Agreement and the RFP, for Department review at least sixty (60) calendar days prior to finalizing the contract. The Department will complete its review within forty-five (45) calendar days of receipt.

Any claims administration contract shall not include penalties or high fees that make it difficult to terminate a contract.

c. Prior to implementation of a new TPA the MCO must submit and receive approval from the Department for all of the following:

i. The Department's Participating Agreement or a document based on the Department's Participating Agreement that is a component of the Department's Final Claims RFP Master Agreement and the RFP at http://dhs.wisconsin.gov/ltcare/ProgramOps/Index.htm for claims processing services;

ii. The implementation or transition plan;

iii. The communications and provider training plan;

iv. Documentation that the requirements of the Department's Final Claims RFP Master Agreement and the RFP are met; and

v. Other information requested by the Department.

The Department will complete its review within 45 calendar days of receipt.

E. Disclosure of Interest

1. *Disclosure of Interest*

The MCO agrees to submit to the Department within thirty (30) calendar days of contract signing, full and complete information as to the identity of each person or corporation with an ownership or controlling interest in the MCO, or any

subcontractor in which the MCO has a five (5) percent or more ownership interest.

a. Definition of "Ownership or Controlling Interest"

A "person with an ownership or controlling interest" means a person or corporation that:

i. Owns, directly or indirectly, five (5) percent or more of the MCO's capital or stock or receives five (5) percent or more of its profits;

ii. Has an interest in any mortgage, deed of trust, note, or other obligation secured in whole or in part by the MCO or by its property or assets, and that interest is equal to or exceeds five (5) percent of the total property and assets of the MCO; or,

iii. Is an officer or director of the MCO (if it is organized as a corporation) or is a partner in the MCO (if it is organized as a partnership).

b. Calculation of Five (5) Percent Ownership or Control

The percentage of direct ownership or control is the percentage interest in the capital, stock or profits. The percentage of indirect ownership or control is calculated by multiplying the percentages of ownership in each organization. Thus, if a person owns ten (10) percent of the stock in a corporation which owns eighty (80) percent of the stock of the MCO, the person owns eight (8) percent of the MCO. The percentage of ownership or control through an interest in a mortgage, deed or trust, note or other obligation is calculated by multiplying the percent of interest which a person owns in that obligation by the percent of the MCO's assets used to secure the obligation. Thus, if a person owns ten (10) percent of a note secured by sixty (60) percent of the MCO's assets, the person owns six (6) percent of the MCO.

c. Information to be Disclosed

The following information must be disclosed:

i. The name and address of each person with an ownership or controlling interest of five (5) percent or more in the MCO or in any subcontractor in which the MCO has direct or indirect ownership of five (5) percent or more;

ii. A statement as to whether any of the persons with ownership or controlling interest is related to any other of the persons with ownership or controlling interest as spouse, parent, child, or sibling; and,

iii. The name of any other organization in which the person also has ownership or controlling interest. This is required to the extent that the MCO can obtain this information by requesting it in writing.

The MCO must keep copies of all of these requests and responses to them, make them available upon request, and advise the Department when there is no response to a request.

d. Reported Information on Disclosure

This information may already have been reported on Form CMS-1513 "Disclosure of Ownership and Control Interest Statement." Form CMS-1513 is likely to have been completed in two different cases. First, if the MCO is federally qualified and has a *Medicare contract*, it is required to file Form CMS-1513 with CMS within one hundred twenty (120) calendar days of the MCO's fiscal year end. Secondly, if the MCO is owned by or has subcontracts with Medicaid providers who are reviewed by the state survey agency, these providers may have completed Form CMS-1513 as part of the survey process. If Form CMS-1513 has not been completed, the MCO may supply the ownership and control information on a separate report or submit reports filed with the state's insurance or health regulators as long as these reports provide the necessary information for the prior twelve (12) month period.

As directed by the CMS Regional Office (RO), this Department must provide documentation of this disclosure information as part of the prior approval process for contracts. This documentation must be submitted to the Department and the RO prior to each contract period. If the MCO has not supplied the information that must be disclosed, a contract with the MCO is not considered approvable for this period of time and no federal financial participation (FFP) is available for the period of time preceding the disclosure.

e. Prohibited Affiliations

The MCO may not knowingly have a person who is debarred, suspended, or otherwise excluded from participating in procurement activities under the Federal Acquisition Regulation or from participating in non-procurement activities as a director, officer, partners, or person with beneficial ownership of more than five (5) percent of the entity's equity, or have an employment, consulting, or other agreement for the provision of items and services that are significant and material to the MCO's obligations under this contract.

2. *Disclosure Statement*

Business Transactions. Party-In-Interest. The MCO must disclose to the Department information on certain types of transactions that it has with a "party in interest" as defined in the Public Health Service Act and 1903(m)(2)(A)(viii) and 1903(m)(4)(A) of the Social Security Act.

a. Definition of a Party in Interest. As defined in s. 1318(b) of the Public Health Service Act, a party in interest is:

i. Any director, officer, partner, or employee responsible for management or administration of the MCO; any person who is directly or indirectly the beneficial owner of more than five (5) percent of the equity of the MCO; any person who is the beneficial owner of more than five (5) percent of the MCO; or, in the case of the MCO that is organized as a nonprofit corporation, an incorporator or member of such corporation under applicable state corporation law;

ii. Any organization in which a person described in subsection (i) is director, officer or partner; has directly or indirectly a beneficial interest of more than five (5) percent of the equity of the MCO; or, has a mortgage, deed of trust, note or other interest valuing more than five (5) percent of the assets of the MCO;

iii. Any person directly or indirectly controlling, controlled by, or under common control with the MCO; or,

iv. Any spouse, child, or parent of an individual described in (i.-iii.) above.

b. Types of Transactions That Must Be Disclosed. Business transactions, which, must be disclosed include:

i. Any sale, exchange, or lease of any property between the MCO and a party in interest;

ii. Any lending of money or other extension of credit goods, services (including management services) or facilities between the MCO and the party in interest; and

iii. Any furnishing for consideration of goods, services (including management services) or facilities between the MCO and the party in interest. This does not include salaries paid to employees for services provided in the normal course of their employment.

c. The information which must be disclosed in the transactions listed in subsection (b) between the MCO and a party in interest includes:

i. The name of the party in interest for each transaction;

ii. A description of each transaction and the quantity or units involved;

iii. The accrued dollar value of each transaction during the fiscal year; and

iv. Justification of the reasonableness of each transaction.

3. *Extension Review*

If this contract is renewed or extended, the MCO must disclose information on these business transactions which occurred during the prior contract period within

thirty (30) calendar days of contract signing. If the contract is an initial contract with Medicaid but the MCO has operated previously in the commercial or Medicare markets, information on business transactions for the entire year proceeding the initial contract period must be disclosed. The business transactions which must be reported are not limited to transactions related to serving the Medicaid enrollment. All of these business transactions must be reported.

F. Ineligible Organizations

Upon obtaining information or receiving information from the Department or from another verifiable source, the MCO shall exclude from participation in the MCO all organizations which could be included in any of the following categories (references to the Act in this section refer to the Social Security Act):

1. *Ineligibility*

   Entities which could be excluded under Section 1128 (b) (8) of the Social Security Act are entities in which a person who is an officer, director, agent or managing employee of the entity, or a person who has a direct or indirect ownership or controlling interest of five percent or more in the entity, or a person with beneficial ownership or controlling interest of five percent or more in the entity has:

   a. Been convicted of the following crimes:

      i. Program related crimes, such as., any criminal offense related to the delivery of an item or service under Medicare or Medicaid (see Section 1128 (a) (1) of the Act);

      ii. Patient abuse, such as, criminal offense relating to abuse or neglect of patients in connection with the delivery of health care (see Section 1128 (a) (2) of the Act);

      iii. Fraud, such as, a state or federal crime involving fraud, theft, embezzlement, breach of fiduciary responsibility, or other financial misconduct in connection with the delivery of health care or involving an act or omission in a program operated by or financed in whole or part by federal, state or local government (see Section 1128 (b) (1) of the Social Security Act);

      iv. Obstruction of an investigation, such as, conviction under state or federal law of interference or obstruction of any investigation into any criminal offense described directly above (see Section 1128 (b) (2) of the Act); or,

      v. Offenses relating to controlled substances, such as, conviction of a state or federal crime relating to the manufacture, distribution, prescription or dispensing of a controlled substance (see Section 1128 (b) (3) of the Act).

b. Been excluded from participation in Medicare or a state health care program.

A state health care program means a Medicaid program or any state program receiving funds under Title V or Title XX of the Act. (See Section 1128 (b) (8) (iii) of the Act.) Been excluded, debarred, suspended, otherwise excluded, or is an affiliate (as defined in such Act) of a person described in section F.1.a. above from participating in procurement activities under the Federal Acquisition Regulation or from participating in non-procurement activities under regulations issued pursuant to Executive Order No. 12549 or under guidelines implementing such order.

c. Been assessed a civil monetary penalty under Section 1128A of the Act. Civil monetary penalties can be imposed on individual providers, as well as on provider organizations, agencies, or other entities by the federal Department of Health and Human Services Office of Inspector General. Section 1128A authorizes their use in case of false or fraudulent submittal of claims for payment, and certain other violations of payment practice standards. (See Section 1128 (b) (8) (B) (ii) of the Act.)

2. *Contractual Relations*

Entities which have a direct or indirect substantial contractual relationship with an individual or entity listed above in section F.1. Substantial contractual relationship is defined as any contractual relationship which provides for one or more of the following services:

a. The administration, management, or provision of medical or long-term care services;

b. The establishment of policies pertaining to the administration, management, or provision of medical or long-term care services; or,

c. The provision of operational support for the administration, management, or provision of medical or long-term care services.

3. *Excluded from Participation in Medicaid*

Entities which employ, contract with, or contract through any individual or entity that is excluded from participation in Medicaid under Section 1128 or 1128A of the Act, for the provision (directly or indirectly) of health care, utilization review, medical social work or administrative services. For the services listed, the MCO shall exclude from contracting with any entity which employs, contracts with, or contracts through an entity which has been excluded from participation in Medicaid by the Secretary under the authority of Section 1128 or 1128A of the Act.

The MCO attests by signing this contract that it excludes from participation in the MCO all organizations which could be included in any of the above categories.

G. Compliance with Applicable Law

The MCO shall observe and comply with all federal and state law in effect when this contract is signed or which may come into effect during the term of this contract, which in any manner affects the MCO's performance under this contract. These federal and state laws include all the provisions of 45 CFR 74 Appendix A, the Byrd Anti-Lobbying Amendment that specifies that federal funds must not be used for lobbying, the Clean Air Act and Federal Water Pollution Control Act and the rights of the federal government and MCO members to inventions in accordance with 37 CFR 401.

The MCO must have conflict of interest safeguards in place at least equal to federal safeguards (41 USC 423, Section 27).

H. Access to Premises and Information

1. *Access to Premises*

The MCO shall allow duly authorized agents or representatives of the state or federal government or any representatives, during normal business hours, access to the MCO's premises or the MCO subcontractors' premises to inspect, audit, monitor, examine, excerpt, transcribe, copy or otherwise evaluate the performance of the MCO's or subcontractors' contractual activities and shall forthwith produce all records, including but not limited to financial, member or administrative records, requested as part of such review or audit.

The Department may inspect and audit any financial, care management, member, administrative or other records of the MCO or its subcontractors. There shall be no restrictions on the right of the state or the federal government to conduct whatever inspections and audits are necessary to assure quality, appropriateness or timeliness of services and the reasonableness of their costs or for any purpose the Department deems necessary for administration or operation of the program. When requested by the Department or CMS, the MCO shall provide access to electronic records in any circumstance when the MCO uses electronic records.

In the event right of access is requested under this section, the MCO or subcontractor shall, upon request, provide and make available staff to assist in the audit or inspection effort, and provide adequate space on the premises to reasonably accommodate the state or federal personnel conducting the audit or inspection effort. This right also includes timely and reasonable access to a recipient's personnel for the purpose of interview and discussion related to such documents. The Department may perform off-site audits or inspections to ensure that the MCO is in compliance with contract requirements.

All inspections or audits shall be conducted in a manner as will not unduly interfere with the performance of the MCO's or subcontractor's activities. The MCO shall be given fifteen (15) business days to respond to any findings of an audit before the Department shall finalize its findings. All information so obtained will be accorded confidential treatment as provided under applicable law.

2. *Access to and Audit of Contract Records*

Throughout the duration of this contract, and after termination of this contract, the MCO shall provide duly authorized agents of the state or federal government access to all records and material relating to the contract's provision of and reimbursement for activities contemplated under this contract. The rights of access in this paragraph are not limited to the required retention period, but shall last as long as records are retained. Such access shall include the right to inspect, audit and reproduce all such records and material and to verify reports furnished in compliance with the provisions of this contract. All information so obtained will be accorded confidential treatment as provided under applicable law.

I. Program Integrity Plan, Program and Coordination

The MCO must have administrative and management arrangements or procedures, and a Program Integrity Plan, that are designed to guard against fraud and abuse.

The MCO's governing board or its designee shall approve a written Program Integrity Plan that is developed by a designated MCO program integrity compliance officer and a compliance committee which is accountable to senior management. The plan will describe the MCO's commitment to operational initiatives designed to prevent, detect, and correct instances of fraud and abuse including details describing the scope of activity, goals, objectives and timelines associated with the monitoring program. The program integrity plan must be submitted to the Department and approved on an annual basis prior to the effective date of the new contract year. In this subsection, the term abuse means any practice that is inconsistent with sound fiscal, business or medical practices and results in unnecessary program costs.

1. *Procedures*

The MCO's arrangements or procedures must include the following:

a. Written policies, procedures, and standards of conduct that relate to the following:

i. Articulating the organization's commitment to comply with all applicable federal and state standards, including occupational safety and health standards promulgated under the Occupational Safety and Health Act (OSHA) (29 USC 654 et. seq.)

ii. Conducting regular reviews and audits of operations.

iii. Assessing and strengthening internal controls.

iv. Educating employees, network providers and members about fraud and abuse and how to report it.

v. Effectively organizing resources to respond to and process complaints of fraud and abuse.

b. The designation of a compliance officer and compliance committee that are accountable to senior management.

c. Effective training and education for the compliance officer and the organization's employees.

d. Effective lines of communication between the compliance officer and the organization's employees.

e. Enforcement of standards through well-publicized disciplinary guidelines.

f. Provision for internal monitoring and auditing.

g. Provision for prompt response to detected offenses, and for development of corrective action initiatives relating to the MCO's contract with the Department.

2. *Reporting*

a. The MCO shall report any suspected fraud and abuse involving the program to the Department in accordance with 42 CFR 455.1 (a)(1) and 455.17 as soon as possible, but within ten (10) business days.

b. Quarterly, as specified in Article XIV.C.2.f., page 181, the MCO shall submit a report to the Department describing any instances of suspected fraud and abuse that arose during the quarter, including the following:

i. Number of complaints of suspected fraud and abuse made to the MCO that warrant preliminary investigation.

ii. For each situation which warrants investigation, supply the:

a) Name and ID number;

b) Source of complaint;

c) Type of provider;

d) Nature of complaint;

e) Timeline in which it was handled;

f) Outcome;

g) Legal and administrative disposition of the case; and

h) Description of any corrective action that was taken.

c. The MCO shall comply with any other federal, state or local requirements for reporting fraud and abuse.

3. *Investigations*

The MCO shall cooperate with any investigation of fraud and abuse, including directly conducting investigations as needed. The MCO shall assist the Department and any other entity legally authorized to investigate fraud and abuse in determining any amounts to be repaid, and with other follow up as requested.

J. Disaster Planning and Emergency Response MOU

The MCO will be familiar with, and have involvement in, the emergency government plan of the counties in which they are providing services. The MCO will negotiate, or make a "good faith" effort to negotiate, an MOU with each county in their service area addressing the MCO's role in emergency response.

K. Resource Center Conflict of Interest Policies and Procedures

1. *Written Conflict of Interest Policies and Procedures*

   The MCO shall have written conflict of interest policies and procedures that prohibit MCO employees and employees of subcontracted providers from attempting to influence the independence of options counseling, enrollment counseling, disenrollment counseling and advocacy provided by resource center staff.

2. *Conflict of Interest Regarding Specific Care Management Services*

   When the MCO subcontracts for care management services through a county or with the same agency that is responsible for the resource center, the MCO and the subcontracted care management agency shall comply with its policies and procedures regarding conflict of interest.

3. *Policies Regarding the MCO and Resource Center*

   The MCO shall comply with all Department policies regarding MCO coordination and conflict of interest with resource centers.

XIV. Reports and Data

A. Management Information System

1. *Requirements*

The MCO must maintain a health information system that collects, analyzes, integrates, and reports data. The system must provide information on areas that include, but are not limited to: utilization, grievances and appeals, and disenrollments for other than loss of Medicaid eligibility.

The MCO must collect, maintain and report data on member and provider characteristics and on services furnished to members through an encounter data system.

The MCO shall:

a. Meet all of the reporting requirements as specified in this contract in a timely way, assure, to the best of their knowledge and beliefs, the accuracy and completeness of the data, and submit the reports/data in a timely manner.

b. Support data submitted to the Department by having records available for inspection or audit by the Department.

c. Submit data and/or reports to the Department, and receive data and/or reports from the Department in a secure format.

d. Designate a primary contact person responsible for data reporting who is available to answer questions from the Department and resolve any issues regarding reporting requirements. At the same time, designate a back-up person who will be available to perform this function when needed.

e. Designate a primary person to certify, to the best of their knowledge and beliefs, the accuracy of the encounter data each time the data is transmitted via the Data Certification Form, which is provided by the Department per 42 CFR 438.600. At the same time, designate a back-up person who will be available to perform this function when needed.

f. Ensure that its Management Information System (MIS) is sufficient to support quality assurance/quality improvement requirements described in Article XII, Quality Management (QM), page 152.

B. Encounter Data

1. *Encounter Data – Reports*

The MCO shall report member-specific data on the Encounter Data system as directed by the Department. MCO staff will participate in the planning and development of data reporting requirements for implementation during the term of this contract consistent with all HIPAA requirements applicable to the MCO. This

participation will include attending workgroup meetings, addressing necessary changes to local applications or databases, and cooperating with the Department on data submission protocol and testing.

Prior to the effective date of this contract, the MCO shall demonstrate it has the ability to:

a. Analyze, integrate and report data;

b. Process coordination of benefits as outlined in the encounter reporting specifications.

c. Capture and maintain a member level record of all services in the benefit package provided to members by the MCO and its providers, in a computerized data base adequate to meet the reporting requirements of the contract;

d. Monitor enrollment and disenrollment, in order to determine which members are enrolled or have disenrolled from the MCO on any specific day;

e. Collect and accurately produce data, reports, and member histories including, but not limited to, member and provider characteristics, encounter data, utilization, disenrollments, solvency, member and provider appeals and grievances as specified by the Department; and,

f. Ensure that data received from providers, and reported to the Department and upon request to CMS, is timely, accurate and complete, by:

   i. Verifying the accuracy and timeliness of reported data;

   ii. Screening the data for completeness, logic, and consistency;

   iii. Collecting information on services in standardized HIPAA-compliant formats, such as the CMS 1500 or UB04 format, or other uniform format, to the extent possible; and,

   iv. Recording and tracking all services with a unique member identification number.

2. *Encounter Data – Format*

The MCO shall assure member-specific data is reported to the Department in an encounter-data format specified by the Department and according to any HIPAA deadlines, standards and requirements applicable to the MCO. The specifications and HIPAA deadlines, standards and requirements are identified in documents found on the Family Care website at: http://dhs.wisconsin.gov/ltcare/Encounter.

The MCO shall meet certification standards that demonstrate it has the ability to meet the Department's reporting requirements in the formats and timelines prescribed by the Department. The MCO will provide data extracts, as necessary, for testing the reporting processes and will assist with and participate in the testing processes. The Department will provide MCOs with reasonable advance

notice of required changes to encounter reporting standards, formats and MIS capacity necessary to meet federal and state requirements.

3. *Encounter Data - Submission*

The Encounter Reporting Submission is a monthly file submission. The file submission is due on the thirtieth day after the end of the month, or the first business day following the thirtieth day when the thirtieth day is not a business day. The Encounter Data Reporting Submission will be used to report member specific enrollment and disenrollment, utilization of services and expenditure in the benefit package, and member characteristic/demographics. Other member specific data may be required by the Department in the future. The Encounter Reporting Submission shall be reported on-line through the Encounter Reporting application.

Mandatory versus voluntary requirements for encounter data reconciliation and certification are currently defined by line of business. Changes to these requirements are likely during the course of this contract. The MCO agrees to accommodate the mandated requirements in the encounter reporting implementation guide in the event that they are enforced for the MCO's line(s) of business during the Course of this contract, if they are not already accommodating reconciliation and certification requirements for their line(s) of business.

C. Reports: Regular Interval

1. *General*

The MCO agrees to furnish information from its records to the Department, and to the Department's authorized agents and upon request to CMS, which may be required to administer this contract. See Addendum II, State Reporting Requirements for 2011, page 228, for a compilation of these and other reports/documents and due dates which are specified in this contract.

2. *Quarterly Report*

The Quarterly Report is due forty-five (45) calendar days after the reporting period. The Department may from time to time revise elements to be included in the Quarterly Report and shall give the MCO notice of new elements to include in the Report prior to the commencement of the next reporting period. The Quarterly Report contains the following components:

a. Copies of newspaper or magazine articles about the MCO that appeared during the quarter.

b. Critical incident response reports as required in Article XII.C.6., Identifying and Responding to Critical Incidents, page 155.

c. Appeal and grievance summary and log as specified in Article XI, Grievances and Appeals, Section H., page 151.

d. Provider appeal log as specified in Article VIII.N.3., Provider Appeal Log, page 113.

e. Financial report as defined in Article XVII.B., Financial Reporting, page 212 and required Financial Statement certification form(s), as shown in Addendum IX, Data Certification, page 247.

f. Fraud and abuse report as specified in Article XIII, MCO Administration, Section I.2., page 176.

D. Reports: As Needed

The MCO agrees to furnish reports which may be required to administer this contract, to the Department and the Department's authorized agents. Such reports include but are not limited to corporate restructuring or any other change affecting the continuing accuracy of information previously reported by the MCO to the Department.

The MCO shall report each such change in information as soon as possible, but not later than thirty (30) calendar days after the effective date of the change. Changes in information covered under this section include all of the following:

- Any change in information relevant to Article XIII.F, Ineligible Organizations, page 172.
- Disclosure of Interest, page 168

E. Disclosure

The MCO and any subcontractors shall make available to the Department, the Department's authorized agents, and appropriate representatives of the U.S. Department of Health and Human Services any financial records of the MCO or subcontractors which relate to the MCO's capacity to bear the risk of potential financial losses, or to the services performed and amounts paid or payable under this contract. The MCO shall comply with applicable record-keeping requirements specified in s. DHS 105.02(1)-(7) Wis. Admin. Code, as amended.

F. Records Retention

1. *Retaining Records*

The MCO shall retain, preserve and make available upon request all records relating to the performance of its obligations under this contract, including paper and electronic claim forms, for not less than five (5) years following the end of this contract period. Records involving matters that are the subject of any litigation, claim, financial management review or audit shall be retained for a period of not less than five (5) years following the termination of the litigation, claim, financial management review or audit.

The only exceptions to the record retention requirements above are the following:

a. If any litigation, claim, financial management review, or audit is started before the expiration of the 5-year period, the records shall be retained until all litigation, claims or audit findings involving the records have been resolved and final action taken.

b. Records for real property and equipment acquired with Federal funds shall be retained for five (5) years after final disposition.

2. *Electronic Records*

Electronic copies of the documents contemplated herein may be substituted for the originals with the prior written consent of the Department, provided that the electronic storage format is approved by the Department as reliable and is supported by an effective retrieval system.

G. Data Integrity Audits

Health and long-term care service information from each MCO is transmitted to the Department on a regular basis through the encounter reporting process. This information is used for research, capitation rate calculations, and various other ad hoc applications.

The purpose of data integrity audits is to assure the data that exist in the organizations' originating system are accurately reflected in the data existing in the encounter data repository, and that the repository accurately reflects the service records present in the local MCO systems. The objectives of the audit are to verify that:

- Claims and encounter data exist in local MCO systems;
- Data from local MCO systems is presented to the State correctly;
- Data submitted to the State accurately reflects encounters; and
- Data that resides with the State is an accurate reflection of what exists in the local MCO system.

Data integrity audits will be scheduled and conducted on an as needed basis as determined by the Department. The MCO audits are specific to the Family Care, Partnership, or PACE data integrity, and the processes involved in collecting and transmitting this data. These audits do not include processes or activities regarding the operation of specific managed care programs, the operation of the encounter reporting application, or MCO financial systems and processes.

1. *MCO Responsibilities*

When an audit is scheduled, the MCO shall:

a. Appoint a primary audit contact person to be the Department audit team's contact for scheduling and reviewing audit activities, and to provide acceptance of the final audit report. At the same time, designate a back-up person who will be available to perform this function when needed.

b. Supply ad hoc reconciliation reports (defined in the encounter reporting implementation guide) as requested by the Department audit team within

30 calendar days of the request, using date parameters specified by the Department's audit team.

c. Comply with an onsite visit by the Department's audit team to verify the consistency of the data transmissions, and make available all relevant claims data, including original provider claims, in order to complete this verification.

2. *Department Responsibilities*

The Department audit team shall:

a. Contact the MCO regarding the scheduling of onsite visits at least thirty (30) calendar days prior to the visit.

b. Develop, after completion of the audit, an initial draft report of the findings of the audit and share these findings with the MCO within thirty (30) calendar days of the visit.

c. Schedule a phone conference (or meeting, as appropriate) to discuss the findings of the draft report within two weeks of the release of the report. Any issues regarding the report will be jointly resolved with the MCO audit contact.

d. Provide a written final report to both the MCO and the Department's program managers within six weeks of the phone call. The audit report shall identify areas of compliance as well as inconsistencies found, data integrity vulnerabilities, and process deficiencies that may put data integrity at risk

H. Required Use of the Secure ForwardHealth Portal

All MCOs must request a secure ForwardHealth Portal account to access data and reports, maintain information, conduct financial transactions and other business with the Department.

MCOs must assign users roles/permissions within the secure ForwardHealth Portal account to ensure only authorized users have access to data and functions provided. MCOs must ensure all users understand and comply with all HIPAA regulations.

I. Access to CARES Data

The MCO is authorized to have access to, and make use of, data found in the Client Assistance for Reemployment and Economic Support system (CARES) operated for the Department so that the MCO will be able to help its members remain enrolled and maintain their eligibility to receive Medicaid and the MCO benefit.

1. *Department Responsibility*

a. The Department shall give the MCO query access to certain data in the CARES mainframe computer system and the CARES Worker Web system. The types of data to which the MCO shall have access in CARES

are data used to determine a member's eligibility to receive Medicaid and the MCO benefit and data used to help a member understand and/or meet any financial or other type of obligation that he/she is required to meet in order to remain eligible to receive Medicaid and the MCO benefit. These types of data include:

i. Data used to calculate a member's initial room and board expense when the member first enrolls in the MCO or data used to calculate any change in this expense after the member enrolls.

ii. Data used to calculate a member's medical and remedial expenses, cost share, or any similar financial expense or obligation or data used to calculate any changes in these expenses or obligations.

iii. Data used to help a member complete his/her annual Medicaid eligibility review.

b. The Department shall designate a data steward for providing the MCO with access to CARES data who shall be responsible for:

i. Approving or denying requests from the MCO asking that staff be given access to CARES.

ii. Working with staff in the Department's systems security unit to develop, implement, and/or monitor the procedures for providing MCO staff with access to data found in CARES.

iii. Coordinating any other CARES data exchange requests between the Department and the MCO for data that it is unable to obtain using the limited access to CARES under this contract. The Department has sole discretion as to whether to grant such requests. The MCO may be required to reimburse the Department for the costs incurred in obtaining this data for the MCO.

2. *MCO Responsibility*

a. The MCO shall identify in Addendum V, Designation of CARES Security and Data Exchange Coordinator, page 235, the name of an MCO CARES security and data exchange coordinator who shall be responsible for:

i. Forwarding to the Department's data steward all requests from the MCO to give or delete CARES access for individual staff members.

ii. Working with the Department's data steward and, as necessary and appropriate, staff in the Department's systems security unit to develop, implement, and/or monitor the procedures for designating those MCO staff that will have access to data found in CARES.

iii. Coordinating any other data exchange requests between the Department and the MCO in accordance with this agreement.

b. The MCO shall protect the confidentiality of data it obtains by exercising its right to access CARES. Protecting the confidentiality of this data includes, but is not limited to, protecting it from access by, or disclosure to, individuals who are not authorized to see it. The MCO shall:

i. Give access to CARES data only to authorized staff members;

ii. Use the data that it obtains under this agreement only for the purpose listed in this section;

iii. Store the data that it obtains under this agreement in a place that has been physically secured from access by unauthorized individuals in accordance with the Department's security rules and security system rules;

iv. Make sure that data that it obtains under this agreement that is in an electronic format, including but not limited to, magnetic tapes or discs, is stored and processed in such a way that unauthorized individuals cannot retrieve this information by using a computer or a remote terminal or by any other means;

v. Comply with federal and state laws, regulations, and policies that apply to and protect the confidentiality of CARES data that the MCO obtains;

vi. Provide information and/or training to all staff members who have access to CARES data to ensure they understand MCO policies and procedures to protect the confidentiality of this data, and the federal and state laws, regulations, and policies related to confidentiality; and

vii. By the signature of its representative in Addendum V, Designation of CARES Security and Data Exchange Coordinator, page 235 the MCO attests that all of its staff members with access to any CARES data the MCO obtains shall be required to follow all of the policies and procedures of the Department and of the MCO that apply to and protect the confidentiality of this data.

c. The MCO shall not disclose any data that it obtains under this agreement to any third party other than an individual member without prior written approval from the Department unless federal or state law requires or authorizes such a disclosure. The MCO may, without prior written approval from the Department, disclose CARES data that it obtains about an individual member:

i. To the individual member;

ii. To the individual member's guardian;

iii. To any person who has an activated power of attorney for health care for the individual member; and

iv. To any person who has been designated as the individual member's authorized representative for the purpose of determining the individual's eligibility for Medicaid.

d. Provisions related to confidentiality and disclosure of CARES data shall survive the term of this contract.

e. The MCO shall permit authorized representatives of the Department or its agents as well as authorized representatives of federal oversight agencies and their agents to make on-site inspections of the MCO to make sure that the MCO is meeting the requirements of the federal and state laws, regulations, and policies applicable to access to CARES or to the use of CARES data.

3. *Suspension of Access to CARES for Default*

The Department shall suspend access to CARES in the event of any of the following:

a. The MCO uses any data that it obtains under this agreement for a purpose not specified in this article;

b. The MCO fails to protect the confidentiality of CARES data that it obtains or to protect it against unauthorized access or disclosure; or

c. The MCO fails to allow on-site inspections as required in this article.

Any suspension shall last until the Department is satisfied that the MCO is capable of complying with the responsibilities specified in this article.

J. Access to LTCare Data Warehouse

The MCO is authorized to have access to, and make use of, data found in the LTCare Data Warehouse operated for the Department. The MCO will be able to use the data for utilization management, network development and quality assurance and improvement.

1. *Department Responsibility*

a. The Department shall give the MCO access to certain data in the LTCare Data Warehouse. These types of data include:

i. Appropriate personally identifiable member data;

ii. Limited data sets for cross organization analysis; and

iii. Reference data.

b. The Department shall designate a data steward and/or security processes for providing the MCO with access to the LTCare Data Warehouse data which shall be responsible for:

i. Approving or denying requests from the MCO asking that staff be given access to the LTCare Data Warehouse; and

ii. Working with staff in the Department's systems security unit to develop, implement, and/or monitor the procedures for providing MCO staff with access to data found in the LTCare Data Warehouse.

2. *MCO Responsibility*

a. The MCO shall designate a data steward and/or security processes which shall be responsible for:

i. Managing all requests from the MCO to give or delete LTCare Data Warehouse access for individual staff members; and

ii. Working with the Department's data steward and/or security processes, as necessary and appropriate, to develop, implement, and/or monitor the procedures for designating those MCO staff that will have access to data found in the LTCare Data Warehouse.

b. The MCO shall protect the confidentiality of data it obtains by exercising its right to access the LTCare Data Warehouse. Protecting the confidentiality of this data includes, but is not limited to, protecting it from access by, or disclosure to, individuals who are not authorized to see it. The MCO shall:

i. Give access to LTCare Data Warehouse data only to authorized staff members;

ii. Use the data that it obtains under this agreement only for the purpose listed in this section;

iii. Store the data that it obtains under this agreement in a place that has been physically secured from access by unauthorized individuals;

iv. Make sure that data that it obtains under this agreement that is in an electronic format, including but not limited to, magnetic tapes or discs, is stored and processed in such a way that unauthorized individuals cannot retrieve this information by using a computer or a remote terminal or by any other means;

v. Comply with federal and state laws, regulations, and policies that apply to and protect the confidentiality of LTCare Data Warehouse data that the MCO obtains; and

vi. Provide information and/or training to all staff members who have access to the LTCare Data Warehouse data to ensure they understand MCO policies and procedures to protect the confidentiality of this data, and the federal and state laws, regulations, and policies related to confidentiality.

c. Provisions related to confidentiality and disclosure of LTCare Data Warehouse data shall survive the term of this contract.

d. The MCO shall permit authorized representatives of the Department or its agents as well as authorized representatives of federal oversight agencies and their agents to make on-site inspections of the MCO to make sure that the MCO is meeting the requirements of the federal and state laws, regulations, and policies applicable to access to LTCare Data Warehouse or to the use of LTCare Data Warehouse data.

3. *Suspension of Access to LTCare Data Warehouse for Default*

The Department shall suspend access to the LTCare Data Warehouse in the event of any of the following:

a. The MCO uses any data that it obtains under this agreement for a purpose not specified in this article.

b. The MCO fails to protect the confidentiality of the LTCare Data Warehouse data that it obtains or to protect it against unauthorized access or disclosure.

c. The MCO fails to allow on-site inspections as required in this article.

Any suspension shall last until the Department is satisfied that the MCO is capable of complying with the responsibilities specified in this article.

K. Access to Limited Data Set

The MCO is authorized to have access to, and make use of, the Limited Data Set data found in the LTCare Data Warehouse.

The MCO needs to sign and agree to follow the Department's Limited Data Set Use Agreement as shown in Addenda VI. Without this signed agreement, the MCO will not be able to request access to the Limited Data Set.

XV. Functions and Duties of the Department

A. Office of Family Care Expansion

The Office of Family Care Expansion (OFCE), in the Division of Long-Term Care (DLTC), is the primary point of contact between the Department, the MCO and other portions of the Department and the Department's contract agencies responsible for the administration and implementation of the Family Care, Partnership and PACE programs. The OFCE shall assist the MCO in identifying system barriers to implementation of the programs and shall facilitate intra- and interagency communications and work groups necessary to accomplish full implementation.

B. Reports from the MCOs

The Department will acknowledge receipt of the reports required in Addendum II, State Reporting Requirements for 2011, page 228. The Department shall have systems in place to ensure that reports and data required to be submitted by the MCO shall be reviewed and analyzed by the Department in a timely manner. The Department shall respond accordingly to any indications that the MCO is not making progress toward meeting all performance expectations (e.g., providing timely and accurate feedback to the MCO, and offering technical assistance to help the MCO correct any operational problems).

C. Enrollment

The Department shall notify the MCO two times per month of all members enrolled in the MCO under this contract. Notification shall be effected through MCO Enrollment Reports. All members listed as an ADD or CONTINUE on either the Initial or Final MCO Enrollment Reports are members of the MCO during the enrollment month. The reports shall be generated as specified in Section F, Enrollment Reports, of this article. The MCO shall review the Enrollment Reports upon receipt and report inaccuracies to the Department as soon as possible but no later than ninety (90) calendar days following receipt of the reports. These reports shall be in a proprietary or Health Insurance Portability and Accountability Act of 1996 (HIPAA) compliant format according to interChange standards.

D. ForwardHealth ID Cards

The Department will issue new ForwardHealth cards to Medicaid recipients after they are determined to be eligible for Medicaid. When providers verify Medicaid eligibility using the ForwardHealth card, they are given managed care enrollment information for the member on the requested dates.

E. Disenrollment Notification

The Department will promptly notify the MCO of all members no longer eligible to receive services through the MCO under this contract. Notification shall be effected through the MCO Enrollment Reports that the Department will transmit to the MCO for

each month of coverage throughout the term of the contract. The reports shall be generated in the sequence under the MCO Enrollment Reports. Any member who was enrolled in the MCO in the previous enrollment month, but does not appear as an ADD or CONTINUE on either the Initial or Final MCO Enrollment Report for the current enrollment month, is disenrolled from the MCO effective the last day of the previous enrollment month or the date noted on the enrollment report. See Article VIII.M., Payment, page 108, regarding conditions for members who continue to have a valid Family Care ID card.

F. Enrollment Reports

For each month of coverage throughout the term of this contract, the Department shall transmit MCO Enrollment Reports to the MCO. These reports will provide the MCO with ongoing enrollment and disenrollment information about its members as well as daily and monthly capitation payments made to the MCO for each member described in Article IV, Enrollment and Disenrollment, page 37, will be generated in the following sequence:

1. *Initial Report*

   The Initial MCO Enrollment Report will list each of the MCO's members and those members who have been disenrolled for the current enrollment month who are known on the date of report generation. The Initial MCO Enrollment Report will be created and made available monthly. Each member listed as an ADD or CONTINUE on this report will be listed on the payment report. Members who appear as PEND/DISENROLL on the Initial Report and are reinstated into the MCO during the month will appear as an ADD or CONTINUE on the Final Report.

2. *Final Report*

   The Final MCO Enrollment Report will list all of the MCO's members for the enrollment month, who were not included in the Initial MCO Enrollment Report. The Final MCO Enrollment Report will be created and made available monthly. Each member listed as an ADD or CONTINUE on this report will be listed on the next capitation payment report.

G. Utilization Review and Control

The Department shall waive, to the extent allowed by law, any present Department requirements for prior authorization, second opinions, co-payment, or other Medicaid restrictions for the provision of contract services including LTC benefit package services provided by the MCO to members.

H. Right to Review

The Department will submit to the MCO for prior approval materials that describe the MCO and that will be distributed by the Department, County or Resource Center to potential members and members.

I. Review of Study or Audit Results

1. *Release to the Public*

   The Department shall submit to the MCO for a fifteen (15) business day review/comment period, any studies or audits that are going to be released to the public that are about the MCO and Medicaid.

2. *Plan of Correction*

   Under normal circumstances, the Department will not implement a plan of correction prior to the MCO's review and response to a preliminary report. The Department may do so, however, if the circumstances warrant immediate action (i.e., if delays may jeopardize or threaten the health, safety, welfare, rights or other interest of members).

J. Provider Certification

The Department shall give the MCO access to the names and contact information for all Medicaid certified providers in the MCO's service area; in the alternative, the Department shall continue to give the MCO timely responses to the MCO's requests for confirmation of particular providers' Medicaid certification status.

K. Technical Assistance

The Department shall review reports and data submitted by the MCO and shall share results of this review with the MCO. In conjunction with the MCO, the Department shall determine whether technical assistance may be available to assist in improving performance in any areas of identified need. The Department, in consultation with the MCO, shall develop a technical assistance plan and schedule to assure compliance with all terms of this contract and quality service to members of the MCO.

L. Conflict of Interest

The Department maintains that Department employees are subject to safeguards to prevent conflict of interest as set forth in ch. 19, Wis. Stats., and 41 USC 423, Section 27.

XVI. Contractual Relationship

A. Documents Constituting the Contract

This contract is drafted in accordance with the requirements of s. 46.2803 to 46.2895, Wis. Stats., and ch. DHS 10 Wis. Admin. Code.

In addition to this contract, the agreement between the MCO and the Department shall incorporate:

- Applicable provisions of the state statutes and administrative code;
- MCO Contract Interpretation Bulletins, Technical Assistance Series memos and policy memos issued by the Department pursuant to this contract; and
- All contract addenda.

Each Contract Interpretation Bulletin shall be provided to the MCO for review and comment at least thirty (30) calendar days prior to its effective date. In the event of any conflict in provisions among these documents, the laws and regulations of the state and federal government shall prevail.

In the absence of laws and regulations, the contract will prevail. The documents stated above constitute the entire contract between the MCO and the Department and no other expression, whether oral or written, constitutes any part of this contract.

B. Cooperation of Parties and Dispute Resolution

1. *Agreement to Cooperate*

   The parties agree to fully cooperate with each other in connection with the performance of their respective obligations and covenants under this contract.

2. *Dispute Resolution*

   The parties shall use their best efforts to cooperatively resolve disputes and problems that arise in connection with this contract. When a dispute arises that the MCO and the Department have been unable to resolve, the Department has the right to interpret contract language.

   If the MCO is dissatisfied with the Department's interpretation, the MCO may pursue the following process to resolve the dispute:

   a. Disputes Involving Audits

      For any audit dispute, review will be through the process used for audits.

   b. Disputes Involving All Other Matters

      For any other dispute, the MCO may request a hearing under ch. 227. Wis. Stats., with the Division of Hearings and Appeals, Department of Administration, under rules promulgated at ch. HA 1, Wis. Admin. Code. The proceeding will be conducted as a class 3 contested case.

3. *Performance of Contract Terms During Dispute*

The existence of a dispute notwithstanding:

a. Both parties agree to continue without delay to carry out all their respective responsibilities which are not affected by the dispute; and

b. The MCO further agrees to abide by the interpretation of the Department regarding the matter in dispute while the MCO seeks further review of that interpretation.

C. MCO Certification and Re-Contracting

1. *Annual Certification*

Annually, the MCO is required to demonstrate that it meets certification standards as defined by the Department.

2. *Certification Standards*

The certification standards are based on s. 46.284(2) and (3), Wis. Stats., and s. DHS 10.43, Wis. Admin. Code. In addition, the MCO must meet standards of performance as outlined in this contract.

3. *Certification Information and Documents*

The MCO shall provide to the Department whatever information and documents the Department requests so that the Department can determine whether the MCO is meeting these standards.

The Department will make a request for the required items by September 15 of each calendar year. The MCO agrees to submit the requested information by the deadlines identified in the annual request.

D. Sanctions for Violation, Breach, or Non-Performance

1. *Imposition of Sanctions*

The Department may impose sanctions as set forth in this article and Addendum XI, Procedures for Implementing Sanctions, page 252 if it determines that the MCO fails to meet the performance expectations set forth in this article.

a. Failure to Meet Managed Care Service Performance Expectations

i. Managed Care Service Performance Expectations

The Department may impose sanctions for failure to meet the following performance expectations.

a) The MCO shall provide medically necessary services that the MCO is required to provide, under law or under this contract to any member covered under the contract, and meet the quality standards and performance criteria of this

contract such that members are not at substantial risk of harm.

b) The MCO shall not impose premiums on members or charges that are in excess of the premiums or charges permitted under the Medicaid program.

c) The MCO shall not act to discriminate among members on the basis of their health status or need for health care services. This includes, but is not limited to, termination of enrollment or refusal to reenroll a recipient, except as permitted under the Medicaid program, or any practice that would reasonably be expected to discourage enrollment by recipients whose medical condition or history indicates probable need for substantial future contractual services.

d) The MCO shall not misrepresent or falsify information that it furnishes to CMS or to the Department.

e) The MCO shall not misrepresent or falsify information that it furnishes to a member, potential member, or a provider.

f) The MCO shall comply with the requirements for physician incentive plans, as set forth (for Medicare) in 42 CFR 422.208 and 422.210 and Article VIII.P., Physician Incentive Plans for Partnership and PACE, page115.

g) The MCO shall not distribute directly or indirectly through any agent or independent contractor, marketing materials that have not been approved by the Department or that contain false or materially misleading information.

h) The MCO shall not violate any of the other requirements of sections 1903(m) or 1932 of the Social Security Act, and any implementing regulations;

ii. Types of Sanctions for Failure to Meet Managed Care Service Performance Expectations

The types of sanctions that the Department may impose under this contract include the following. The Department will utilize the procedures outlined in Addendum XI, Procedures for Implementing Sanctions, page 252:

a) Civil monetary penalties.

b) Appointment of temporary management for an MCO as provided in 42 CFR 438.706.

The Department must impose temporary management (regardless of any other sanction that may be imposed) if it finds that an MCO has repeatedly failed to meet substantive

requirements in section 1903(m) or section 1932 of the Social Security Act, or this contract.

Upon appointment of temporary management, the Department must also grant members the right to terminate enrollment without cause, as described in 42 CFR 438.702(a)(3), and must notify the affected members of their right to terminate enrollment.

c) Granting members the right to terminate enrollment without cause and notifying the affected members of their right to disenroll. The MCO will provide assistance to the individual through appropriate referrals and making the individual's medical records available to new providers.

d) Suspension of all new enrollments, including default enrollment, after the effective date of the sanction.

The Department may suspend the MCO's right to receive new enrollment or disenroll members in anticipation of the MCO not being able to comply with federal or state law at its current enrollment under this contract.

e) Denying payments for new members as provided for under the contract when, and for so long as, payment for those members is denied by CMS under 42 CFR 438.730(e).

f) Reductions of enrollment initiated by the Department.

g) Suspension of payment for recipients enrolled after the effective date of the sanction and until CMS or the Department is satisfied that the reason for imposition of the sanction no longer exists and is not likely to recur.

h) Withholding or recovering of capitation payments and orders to provide services.

i) Termination of this contract for Substantial Failure to Perform as specified in Article XVI.E., Modification and Termination of the Contract, page 199. The Department has the authority to terminate an MCO's contract and enroll that entity's members in other MCOs, or provide their Medicaid benefits through other options included in the State plan, if the Department determines that the MCO has failed to do either of the following:

- Carry out the substantive terms of its contract; or
- Meet applicable requirements in sections 1932, 1903(m), and 1905(t) of the Social Security Act.

b. Failure to Meet Administrative Performance Expectations

i. Administrative Performance Expectations

The Department may impose sanctions for failure to meet administrative performance expectations. For the purposes of this section, "administrative function" is defined as any contract obligation other than the actual provision of contract services. The Department may impose sanctions as set forth in this subsection only if:

a) The MCO has acted or failed to act in accordance with the terms of this contract, and

b) The Department has informed the MCO of the problem and given the MCO a reasonable timeframe and a definite deadline by which to correct the problem on its own, and

c) Offered and/or provided technical assistance and made recommendations to the MCO on how to correct the problem, and

d) The problem persists either because the MCO refuses to accept technical assistance or fails to make reasonable efforts to implement the recommendations.

ii. Types of Managed Care Sanctions for Failure to Meet Administrative Performance Expectations

The Department may withhold funds from the MCO's capitation payments under this section for the following MCO failures to perform in an amount that the Department determines in the reasonable exercise of its discretion to approximate the cost to the Department to perform the function that the MCO has failed to perform. The Department may increase these amounts by 50 percent for each subsequent non-compliance.

a) If the MCO fails to submit required data and/or information to the Department or to its authorized agents, or fails to submit such data or information in the required form or format, by the deadline provided for in this subsection, the Department may impose liquidated damages in the amount of $100 per day for each day beyond deadline that the MCO fails to submit the data or fails to submit the data in the required form or format, such liquidated damages to be deducted from the MCO's capitation payments.

b) Whenever the MCO has failed to perform an administrative function required under this contract, the Department may withhold a portion of future capitation payments.

c) Whenever the MCO has failed to perform the administrative functions defined in Article XVIII.H., Coordination of Benefits (COB), page 217, the Department may withhold a portion of future capitation payments sufficient to directly compensate the Department for the Medicaid program's costs of providing services and items to the MCO members and/or the MCO/employers represented by said third party administrators.

c. Basis for Determination of Sanctions

The Department may base its determinations on findings from onsite surveys, member or other complaints, financial status, or any other source.

d. Authority to Impose Additional Sanctions

The Department retains authority to impose additional sanctions under state statutes or state regulations that address areas of noncompliance specified in 42 CFR 438.700, as well as additional areas of noncompliance. Nothing in this subpart prevents the Department from exercising that authority.

2. *Due Process: Notice of Sanction and Pre-termination Hearing*

a. Notice to MCO of Sanction

Except as provided in 42 CFR 438.706(c), (regarding temp management as specified in this section and Addendum ---Procedures for Sanctions) before imposing any of the sanctions specified in this contract, the Department must give the affected MCO written notice, as expeditiously as necessary to meet member needs but no less than 30 calendar day notice, that explains the following:

i. The basis and nature of the sanction.

ii. Any other due process protections that the Department elects to provide.

b. Notice to CMS

The Department must notify CMS no later than thirty (30) calendar days after the imposition or lifting of any sanction. This notice will include name of the MCO, the kind of sanction and the reason for the Department's decision to impose or lift the sanction.

c. Pre-termination Hearing

i. Pre-termination Hearing Requirements and Process

Before terminating an MCO contract for failing to carryout substantive terms of the contract or to meet applicable requirements in sections 1932, 1903(m), or 1915(t) of the Social

Security Act and 42 CFR 438.708, the Department must provide the MCO a pre-termination hearing.

The Department must do the following:

a) Give the MCO written notice of its intent to terminate, the reason for termination, and the time and place of the hearing;

b) After the hearing, give the MCO written notice of the decision affirming or reversing the proposed termination of the contract and, for an affirming decision, the effective date of termination; and

c) For an affirming decision, give members of the MCO notice of the termination and information, consistent with 42 CFR 438.10, on their options for receiving Medicaid services following the effective date of termination.

ii. Disenrollment during Termination Hearing Process.

After the Department notifies an MCO that it intends to terminate the contract for nonperformance, the Department may do the following:

a) Give the MCO's members written notice of the Department's intent to terminate the contract.

b) Allow members to disenroll immediately without cause.

3. *Recovery of Damages*

In any case under this contract where the Department has the authority to withhold capitation payments, the Department also has the authority to use all other legal processes for the recovery of damages.

The Department may withhold or recover portions of the capitation payments as liquidated damages or otherwise recover damages from the MCO notwithstanding the provisions of this contract. The withholding or recoveries will be made absent the MCO's prompt and reasonable efforts to remove the grounds described.

4. *Authority of the Secretary of the federal Department of Health and Human Services*

Section 1903 (m) (5) (B) (ii) of the Social Security Act and 42 CFR 438.730 vests the Secretary of the Department of Health and Human Services with the authority to deny Medicaid payments to an MCO for members who enroll after the date on which the MCO has been found to have committed one of the violations identified in the federal law.

Department payments for members of the MCO are automatically denied whenever, and for as long as, federal payment for such members has been denied as a result of the commission of such violations.

5. *Authority of the Department*

The Department may pursue all sanctions and remedial actions with the MCO that are taken with Medicaid fee-for-service providers, including any civil penalties not to exceed the amounts specific in the Balanced Budget Amendment of 1997, s.4707(a). If a basis for imposition of a sanction exists under Article XVI, Contractual Relationship, page 192, the MCO may be subject to sanctions set forth above or to contract termination under Article XVI.E., Modification and Termination of the Contract, page 199, or the Department refusal to contract with the MCO in a future time period, as determined by the Department.

The Department will select among these sanctions based upon the nature of the services in question, whether the failure or denial was an isolated instance or a repeated pattern or practice, and whether the long-term care or health of a member was injured, threatened or jeopardized by the failure or denial.

These sanctions apply not only to cases where the Department has ordered payment after appeal, but also to cases where no appeal has been made (i.e., the Department knows about the documented abuse from other sources).

E. Modification and Termination of the Contract

1. *Modification*

This contract may be modified at any time by written mutual consent of the MCO and the Department or when modifications are mandated by changes in federal or state laws, rules, regulations and amendments to Wisconsin's CMS approved waivers or the state plan. In the event that changes in state or federal law, rules or regulations, or the Medicaid State Plan, require the Department to modify its contract with the MCO, notice shall be made to the MCO in writing. However, the capitation payment rate to the MCO can be modified only as provided in Article XVIII.D., Annual Determination of Capitation Rates, page 216.

If the Department exercises the right to renew this contract, the Department will recalculate the capitation payment rate for succeeding calendar years. The MCO shall have sixty (60) calendar days to accept the new capitation payment rate in writing or to initiate termination of the contract. If the Department changes the reporting requirements during the term of this contract, the MCO shall have thirty (30) calendar days to review and comment on the fiscal impact of the additional reporting requirements. The Department will consider any potential fiscal impact on the MCO before requiring additional reporting. It is not the Department's intent to unilaterally impose new and previously unreimbursed requirements on the MCO. The MCO shall have one hundred eighty (180) calendar days to comply with such changed requirements or to initiate termination of the contract.

2. *Mutual Consent of Termination*

This contract may be terminated at any time by mutual written consent of both the MCO and the Department.

3. *Unilateral Termination*

This contract between the parties may be unilaterally terminated only as follows:

a. Notice of Termination

This contract may be terminated by either party for any reason upon ninety (90) calendar days written notice to the other party.

b. Changes in Federal or State Law

This contract may be terminated at any time, by either party, due to modifications mandated by changes in federal or state law, regulations, or policies that materially affect either party's rights or responsibilities under this contract.

In such case, the party initiating such termination procedures must notify the other party in writing, at least ninety (90) calendar days prior to the proposed date of termination, of its intent to terminate this contract. Termination by the Department under these circumstances shall impose an obligation upon the Department to pay the MCO's reasonable and necessarily incurred termination expenses.

c. Termination for Substantial Failure to Perform

This contract may be terminated by either party at any time if it determines that the other party has substantially failed to perform any of its functions or duties under this contract. Substantial failure to perform includes, but is not limited to, failure to meet applicable requirements in sections 1932, 1903(m) and 1905(t) of the Social Security Act.

In such event, the party exercising this option must notify the other party, in writing, of this intent to terminate this contract and give the other party thirty (30) calendar days to correct the identified violation, breach or non-performance of the contract. If such violation, breach or non-performance of contract is not satisfactorily addressed within this time period, the exercising party must notify the other party, in writing, of its intent to terminate this contract at least ninety (90) calendar days prior to the proposed termination date.

The termination date shall always be the last day of a month. The contract may be terminated by the Department sooner than the time period specified in this paragraph if the Department finds that member long-term care, health or welfare is jeopardized by continued enrollment in the MCO. For purposes of this paragraph, "substantially failed to perform" means:

i. Any violation of any requirement of this contract that is repeated or ongoing, that goes to the essentials or purpose of the contract, or that injures, jeopardizes or threatens the long-term care, health, safety, welfare, rights or other interests of members; or

ii. The MCO's failure to meet or maintain at least minimal certification or contract requirements; or

iii. The MCO's failure to make substantial progress in meeting enrollment goals in the MCO's approved enrollment plan.

A violation is considered repeated and ongoing if the MCO fails to demonstrate improvement or comply with technical assistance recommendations of the Department.

Before terminating an MCO contract for failing to carryout substantive terms of the contract or to meet applicable requirements in sections 1932, 1903(m), or 1915(t) of the Social Security Act, the Department must provide the MCO a pre-termination hearing and allow disenrollment of members during the termination hearing process as outlined in this article and Addendum XI, Procedures for Implementing Sanctions, page 252.

d. Termination when Federal or State Funds are Unavailable

i. Permanent Loss of Funding

This contract may be terminated by either party, in the event federal or state funding of contractual services rendered by the MCO becomes permanently unavailable. In the event it becomes evident state or federal funding of claims payments or contractual services rendered by the MCO will be temporarily suspended or unavailable, the Department shall immediately notify the MCO, in writing, identifying the basis for the anticipated unavailability or suspension of funding.

Upon such notice, the Department or the MCO may suspend performance of any or all of the MCO's obligations under this contract if the suspension or unavailability of funding will preclude reimbursement for performance of those obligations. The Department or the MCO shall attempt to give notice of suspension of performance of any or all of the MCO's obligations by sixty (60) calendar days prior to said suspension, if this is possible; otherwise, such notice of suspension should be made as soon as possible.

ii. Temporary Loss of Funding

In the event funding that has been temporarily suspended or unavailable is reinstated, the MCO may remove suspension hereunder by written notice to the Department, to be made within thirty (30) calendar days from the date the funds are reinstated.

In the event the MCO elects not to reinstate services, the MCO shall give the Department written notice of its reasons for such decision, to be made within thirty (30) calendar days from the date

the funds are reinstated. The MCO shall make such decision in good faith and will provide the Department documentation supporting its decision. In the event of termination under this section, this contract shall terminate without termination costs to either party.

4. *Contract Non-Renewal*

The MCO or the Department may decide to not renew this contract. In the case of a non-renewal of this contract, the party deciding to not renew this contract must notify the other party in writing at least ninety (90) calendar days prior to the expiration date of this contract, and follow the procedures in para 5. and 6. of this section.

5. *Transition Plan*

In the case of this contract being terminated or a decision to not renew this contract, the MCO shall submit a written plan that receives the Department's approval, to ensure uninterrupted delivery of services to MCO members and their successful transition to applicable programs (e.g., Medicaid fee-for-service). The plan will include provisions for the transfer of all member related information held by the MCO or its providers and not also held by the Department.

a. Submission of the Transition Plan

The MCO shall submit the plan at one of the following times, depending on which applies: no less than ninety (90) calendar days prior to the contract's expiration when the MCO decides to not renew the contract; within ten (10) business days of notice of termination by the Department; or along with the MCO's notice of termination.

b. Management of the Transition

The MCO shall designate a person responsible for coordinating the transition plan and will assign staff as the Department determines is necessary to assist in the transition. Status meetings including staff from all parties involved in the transition will be held as frequently as the Department determines is necessary.

c. Continuation of Services

If the MCO has been unable to successfully transition all members to applicable programs by the time specified in the approved transition plan, the MCO shall continue operating as an MCO under this contract until all members are successfully transitioned. The Department will determine when all members have been successfully transitioned to applicable programs.

If the Department determines it necessary to do so, the MCO will agree to extend this contract, in order to continue providing services to members until they are successfully transitioned to applicable programs. During this

period the MCO remains responsible, and shall provide, the services in the benefit package, and all terms and conditions of the contract will apply during this period.

6. *Obligations of Contracting Parties*

When termination or non-renewal of this contract occurs, the following obligations shall be met by the parties:

a. Notice to Members

The Department shall be responsible for developing the format for notifying all members of the date of termination and process by which the members continue to receive services in the benefit package;

b. MCO Responsibilities

The MCO shall be responsible for duplication, mailing and postage expenses related to said notification;

c. Return of Advanced Payments

Any payments advanced to the MCO for coverage of members for periods after the date of termination or expiration shall be returned to the Department within forty-five (45) calendar days;

d. Transfer of Information

The MCO shall promptly supply all information necessary for the reimbursement of any outstanding Medicaid claims; and,

e. Recoupments

Recoupments will be handled through a payment by the MCO within ninety (90) calendar days of the end of this contract.

F. Delegations of Authority

The MCO shall oversee and remain accountable for any functions and responsibilities that it delegates to a subcontractor. For all major or minor delegation of function or authority:

1. There shall be a written agreement that specifies the delegated activities and reporting responsibilities of the subcontractor and provides for revocation of the delegation or imposition of other sanctions if the subcontractor's performance is inadequate.
2. Before any delegation, the MCO shall evaluate the prospective subcontractor's ability to perform the activities to be delegated.
3. The MCO shall monitor the subcontractor's performance on an ongoing basis and subject the subcontractor to formal review at least once a year.

4. The MCO shall maintain oversight of subcontractors' quality of services within the MCO's internal Quality Management (QM) program.

5. If the MCO identifies deficiencies or areas for improvement, the MCO and the subcontractor shall take corrective action.

6. The MCO shall demonstrate compliance through submission of the reports and/or updates to the Department per the reporting requirements in Addendum II, *State Reporting Requirements for 2011*, page 228.

7. If the MCO delegates selection of providers to another entity, the MCO retains the right to approve, suspend, or terminate any provider selected by that entity.

G. Indemnification

1. *MCO and the Department's Liability*

   The MCO will indemnify, defend if requested and hold harmless the state and all of its officers, agents and employees from all suits, actions, or claims of any character brought for or on account of any injuries or damages received by any persons or property resulting from the operations of the MCO or any of its contractors, in prosecuting work under this contract.

   The Department acknowledges that the State may be required by s. 895.46(1), Wis. Stats., to pay the cost of judgments against its officers, agents or employees, and that an officer, agent or employee of the State may incur liability due to negligence or misconduct. To the extent protection is afforded under s. 893.82 and 895.46(1), Wis. Stats., the Department agrees to be responsible to the MCO and all of its officers, agents and employees from all suits, actions, or claims of any character brought for or on account of any injuries or damages received by any persons or property resulting from the negligence of the Department, its employees or agents in performing under this contract.

2. *Pass Along Federal Penalties*

   a. The MCO shall indemnify the Department for any federal fiscal sanction taken against the Department or any other state agency which is attributable to action or inaction by the MCO, its officers, employees, agents or subcontractors that is contrary to the provisions of this contract.

   b. Prior to invoking this provision, the Department agrees to pursue any reasonable defense against the federal fiscal sanction in the available federal administrative forum. The MCO shall cooperate in that defense to the extent requested by the Department.

   c. Upon notice of a threatened federal fiscal sanction, the Department may withhold payments otherwise due to the MCO to the extent necessary to protect the Department against potential federal fiscal sanction. The Department will consider the MCO's requests regarding the timing and amount of any withholding adjustments.

H. Independent Capacity of the MCO

The Department and the MCO agree that the MCO and any agents or employees of the MCO, in the performance of this contract, shall act in an independent capacity, and not as officers or employees of the Department.

I. Omissions

In the event that either party hereto discovers any material omission in the provisions of this contract that is essential to the successful performance of this contract, said party may so inform the other party in writing. The parties hereto will thereafter promptly negotiate the issues in good faith in order to make reasonable adjustments necessary to perform the objectives of this contract, or shall pursue the arbitration process available under Section B., Cooperation of Parties and Dispute Resolution.

J. Choice of Law

This contract shall be governed by and construed in accordance with the laws of the State of Wisconsin. The MCO shall be required to bring all legal proceedings against the Department in the state courts in Dane County, Wisconsin.

K. Waiver

No delay or failure by the MCO or the Department hereto to exercise any right or power accruing upon noncompliance or default by the other party with respect to any of the terms of this contract shall impair such right or power or be construed to be a waiver thereof. A waiver by either of the parties hereto of a breach of any of the covenants, conditions, or agreements to be performed by the other shall not be construed to be a waiver of any succeeding breach thereof or of any other covenant, condition, or agreement herein contained.

L. Severability

If any provision of this contract is declared or found to be illegal, unenforceable, invalid or void, then both parties shall be relieved of all obligations arising under such provision; but if such provision does not relate to payments or services to members and if the remainder of this contract shall not be affected by such declaration or finding, then each provision not so affected shall be enforced to the fullest extent permitted by law.

M. Force Majeure

Both parties shall be excused from performance hereunder for any period that they are prevented from meeting the terms of this contract as a result of a catastrophic occurrence or natural disaster including but not limited to an act of war, and excluding labor disputes.

N. Headings

The article and section headings used herein are for reference and convenience only and shall not enter into the interpretation hereof.

O. Assignability

Except as allowed under subcontracting, this contract is not assignable by the MCO either in whole or in part, without the prior written consent of the Department.

P. Right to Publish

The Department agrees to allow the MCO to write and have such writings published provided the MCO receives prior written approval from the Department before publishing writings on subjects associated with the work under this contract. The MCO agrees to protect the privacy of individual members, as required under 42 CFR 434.6(a)(8).

Q. Survival

The terms and conditions contained in this contract that by their sense and context are intended to survive the performance by the parties shall so survive the completion of the performance, expiration or termination of the contract. This specifically includes, but is not limited to recoupments and confidentiality provisions.

XVII. Fiscal Components/Provisions

A. Financial Management

Purpose: The MCO shall ensure continuity of care for enrolled members through sound financial management systems and practices. Financial management systems shall be sufficient to track, reconcile, report, and project the operational and financial results of the MCO, and support informed decision-making. Financial management practices shall ensure the overall financial health of the organization and support the maximization of quality services with the funds expended. An MCO shall also demonstrate the capacity for financial solvency and stability and the ability to assume the level of financial risk required under this contract and ensure continuity of care for enrolled members. The MCO shall demonstrate its overall financial management capacity to both the Wisconsin Department of Health Services and the Wisconsin Office of the Commissioner of Insurance, as outlined at ch. 648 Wis. Stats.

1. *Capacity for Financial Solvency and Stability – programs operated under a Licensed HMO*

   PACE and Partnership MCOs are required to operate under a state-licensed HMO. Under a licensed HMO, the MCO must demonstrate the ability to retain operating capital and minimum risk and solvency reserves as required by the Wisconsin Office of the Commissioner of Insurance (OCI).

2. *Capacity for Financial Solvency and Stability – programs operated by MCOs that are not Licensed HMOs*

   The MCO shall demonstrate the ability to retain operating capital and minimum risk and solvency reserves as required by the Department and outlined below:

   a. Working Capital

      i. Purpose

         The purpose of working capital is to provide ongoing liquid assets to manage routine fluctuations in revenue and expenses that will occur in the normal course of business operations.

      ii. Working Capital Calculation and Minimum Balance

         The working capital calculation is the difference between unrestricted current assets and current liabilities with a minimum balance maintained at a level not less than 3.0% of the budgeted annual capitation payments from the Department to the MCO for the period of this contract.

      iii. Failure to Maintain Required Minimum Balance

         In the event that the MCO fails to maintain and report the required working capital, the MCO may be put under corrective action and shall submit a plan to the Department for approval that includes an

analysis of the reasons for the shortfall and a plan for restoring the required working capital balance. If the MCO continues to maintain inadequate working capital, the Department may impose sanctions consistent with Article XVI.D., Sanctions for Violation, Breach, or Non-Performance, page 193 or terminate the contract in accordance with Article XVI.E.3., Unilateral Termination, page 200.

b. Restricted Reserve

i. Purpose

The purpose of the restricted reserve is to provide continuity of care for enrolled members, accountability to taxpayers, and effective program administration. The restricted reserve provides additional liquid assets to underwrite the risk of financial volatility due to extraordinary, unbudgeted program expenditures.

ii. Restricted Reserve Funds

The MCO shall establish and maintain a separately identifiable restricted investment reserve account in a financial institution. The invested funds and related income shall not be commingled with any other financial account.

iii. Required Contributions

The requirements under this subsection apply during the period of this contract.

Contribution. The MCO shall deposit the required minimum balance on or before the beginning of the contract as calculated using the schedule set forth in subsection (a) Required Minimum Fund Balance.

a) Required Minimum Fund Balance

The required minimum fund balance is an amount set for the term of each contract that is based on the budgeted annual capitation payment as projected by the MCO and approved by the Department. The required minimum fund balance is calculated as follows:

- 8% of the first $5 million of budgeted annual capitation
- 4% of the next $5 million of budgeted annual capitation
- 3% of the next $10 million of budgeted annual capitation
- 2% of the next $30 million of budgeted annual capitation
- 1% of any additional budgeted annual capitation.

Note: This schedule is subject to change based on annual review with the Department's-contracted actuarial firm.

Notice of changes to the schedule will be communicated to the MCO by July 1 of the current calendar year contract.

b) Earnings

Any income or gains generated by the restricted reserve funds are to remain within the account until the MCO meets the required minimum balance as set forth in subsection (a) Required Minimum Fund Balance immediately above. Income or gains generated by the restricted reserve funds beyond the minimum balance may be used as set forth in subsection (iv) Disbursements.

iv. Disbursements

Once the minimum balance is met, or when the Department allows, disbursements may be made from the restricted reserve account in order to fund operating expenses, or as approved by the Department, to further develop capacity within the long-term care system. For any withdrawals or disbursements that are made, the following requirements apply:

a) Disbursement Notifications

The MCO must obtain the Department's approval for withdrawals or disbursements, if the withdrawal or disbursement results in a balance below the required minimum balance. Additionally, the MCO must obtain the Department's approval for withdrawals for a purpose other than payment of operating expenses. The Department shall approve requests only after consideration of all solvency protections available to the MCO. Withdrawals or disbursements that result in an account balance below the required minimum balance will only be approved to fund the working capital, solvency fund, or operating expenses of the MCO.

b) Plans for Replenishing Restricted Reserve When Below Minimum

The MCO shall have a three year business plan, approved by the Department in its sole discretion, which specifies the methods and timetable the MCO shall employ to replenish the restricted reserve fund if below the minimum balance. If the MCO fails to submit an acceptable three year business plan, the Department may impose sanctions consistent with Article XVI.D., Sanctions for Violation, Breach, or Non-Performance, page 193. In approving or disapproving the plan, the Department will take into

account existing or additional solvency protections available to the MCO.

v. Reporting

The MCO shall report on the status of the restricted reserve account as part of the quarterly financial report required under this contract; or more frequently if the MCO is in a state of corrective action.

vi. Failure to Maintain Required Minimum Balance

In the event the MCO fails to maintain and report the required restricted reserve, the MCO may be put under corrective action and shall submit a plan to the Department for approval that includes an analysis of the reasons for the shortfall and a plan for restoring the required restrictive reserve balance. If the MCO continues to maintain an inadequate restrictive reserve balance, the Department may impose sanctions consistent with Article XVI.D., Sanctions for Violation, Breach, or Non-Performance, page 193 or terminate the contract in accordance with Article XVI.E.3., Unilateral Termination, page 200.

c. Solvency Fund

i. Purpose

The solvency fund provides for continuity of services and smooth transition of members from the existing MCO to another entity as described in Article XVI.E., Modification and Termination of the Contract, page 199 or in the event the existing MCO become irreversibly insolvent.

ii. Solvency Requirements

The MCO shall demonstrate financial solvency and the ability to assume the level of financial risk required under this contract. The MCO shall inform the Department of any change or anticipated change to the solvency protections of the MCO, or any events or occurrences likely to affect the MCO's solvency, as soon as possible but no later than ten (10) business days after the MCO becomes aware of such changes, events or occurrences.

iii. Solvency Funding

The MCO shall maintain an amount of $750,000 in an account designated by the Department.

Note: This schedule is subject to change based on annual review with the Department's-contracted actuarial firm. Notice of changes to the schedule will be communicated to the MCO by July 1 of the current calendar year contract.

If the $750,000 requirement has not been previously satisfied, the MCO's annual business plan submission will include a plan for additional deposits to achieve 100% of the required funding.

iv. Earnings

Any income or gains generated by the solvency funds are to remain within the account until the MCO meets the required minimum balance as set forth in subsection (b) Required Minimum Balance above. Income or gains generated by the solvency funds beyond the minimum balance may be used as set forth in subsection (iv) Disbursements.

v. Disbursements

a) Excess Accumulated Balance

Distribution of accumulated balance that exceeds the required minimum is allowed for the purpose of operations. Distribution of accumulated balance that exceeds the required minimum for a purpose other than operations requires prior approval by the Department.

b) Termination

Upon termination the Department shall direct the disbursement of the funds from the solvency account held by the MCO in the following order:

- To satisfy outstanding claims by the state or federal government for recoupment or risk sharing;
- To satisfy outstanding expenses of the MCO for services authorized and provided to members of the MCO;
- To pay for the costs of Temporary Management appointed in accordance with Article XVI.D., Sanctions for Violation, Breach, or Non-Performance, page 193 and Addendum XI, Procedures for Implementing Sanctions, page 252;
- To satisfy outstanding administrative expenses provided under contract with the MCO by a vendor owned and operated by an entity other than the MCO;
- To pay for the costs associated with the transition of members following disenrollment;
- To pay for internal expenses of the MCO including wages, salaries and other compensation of administrative and program staff; and,

- To the MCO.

vi. Failure to Maintain Required Minimum Balance

In the event the MCO fails to maintain and report the required solvency protection, the MCO may be put under corrective action and shall submit a plan to the Department for approval that includes an analysis of the reasons for the shortfall and a plan for restoring the required solvency protection. If the MCO continues to maintain inadequate solvency protection, the Department may impose sanctions consistent with Article XVI.D., Sanctions for Violation, Breach, or Non-Performance, page 193 or terminate the contract in accordance with Article XVI.E.3., Unilateral Termination, page 200.

B. Financial Reporting

Purpose: The MCO will communicate the fiscal health of the organization and demonstrate the integrity of the financial operations consistent with the conditions of the contract and the goal to maximize services across the enrolled members through financial reporting.

1. *Financial Reporting to the Department*

Financial reporting for all entities is due to the Department within forty-five (45) calendar days of the close of each calendar quarter as described in Addendum II, State Reporting Requirements for 2011, page 228, and in accordance with Generally Accepted Accounting Principles (GAAP). Preliminary, unaudited financial reporting for the fourth quarter of the contract year is due by March 15 of the following year.

The submission of financial reports and calculations may be required on a more frequent basis at the discretion of the Department. Requests for an extension to the above stated reporting deadline(s) must be made prior to the due date and include the length of extension requested and a reason for the extension request.

The Financial Statement Certification in Addendum IX, Data Certification shall be signed by the MCO's financial officer and accompany the financial reporting submission.

2. *Financial Reporting to the Office of Commissioner of Insurance*

A licensed HMO will submit financial reporting to the Office of Commissioner of Insurance (OCI) consistent with the OCI reporting requirements.

3. *Medicare Bid Information*

Any contractor operating a Special Needs Plan (SNP) or PACE program for dual-eligible members must provide their annual comprehensive Medicare bid information to the Department concurrently with its submission to CMS. The MCO must also file the final bid with the Department, if it differs from the

original submission, within one month of final approval by CMS. The SNP or PACE bid approved by CMS during this contract period must be submitted to the Department within one month of the end of this contract period if it was modified from the original submission.

C. Financial Recertification Process

Purpose: The organization will demonstrate annually that it has policies, procedures, and a Department approved three year business plan, as defined by the Department, in place to continue fiscal operations required to serve the enrolled members.

The MCO shall submit financial certification materials as defined by DHS to the Department annually.

D. Financial Examinations

The MCO shall comply with financial examinations carried out by the Wisconsin Office of the Commissioner of Insurance, including, but not limited to, providing access to the premises and property of the MCO, complying with all reasonable requests of the financial examiners, and paying the reasonable costs associated with such examinations.

E. Financial Audit

Purpose: The organization will demonstrate annually through a financial audit by an independent certified public accountant the reasonable assurance that the organization's financial statements are free from material misstatement in accordance with Generally Accepted Accounting Principles (GAAP). The audit report should demonstrate to the Department that the MCO's internal controls, and related reporting systems in operation by the MCO, are sufficient to ensure the integrity of the financial reporting systems.

1. *Deadline for Submission of Audited Financial Statements*

   The audited financial statements are due to the Department by June 1 of the contracted fiscal period. However, if the MCO is part of a county financial audit, the deadline for the MCO audit is the deadline for the county financial audit.

   Requests for an extension must be made within ten (10) calendar days prior to the audit submission due date and include the length of extension requested and provide a reason for the extension request.

2. *Financial Audit*

   The financial audit will be performed by an independent certified public accountant following Generally Accepted Audit Standards in accordance with GAAP and will include reports regarding the following:

   a. Financial statements other than audit schedules and reports required for the type of financial audit necessary for the MCO entity and resulting audit report and opinion;

b. A report on the MCO internal control environment over financial reporting;

c. A report describing the system of cost allocation for shared overhead and direct services between programs or lines of business as required;

d. A supplemental financial report that demonstrates the financial results and segregated reserves of the MCO business for each state program contract where the organization serves members under multiple Medicaid managed care contracts and/or other lines of business. The report shall be in columnar format for the various programs as required;

e. Letter(s) to Management as issued or written assurance that a Management Letter was not issued with the audit report;

f. Management responses/corrective action plan for each audit issue identified in the audit report and/or Management letter; and

g. The completed CPA audit checklist signed by a Financial Officer/Finance Director of the MCO as shown in Addendum X, CPA Audit Checklist, page 250.

3. *Programs operated by a Licensed HMO(s) - Financial Audit Reports*

Financial audit reports shall also meet the requirements of the OCI.

4. *Financial Audits*

Financial audits of contracts should include procedures outlined in the Family Care Audit Guide (http://www.dhs.wisconsin.gov/ltcare/ProgramOps/Fiscal)

5. *Submission of the Audit Reports*

The audit report should be submitted electronically in PDF format to DHSOFCE@wisconsin.gov.

If the MCO is unable to submit the report electronically, then two complete paper copies must be mailed to:

Director
Department of Health Services
Bureau of Financial Management
1 West Wilson Street, Room 550
PO Box 7851
Madison, WI 53707-7851

6. *Access to Financial Auditor's Work Papers*

When contracting with an audit firm, the MCO shall authorize its auditor to provide access to work papers, reports, and other materials generated during the audit to the appropriate representatives of the Department and/or the Office of the

Commissioner of Insurance. Such access shall include the right to obtain photocopies of the work papers and computer disks, or other electronic media, upon which records/working papers are stored.

7. *Failure to Comply with the Requirements of this Section*

In the event that the MCO fails to have an appropriate financial audit performed or fails to provide a complete audit report to the Department within the specified timeframes, in addition to applying one or more of the remedies available under this contract, the Department may:

a. Conduct an audit or arrange for an independent audit of the MCO and charge the cost of completing the audit to the MCO; and/or,

b. Charge the MCO for all loss of federal or state aid or for penalties assessed to the Department because the MCO did not submit a complete financial audit report within the required timeframe.

F. Other Regulatory Reviews

The MCO will promptly notify the Department of any reviews, investigations, decisions and requirements for corrective action from other state and federal regulatory agencies including but not limited to the Office of the Commissioner of Insurance, Internal Revenue Service, Department of Workforce Development, State Department of Revenue, or the Department of Labor.

XVIII. Payment to the Managed Care Organization

A. Purpose

The purpose of the payment to the managed care organization is to cost-effectively fund the provision of services in the benefit package, and the administration thereof, within the framework of a risk-based contract.

B. Medicaid Capitation Rates

In full consideration of services in the benefit package rendered by the MCO for each enrolled member, the Department agrees to pay the MCO a monthly capitation rate. The capitation rates shall be based on an actuarially sound methodology as required by federal regulations.

The capitation rates shall include funding to support relocation of members from institutional settings into the most integrated community setting.

The capitation rate shall not include any amount for recoupment of losses incurred by the MCO under previous contracts nor does it include services that are not covered under the State Plan.

C. Actuarial Basis

The capitation rate is calculated on an actuarial basis, recognizing the payment limits set forth in 42 CFR 438.6 for non-PACE contracts and 42 CFR 460.182 for PACE contracts.

D. Annual Determination of Capitation Rates

The monthly capitation rates are calculated on an annual basis. The capitation rates are not subject to renegotiation once they have been accepted, unless such renegotiation is required by changes in federal or state laws, rules, or regulations.

E. Retention of Risk

The MCO must remain substantially at risk for providing services under this contract. Risk is defined as the possibility of the MCO's monetary loss or gain resulting from costs exceeding or being less than capitation payments made to the MCO by the Department.

F. Payment Schedule

Payment to the MCO shall be based on the MCO Enrollment Reports which the Department will transmit to the MCO. The Department will issue payments for each person listed as an ADD or CONTINUE in the MCO Enrollment Reports within sixty (60) calendar days of the date the report is generated. The MCO shall accept payments under this contract as payment in full and shall not bill, charge, collect or receive any other form of payment from the Department or the member, except as provided for in the 1915(c) waiver's post-eligibility treatment of income.

G. Payment Method

All payments, recoupments, and debit adjustments for payments made in error made by the Department to the MCO will be made via Electronic Funds Transfer (EFT) via enrollment through the secure Forward Health Portal account.

MCOs are responsible for maintaining complete and accurate EFT information in order to receive payment. If an MCO fails to maintain complete and accurate information and the Department makes a payment to an incorrect account, the Department will be held harmless and will not reissue a payment if it is unable to recoup payment from the incorrect account.

All arrangements between the financial institution specified for EFT and the MCO must be in compliance with all applicable federal and Automated Clearing House (ACH) regulations and instructions.

EFT information provided by the MCOs via their secure ForwardHealth Portal account constitute a statement or representation of a material fact knowingly and willfully made or caused to be made for use in determining rights to payment within the meaning of s.49.49(1) and (4m), Wis. Stats., and if any such information is false, criminal or other penalties may be imposed under these laws.

The requirements and obligations for EFT are in addition to any and all other requirements and obligations applicable to MCO in connection with their contract and their participation in any program that is part of ForwardHealth, including but not limited to requirements and obligations set forth in federal and state statutes and rules and applicable handbooks and updates.

H. Coordination of Benefits (COB)

1. *General Requirement*

   The MCO shall ensure the pursuit and collection of monies from primary third party payers for services to members covered under this contract. Pursuit of collections will include Third Party Liability (TPL) primary insurers and casualty collections by the MCO and/or the MCO's subcontracted providers

   a. Section 1912(b) of the Social Security Act.

      The pursuit of other collections requirement, defined under section 1912(b) of the Social Security Act, must be construed in a beneficiary-specific manner. The purpose of the distribution provision is to permit the beneficiary to retain Third Party Liability (TPL) benefits to which he/she is entitled, except to the extent that Medicaid (or the MCO on behalf of Medicaid) is reimbursed for its costs.

      The MCO is required, within the constraints of state law and this contract, to make whatever case it can to recover the costs it incurred on behalf of its member. It can use the Medicaid fee schedule, an estimate of what a capitated physician would charge on a FFS basis, the value of the care provided in the market place or some other acceptable, consistent proxy as

the basis of recovery. However, any excess recovery, over and above the cost of care (however the MCO chooses to consistently define that cost), must be returned to the beneficiary.

b. Types of Collections/Recoveries

i. TPL insurers may include, but are not limited to, all other state or federal medical care programs which are primary to Medicaid, group or individual health insurance, ERISAs, service benefit plans, and casualty or workers compensation collections.

ii. Casualty collections may include subrogation collections or recoverable amounts arising out of settlement of personal injury, medical malpractice, product liability, or Worker's Compensation. State subrogation rights have been extended to the MCO under s. 49.89(9), Wis. Stats. After attorneys' fees and expenses have been paid, the MCO shall collect the full amount paid on behalf of the enrollee.

c. Responsibility of Subcontractors/ Network Providers

COB collections are the responsibility of the MCO or its subcontractors. Subcontractors must report COB information to the MCO. The MCO and subcontractors shall not pursue collection from the enrollee, but directly from the third party payer. Access to services will not be restricted due to COB collection.

2. *Reporting Requirements*

To assure compliance, records shall be maintained by the MCO of COB policies, procedures and resulting collections. Reporting shall be made through the Department encounter reporting system consistent with established protocols. The MCO will also report COB information to the Department using Addendum III, COB Report Format, page 232. The COB report should be provided at the close of each quarter with the submission of other required quarterly reports. The MCO must be able to demonstrate that appropriate collection efforts and appropriate recovery actions were pursued. The Department has the right to review all billing histories and other data related to COB activities for enrollees. The MCO must seek information on other available resources from all enrollees.

3. *Exemption from Required COB Collection*

The MCO and its subcontractors are exempt from the COB collection requirement in paragraph (1) above when the amount of reimbursement the MCO can reasonably expect to receive is less than the estimated cost of recovery.

The cost effectiveness of recovery is determined by, but not limited to, time, effort, and capital outlay required to perform the activity. The MCO must be able to specify the threshold amount or other guidelines used in determining whether

to seek reimbursement from a liable third party, or describe the process by which the MCO determines that seeking reimbursement would not be cost effective, upon request of the Department. This exemption does not apply to members and services for which cost-based reimbursement is provided.

4. *MCO that is a Health Care Insurer*

The following requirement shall apply if the MCO (or the MCO's parent firm and/or any subdivision or subsidiary of either the MCO's parent firm or of the MCO) is a health care insurer (including, but not limited to, a group health insurer and/or health maintenance organization) licensed by the Wisconsin Office of the Commissioner of Insurance and/or a third-party administrator for a group or individual health insurer(s), health maintenance organizations(s), and/or employer self-insurer health plan(s):

a. Throughout the contract term, these insurers and third-party administrators shall comply in full with the provision of s. 49.475, Wis. Stats. Such compliance shall include the routine provision of information to the Department in a manner and electronic format prescribed by the Department and based on a monthly schedule established by the Department. The type of information provided shall be consistent with the Department's written specifications.

b. Throughout the contract term, these insurers and third-party administrators shall also accept and properly process post-payment billings from the Department's fiscal agent for health care services and items received by Wisconsin Medicaid enrollees.

I. Recoupments

The Department will not normally recoup the MCO's capitation payments when the MCO has actually provided services. However, the Department may recoup the MCO's capitation payments in the following situations:

1. *Loss of Eligibility*

The Department will recoup capitation payments made to the MCO on a pro rata basis when a member's eligibility status has changed because:

a. The member voluntarily disenrolls;

b. The member fails to meet functional or financial eligibility and the member has exhausted his/her grievances processes including a fair hearing which the member has requested;

c. The member initiates a move out of the MCO service area;

d. The member fails to pay, or to make satisfactory arrangements to pay, any cost share amount due the MCO after a thirty (30) calendar day grace period;

e. The member dies; or,

f. The member is ineligible for Medicaid as an Institutionalized Individual consistent with 42 CFR 435.1009 and as defined in 42 CFR 435.1010.

No recoupment under this section will occur unless the MCO knew, or should have known, of such status change.

2. *Other Reasons for Recoupment*

The Department will recoup the MCO's capitation payments for the following situations:

a. Correction of a computer or human error, where the person was never enrolled in the MCO; and,

b. Disenrollments of members.

3. *Disputed Membership*

When membership is disputed, the Department shall be the final arbitrator of membership and reserves the right to recoup capitation payments that were inappropriately made.

4. *Contract Termination*

If a contract is terminated, recoupments will be accomplished through a payment by the MCO within thirty (30) business days of contract termination.

XIX. MCO Specific Contract Terms

A. Program

This contract covers the _____ Program. [Insert Family Care, Family Care Plus, Family Care Partnership, or PACE]

B. Geographic Coverage Where Enrollment Is Accepted

(List of area(s) for which MCO is certified, within region; insert starting counties and add a contract amendment at a later date for expansion contracts)

Expansion is anticipated during 2011 according to the schedule identified in the table below. Contracting for the service areas identified is contingent upon:

1. Each county within the expansion area consenting, as per s. 46.281(1g)(b), Wis. Stats., to the administration of Family Care, including agreement with the required county contribution. The MCO must submit to the Department copies of consenting County Board resolutions.
2. The Department receiving approval from the Joint Committee on Finance of the expansion, as required under s. 46.281(1g)(b), Wis. Stats.
3. The contractor being certified by the Department as a managed care organization to provide the services in the Family Care benefit package and/or the PACE or Partnership benefit package to the projected enrollment.
4. For Family Care, the contractor being permitted by the Office of the Commissioner of Insurance (OCI) to transact the business of Care Management Organization – Family Care.
5. For PACE and Partnership, the MCO filing a business plan amendment with OCI in accordance with s. Ins 9.06, Wis. Adm. Code.
6. For PACE and Partnership, the MCO being approved by CMS to expand its service area to include the counties listed in the table below

Anticipated Expansion in 2011

County	Implementation May Start No Sooner Than:
County Name	Month 2011

C. Maximum Enrollment Level

The Department does not guarantee any minimum enrollment level.

Expansion Areas: Enrollment of current waiver participants and persons on waiting lists in expansion areas will be limited by a transition enrollment plan approved by the Department.

D. Age Group

For Family Care and Partnership, this contract covers people from the first day of the month in which they will achieve the age of 18.

For PACE, this contract covers people age 55 and above.

E. Target Group

This contract covers:

1. Adults with physical disabilities,
2. Adults with developmental disabilities; and
3. Frail elders.

F. Capitation Rate

Family Care/PACE: The monthly capitation rate is:

Level of Care	Rate
Nursing Home	$
Non-Nursing Home	$

Partnership: The monthly capitation rate is:

County(s)	Rate
Name of County	$

G. Signatures

THIS CONTRACT SHALL BECOME EFFECTIVE ON JANUARY 1, 2011, AND SHALL TERMINATE ON DECEMBER 31, 2011.

In WITNESS WHEREOF, the State of Wisconsin and [Name of MCO] have executed this agreement:

[Name of MCO]	Department of Health Services
	Fredi-Ellen Bove
Title	**Title** Deputy Administrator Division of Long-Term Care
Date	**Date**

ADDENDUM

I. Actuarial Basis

A. Actuarial Soundness of Capitation Rates

Upon completion, the 2011 actuarial rate report for the Family Care, Partnership and PACE contracts will be posted to:
http://dhs.wisconsin.gov/ltcare/StateFedReqs/CapitationRates.htm

B. Retrospective Adjustments

1. *HIV/AIDS and Vent Dependent – Partnership and PACE programs*

The Department will reimburse the MCO's costs of providing Medicaid-covered services provided to MCO enrollees who meet the criteria in this section. These payments will be made based on the data submitted by the MCO to the Department via monthly encounter reporting. The data submission schedule is included in Addendum II, State Reporting Requirements for 2011, page 228. Reimbursement already provided to the MCO for Medicaid costs in the form of capitation payments for qualified enrollees will be deducted from one hundred (100) percent reimbursement payments for Medicaid costs.

The criteria for qualified enrollees are:

a. Ventilator Assisted Patients

Costs incurred for enrollees who need ventilator treatment services qualify for reimbursement if the enrollee meets the following criteria:

i. Criteria

For the purposes of this reimbursement, a ventilator-assisted patient must have died while on total respiratory support or must meet all of the criteria below:

a) The patient must require equipment that provides total respiratory support. This equipment may be a volume ventilator, a negative pressure ventilator, a continuous positive airway pressure (CPAP) system, or a Bi (inspiratory and expiratory) PAP. The patient may need a combination of these systems. Any equipment used only for the treatment of sleep apnea does not qualify as total respiratory support.

b) The total respiratory support must be required for a total of six or more hours per twenty-four (24) hours.

c) The patient must have total respiratory support for at least thirty (30) days, which need not be continuous.

d) The patient must have absolute need for the respiratory support as documented by appropriate blood gases.

ii. Documentation

The MCO will submit the following written documentation to qualify enrollees for reimbursement.

a) A signed statement from the doctor attesting to the need of the patient.

b) Copies of progress notes that show the need for continuation of total ventilatory support, any change in the type of ventilatory support, and the removal of the ventilatory support.

c) Copies of lab reports must be submitted if the progress notes do not include blood gas levels.

iii. Methodology

The following methodology will be used to determine months that qualify for enhanced funding:

a) The first qualifying day is the day that the patient is placed on the ventilator. If the patient is on the ventilator for less than six hours on the first day, the use must continue into the next day and be more than six total hours.

b) Each day that the patient is on the ventilator for a part of any day, as long as it is part of the six total hours per twenty-four (24) hours, counts as a day for enhanced funding.

c) The period qualifying for enhanced funding starts on the first day of the month that the patient was placed on ventilator support. It ends on the last day of the month after which the patient is removed from the ventilatory support, or at the end of the hospital stay, whichever is later.

b. AIDS or HIV-Positive with Anti Retroviral Drug Treatment

i. Criteria

For the purposes of this reimbursement an individual with AIDS or HIV must meet the criteria below:

a) A signed statement from the doctor that indicates a diagnosis of AIDS or HIV-Positive (ICD9-CM diagnosis code) must be submitted for authorization

b) Documentation that the patient is on an Anti Retroviral Drug treatment approved by the Federal Drug Administration.

ii. Documentation

Written requests to qualify enrollees for reimbursement must be submitted by the MCO to the Department at the same time as the

quarterly report identified in Addendum IV, AIDS/Ventilator Dependent Report Format, page 234.

iii. Methodology

The following methodology will be used to determine enhanced funding:

a) One hundred percent reimbursement of Medicaid costs will be effective for services provided on or after the first day of the month in which treatment begins.

b) AIDS and HIV-Positive members retroactively disenrolled under Article IV, Enrollment and Disenrollment, page 37, of the contract, the MCO will have to remove the care provided during the backdated period from the report in Addendum IV, AIDS/Ventilator Dependent Report Format, page 234.

c. Submission of Data for Ventilator Assistance and AIDS Treatment. As required by Wisconsin law, payment data or adjustment data for enrollees in ss. b.iii.(a) and (b) above, must be received by the Department's fiscal agent within three hundred sixty-five (365) days after the date of the service. If the MCO cannot meet this requirement, the MCO must provide good cause documentation that substantiates the delay. The Department will make the final determination to waive the three hundred sixty-five (365) day billing requirement.

2. *Vent Dependent – Family Care program*

The Department will retroactively adjust the long-term care capitation rate for a change in the number of members dependent on ventilators between the base year and the rate year for an MCO.

The intent of this adjustment is to better reflect within the long-term care capitation rate method a change in the proportion of an MCO's membership who are ventilator dependent between the population in the base data and contract period enrollment. This adjustment pertains only to the current contract period and shall not be interpreted to apply to any other contract periods.

Methodology. The adjustment will be calculated as follows:

a. Identify the predicted per member per month long-term care cost for an MCO's base year population with ventilator dependent members and without ventilator dependent members.

b. Calculate the per member per month cost difference between the two base year amounts.

c. Identify the predicted per member per month long-term care cost for an MCO's contract period enrollment with ventilator dependent members and without ventilator dependent members.

d. Calculate the per member per month cost difference between the two contract period amounts.

e. Subtract the base year differences from the contract period difference. This amount shall represent the retrospective rate adjustment.

3. *Nursing Home Closures*

When requested by an MCO, the Department will consider an adjustment in the capitation rate if the MCO quantifies a material cost increase due to an increase in the number of members who meet both of the following conditions:

a. Have a nursing home stay greater than 100 consecutive days; and

b. Become a member during the contract period within thirty-two (32) calendar days of their nursing home discharge date, or enrolled in the program while residing a nursing home.

If the Department approves the request for an adjustment, the method used to calculate the adjustment will be as follows: the predicted per member per month long-term care cost (using the contract period's long-term care capitation rate model) will be calculated for the MCO's total membership, including the individuals meeting the above criteria. That predicted cost will be compared to the predicted per member per month long-term care cost based on the MCO's membership but excluding the individuals meeting the above criteria. The rate adjustment will be equal to the difference in those two per member per month long-term care cost figures.

The intent of this adjustment is to better reflect within the long-term care component of the capitation rate method a material change in the proportion of an MCO's membership who are nursing home residents between the base population and the contract period enrollment. This adjustment pertains only to the current contract period and shall not be interpreted to apply to any other contract periods.

4. *Dual Eligibility Status – Partnership and PACE programs*

The acute care component of the capitation rate will be retrospectively adjusted when the proportion of an MCO's enrollees who are dually eligible for both Medicare and Medicaid coverage materially differs from the actuarial projection of dual eligibles.

5. *Health Status – Partnership and PACE programs*

An actuarially sound, retrospective adjustment shall be made for material changes in health status that are both measurable and documented. The intent of this adjustment is to reflect in the capitation rate predictable differences in expected service costs that result when the actual mix of enrollees during this contract period differs from the assumed mix of enrollees used in the rate development process. The diagnostic-based risk adjustment method employed will account for coding intensity issues, focusing exclusively on measurable changes in health status, and shall be implemented at the discretion of the Department.

6. *Long-Term Care Functional Status*

In new service regions for an MCO (i.e., regions or target groups in which the MCO has not previously provided services) the long-term care component of the capitation rate may be adjusted for the actual acuity of an MCO's membership, as measured by the long-term care functional screen, relative to the acuity assumed in the prospective actuarial rate calculations.

The intent of this adjustment is to better reflect within the long-term care component of the capitation rate method a significant acuity change between the base population assumed in the calculation of the prospective capitation rate and the population enrolled in the program during the contract period. This adjustment will be implemented for the first three years an MCO covers a new service region. However, this adjustment pertains only to the current contract period and shall not be interpreted to apply to any other contract periods.

The method for this adjustment is as follows:

a. The long-term care component of the capitation rate will be re-calculated quarterly and at the end of the contract period, using the same actuarial rate setting method as outlined above, to account for actual enrolled members' functional status as determined through the long-term care functional screen. Specifically, the case mix assumptions used to develop the long-term care component of the prospective capitation rate will be updated to account for the actual enrolled case mix.

b. Actuarial assumptions of cost share will be updated quarterly and at the end of the contract period with actual values, as necessary. The capitation rates will be re-calculated with the actual values replacing the assumed values.

c. This rate, recalculated to reflect actual enrolled members' functional status and cost share, will replace the capitation rate that is based on the assumed values at the end of the contract period through a retrospective rate adjustment.

d. In addition, a retrospective rate payment adjustment may be provided on a quarterly basis if the following calculation results in a 10% difference in total revenue during the retrospective period:

e. The capitation rate, updated for actual enrolled members' functional status and cost share during the retrospective period, multiplied by actual enrollment during the retrospective period.

f. The MCO and the Department may waive the quarterly payment adjustment if it is jointly determined that such an adjustment is administratively burdensome. However, the payment adjustment calculated at the end of the contract period may not be waived and shall be the final capitation rate for the contract period.

ADDENDUM

II. State Reporting Requirements for 2011

A. Materials with specific due dates – all programs

The following tables are provided for information only. Due dates indicated in the table are based upon reporting requirements as set forth in the contract.

Report	Reporting Period	Due Date	Submit To	Contract Reference
1. Encounter Reporting Submission and Data Certification Forms, as applicable	12/01/10-12/31/10	01/30/11	DHS Encounter Reporting website: https://ltcencounter.forwardhealth.wi.gov/ltcencounter/secureLogin.html	Article XIV.B. (page 178)
	01/01/11-01/31/11	02/28/11		
	02/01/11-02/28/11	03/30/11		
	03/01/11-03/31/11	04/30/11		
	04/01/11-04/30/11	05/30/11		
	05/01/11-05/31/11	06/30/11		
	06/01/11-06/30/11	07/30/11		
	07/01/11-07/31/11	08/30/11		
	08/01/11-08/31/11	09/30/11		
	09/01/11-09/30/11	10/30/11		
	10/01/11-10/31/11	11/30/11		
	11/01/11-11/30/11	12/30/11		
	12/01/11-12/31/11	01/30/12		
2.a. Quarterly Report (all components except financial)	10/01/10-12/31/10	02/15/11	DHS-DLTC-OFCE DHSOFCE@wisconsin.gov	Article XIV.C. (page 180)
	01/01/11-03/31/11	05/15/11		
	04/01/11-06/30/11	08/15/11		
	07/01/11-09/30/11	11/15/11		
	10/01/11-12/31/11	02/15/12		
2.b. Quarterly Financial Report *(includes Financial Statement Certification Forms)*	10/01/10-12/31/10	03/31/11	DHS-DLTC-OFCE DHSOFCE@wisconsin.gov	Article XVII.B (page 212)
	01/01/11-03/31/11	05/15/11		
	04/01/11-06/30/11	08/15/11		
	07/01/11-09/30/11	11/15/11		
	10/01/11-12/31/11	03/31/12		
3. Coordination of Benefits	10/01/10-12/31/10	02/15/11	DHS-DLTC-OFCE DHSOFCE@wisconsin.gov	Article XVIII.H. (page 217)
	01/01/11-03/31/11	05/15/11		
	04/01/11-06/30/11	08/15/11		
	07/01/11-09/30/11	11/15/11		
	10/01/11-12/31/11	02/15/12		
4. Unaudited Year-End Financial Statements	01/01/10-12/31/10	03/15/11	DHS-DLTC-OFCE DHSOFCE@wisconsin.gov	Article XVII.B (page 212)
	01/01/11-12/31/11	03/15/12		
5. Audited Year-End Financial Statements	01/01/10-12/31/10	06/01/11	DHS-DLTC-OFCE DHSOFCE@wisconsin.gov	Article XVII.B (page 212)
	01/01/11-12/31/11	06/01/12		

Report	Reporting Period	Due Date	Submit To	Contract Reference
6. Audit Report	01/01/10-12/31/10 01/01/11-12/31/11	06/01/11 06/01/12	DHS-DLTC-OFCE DHSOFCE@wisconsin.gov Or, mail to address below.	Article XVII.E (page 213)
7. Quality Indicators	01/01/10-12/31/10	03/01/11	MetaStar, Inc. Attn: Danielle Sersch https://www.metastar.com/SFT	Addendum VII (page 240)
8. Subcontracts – Disclosure of Interest	N/A	1/31/11	DHS-DLTC-OFCE DHSOFCE@wisconsin.gov	Article XIII.1 (page 164)
9. Disclosure of Ownership or Controlling Interest	N/A	1/31/11	DHS-DLTC-OFCE DHSOFCE@wisconsin.gov	Article XIII.1 (page 164)
10. Civil Rights Compliance Letter of Assurance	01/01/10-12/31/13	01/15/10	Mail to Civil Rights Office (address below)	Article XIII.B (page 164)

Civil Rights Compliance Letter of Assurance
Department of Health Services
Office of Affirmative Action and Civil Rights Compliance
1 West Wilson Street, Room 555
P.O. Box 7850,
Madison, Wisconsin 53707-7850

Audit Reports
Send two complete copies to:
Fiscal Manager
Department of Health Services
Division of Long Term Care
Bureau of Financial Management
1 West Wilson Street, Room 550
P.O. Box 7851
Madison, WI 53707-7851

B. Materials with specific due dates - Partnership and PACE

The following tables are provided for information only. Due dates indicated in the table are based upon reporting requirements as set forth in the contract.

Report	Reporting Period	Due Date	Submit To	Contract Reference
1. AIDS/Ventilator Dependent, as applicable *MCOs have 365 days from the date of service to submit these claims. Adherence to the reporting periods listed in this table is encouraged to facilitate timely payments.*	10/01/10-12/31/10	02/15/11	DHS-DLTC-OFCE DHSOFCE@wisconsin.gov	Addendum I.B.1. (page 223)
	01/01/11-03/31/11	05/15/11		
	04/01/11-06/30/11	08/15/11		
	07/01/11-09/30/11	11/15/11		
	10/01/11-12/31/11	02/15/12		
2. Federally Qualified Health Center, as applicable	10/01/10-12/31/10	02/15/11	DHS-DLTC-OFCE DHSOFCE@wisconsin.gov	Article VIII.M.2 (page 109)
	01/01/11-03/31/11	05/15/11		
	04/01/11-06/30/11	08/15/11		
	07/01/11-09/30/11	11/15/11		
	10/01/11-12/31/11	02/15/12		

C. Materials without specific due dates – all programs

The following materials have no specific due dates. They are due upon request, prior to implementation, or as applicable. In addition to the items listed here, other policies, procedures and plans may be requested during Annual Certification or the Annual Quality Review.

Document	Submission Date	Submit To	Contract Reference
1. Policies and procedures identified in this contract	Upon request and prior to implementation	DHS-DLTC-OFCE DHSOFCE@wisconsin.gov	Various
2. Provider Network Listing	Upon request, generally during annual recertification	DHS-DLTC-OFCE DHSOFCE@wisconsin.gov	Article VIII.J. (page 105)
3. Disclosure Statement – Party of Interest	As applicable	DHS-DLTC-OFCE DHSOFCE@wisconsin.gov	Article XIII.1 (page 164)

Document	Submission Date	Submit To	Contract Reference
4. Marketing and Member Material	Prior to distribution	DHS-DLTC-OFCE DHSOFCE@wisconsin.gov	Article IX (page 118)
5. Quality Management Activities	Upon request	DHS-DLTC-OFCE DHSOFCE@wisconsin.gov	Article XII.C. (page 153)
6. Performance Improvement Project	Upon request, generally during Annual Quality Review	MetaStar, Inc. Attn: Danielle Sersch https://www.metastar.com/SFT	Article XII.C.8 (page 157)

D. Materials without specific due dates – Partnership and PACE

The following materials have no specific due dates. They are due upon request, prior to implementation, or as applicable. In addition to the items listed here, other policies, procedures and plans may be requested during Annual Certification or the Annual Quality Review.

Document	Submission Date	Submit To	Contract Reference
1.a. Medicare Bid Information - 2011 Original Bid	Concurrent with submission to CMS	Mail to Fiscal Section (see address below) or DHSOFCE@wisconsin.gov	Article XVII.B.3 (page 212)
1.b. Medicare Bid Information - 2011 CMS Approved Bid	Within one month of final approval by CMS	Mail to Fiscal Section (see address below) or DHSOFCE@wisconsin.gov	Article XVII.B.3 (page 212)
2. SNP Quality Reports	As applicable	DHS-DLTC-OFCE DHSOFCE@wisconsin.gov	Article XII.B.3 (page 153)
3. Physician Incentive Plan	As applicable	DHS-DLTC-OFCE DHSOFCE@wisconsin.gov	Article VIII.P.4 (page 116)

Medicare Bid Information
Fiscal Manager
Department of Health Services
Division of Long Term Care
Bureau of Financial Management
1 West Wilson Street, Room 550
P.O. Box 7851
Madison, WI 53707-7851

ADDENDUM

III. COB Report Format

Name of Organization _____

Mailing Address _____

_____

Office Telephone _____

Provider Number _____

Please designate below the quarter period for which information is given in this report.

_____, 20____ through _____, 20_____

INSTRUCTIONS

For the purposes of this report, an enrollee is any Medicaid recipient listed on the monthly enrollment reports coming from the fiscal agent, and who is an ADD or CONTINUE.

Subrogation may include collections from auto, homeowners, or malpractice insurance, as well as restitution payments from the Division of Corrections. In addition, subrogation should include collections from Workers' Compensation.

Birth costs are not a third party right, and consequently are not included in this report.

Coordination of Benefits Reports are to be completed on a calendar quarterly basis.

The report is to be aggregated for all separate service areas if the MCO has more than one service area.

Please send this report within forty-five (45) calendar days of the end of the quarter being reported to: DHSOFCE@wisconsin.gov.

COB REPORT

The following information is **REQUIRED** in order to comply with CMS reporting requirements:

Cost Avoidance
Indicate the dollar amount of the claims you denied as a result of your knowledge of other insurance being available for the enrollee. The provider did not indicate at the time of the claim submission (with an EOB, etc.) that the other insurance was billed prior to submitting the claim to you. Therefore, you denied the claim. Please indicate the dollar amount of these denials.

Dollar Amount Cost Avoided: _____

Recoveries (Post-Pay Billing/Pay and Chase)
Indicate the dollar amount you received as a result of billing an enrollee's other insurance.

Dollar Amount Collected From Other Insurance: _____

Subrogation/Worker's Compensation
Recoveries (Dollars) This Quarter: _____

Personal Injury Settlements this Quarter:

Name of Recipient and MA ID Number	Date TPL Payment Received	If Available		Payer
		Attorney Name	Amt. Received	
1.				
2.				
3.				

I HEREBY CERTIFY that to the best of my knowledge and belief, the information contained in this report is a correct and complete statement prepared from the records of the MCO, except as noted on the report.

Signed: _____
Original Signature of Director or Administrator

Title: _____

Date Signed: _____

ADDENDUM

IV. AIDS/Ventilator Dependent Report Format

Report Formats

The MCO shall submit the following report electronically in Microsoft® Excel or tab delimited text format on an ad hoc quarterly basis to: DHSOFCE@wisconsin.gov.

Managed Care Organization
AIDS/Ventilator Dependent Report – Excluding Long-Term Care Service Costs
[Report Date]

[Member Name] [Medicaid ID #]

Provider Name	Provider Medicaid ID #	Diagnosis Code	Procedure/ Drug Code	Procedure/ Drug Description	From DOS	To DOS	Units	Total Amount Billed	Amount Paid for Medicare-Covered Service	Amount Paid for Medicaid-Covered Service
						Total				

Report Field Descriptions

Field Name	Description
Report Date	Date report was completed.
Member Name	First, MI, and Last name of member.
Medicaid ID #	Member's Medicaid identification number.
Provider Name	Name of provider
Provider Medicaid ID #	Provider's Medicaid identification number.
Diagnosis Code	ICD-9 code.
Procedure/Drug Code	CPT or national drug Code.
Procedure/Drug Description	Description of procedure or drug.
From DOS	From date of service, expressed as yyyymmdd.
To DOS	To date of service, expressed as yyyymmdd.
Units	Quantity of units of service.
Total Amount Billed	Total amount billed by provider for Medicaid and Medicare services.
Amount Paid for Medicare-Covered Service	Amount the MCO paid to provider for Medicare-covered portion of the procedure/drug.
Amount Paid for Medicaid-Covered Service	Amount the MCO paid to provider for Medicaid-covered portion of the procedure/drug.

ADDENDUM

V. Designation of CARES Security and Data Exchange Coordinator

Pursuant to Article XIV.H.2.a., page 184 of the contract between the Wisconsin Department of Health Services (DHS) and _____, the MCO, by the signature of its authorized representative below, hereby designates the following member of its staff to be its CARES security and data exchange coordinator.

Name:	
Signature:	
Title:	
Phone Number:	
Email Address:	

Please place an **X** in front of the correct statement below:

( ) This is the first time the MCO has designated a CARES security and data exchange coordinator.

( ) This staff member is replacing the MCO's current CARES security and data exchange coordinator.

_____ _____

Signature of Authorized Representative Date

Submission of this form to DHS: This form should be faxed or electronically submitted to the DHS Data Steward:

Joni Jeglum
Bureau of Operational Coordination
Division of Health Care Access and Accountability
Fax: 608-267-0484
Email Address: Joni.Jeglum@dhs.wisconsin.gov

Designating a New CARES Security and Data Exchange Coordinator: If the MCO wants to designate a new CARES security and data exchange coordinator, it must complete and submit a new signed and dated form to the DHS data steward.

ADDENDUM

VI. Data Use Agreement

This document represents an Agreement between the Wisconsin Department of Health Services, Division of Long Term Care ["Department Division"] and

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(Name of Requester - organization) ["Recipient"] for use in analysis of data related to services provided to program recipients.

Whereas, 45 CFR 145, Subpart E (titled "Standards for Privacy of Individually Identifiable Health Information") and herein referred to as the "HIPAA Privacy Rule" allows the Department Division to make available for the purposes of research, public health or health care operations, a Limited Data Set to Recipient, provided that Recipient agrees to be bound by the terms of this Agreement; and

Whereas, Recipient desires for the Department Division to make available the Limited Data Set as described below and agrees to be bound by the terms and conditions of this Agreement; and

Whereas, Department Division agrees to make available such Limited Data set through the Department of Wisconsin Health Services ForwardHealth Portal, provided that the Recipient agrees to abide by the terms and conditions of this Agreement as well as applicable Department Division policies.

In the event of any inconsistency between the provisions of this Agreement and mandatory provisions of the federal Health Insurance Portability and Accountability Act, as amended, ("HIPAA"), the HIPAA provisions shall control. Where provisions of this Agreement are different from those provided in HIPAA, but are permitted by HIPAA, the provisions of this Agreement shall control.

Recipient agrees to the following confidentiality and security conditions:

A. Access to Confidential Data

1. Use of any data and information provided pursuant to this Agreement is limited to Recipient and its staff.
2. Recipient shall be responsible for informing any user who has access to the data that
    a. Any information from treatment records for persons who are now receiving or who have at any time received services for *developmental disabilities, mental illness, alcoholism, or drug dependence or abuse* is confidential under § 51.30 , Wis. Stats., and applicable federal regulations and may only be disclosed under the circumstances identified in Wis. Admin. Code DHS ch. 92 and the HIPAA Privacy Rule, 45 CFR Parts 160 and 164. Violators may be subject to prosecution.

b. Any information from patient records for persons who are now receiving or who have at any time received services for *alcoholism or drug abuse* is also confidential under the federal Confidentiality of Alcohol and Drug Abuse Patient Records administrative rule, 42 CFR Part 2 and may only be disclosed under the circumstances identified in 42 CFR Part 2 and the HIPAA Privacy Rule, 45 CFR Parts 160 and 164. Violators may be subject to prosecution.

3. Recipient will not use or further disclose data or information provided pursuant to this Agreement, other than as permitted by this Agreement or as otherwise required by law.

4. In the event that the Department Division notifies Recipient that it has determined an occurrence constituting a material breach of this Agreement, Recipient may not disclose any further confidential data until the breach is cured or the violation has ended.

B. Use of Data

1. Any data or information received from the Department Division shall be utilized only for the following purpose(s):

   Recipient may use or disclose the Limited Data Set from the Department Division only for the purposes as listed below for health care operations. The Limited Data Set will be used for the purpose of health care operations for the Family Care, Partnership and PACE programs and related programs for population-based activities relating to improving health or reducing health care costs, protocol development, case management and care coordination, contacting of health care providers and clients with information about treatment alternatives.

2. The data and information received from the Department Division cannot be provided or shared with any other party, including agents (other than authorized staff) or subcontractors, without the prior written approval of the Department Division.

3. Recipient shall use appropriate administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of any information provided pursuant to this Agreement.

4. Recipient shall ensure that any agents, including a subcontractor to whom it provides a data set, agree to the same restrictions on use and access that apply to Recipient and shall use appropriate safeguards to protect the data from misuse or inappropriate disclosure of PHI other than as provided in this Agreement or as otherwise required by law or regulation.

5. Recipient shall report to the Department Division immediately upon becoming aware of any use or disclosure of information not authorized by this Agreement.

6. Recipient shall not attempt to identify individual recipients based upon the information obtained or contact individual recipients without the prior written approval of the Department Division.

7. Recipient shall not change the definition, data condition, or use of a data element or segment in any of the data or information provided pursuant to this Agreement.

8. Recipient shall provide written documentation certifying that it has destroyed all data provided by the Department Division at the conclusion of the stated purpose for which the Department Division provided the data.

C. Notification and Review Procedures for Publications and Presentations

1. Recipient and its employees, agents, or any other person who would have access to the use of the data and information provided in response to this request shall not publicly present or submit for publication, in oral form or in writing, on a formal or informal basis, subjects or research which used the data and information obtained under this Agreement without the prior review by the Administrator of the Division of Long Term Care. "Publication" includes any written article for publication in a professional journal or other publication, or any printed material for presentation to any person, conference or group external to the Recipient's organization. This includes providing copies of planned articles, the text of speeches, slides and other graphics.

2. The Department Division's right to review is for the purposes of determining if the material could have an impact on Department Division policies and procedures, or misinterprets data, or violates the confidentiality rights of clients or the Department Division. Upon review, the Department Division may request revisions. Recipient shall notify the Administrator of comments not adopted. If the article is accepted for publication, the Recipient shall notify the Administrator of the anticipated date of publication, so that the Administrator may concurrently submit a letter to the editor regarding comments not adopted.

3. Unless otherwise mutually agreed upon between the parties, Recipient shall provide the Administrator of the Department Division with a minimum of 20 working days for the first review of such presentations (e.g., abstracts, slides) and publications and 10 working days for any subsequent review. In specific situations, the Department Division may choose to delegate the review function to another agency or organization with more direct and detailed substantive knowledge of the issues being studied.

D. Effective Dates and Termination

1. This Agreement shall become effective upon the date of signing by the Department Division.

2. This Agreement shall continue in effect until terminated. Recipient may terminate this Agreement by written notice to the Administrator of the Division of Long Term Care. The Department Division may terminate this Agreement by written notice to Recipient.

3. Upon termination, cancellation, expiration or other conclusion of the Agreement, the Recipient shall within 30 days provide written documentation to the Department Division certifying that it has destroyed all data and information provided by the Department Division remaining in Recipient's possession.

By: _____ Date: _____

Fredi-Ellen Bove, Deputy Administrator
Division of Long Term Care

By: _____ Date: _____

(Name of signatory)
(Name of Recipient Organization)

ADDENDUM

VII. MCO Quality Indicators

This addendum lists the quality indicators the MCO will report directly to the Department. These indicators will help highlight areas for improvement in service delivery and program management by the MCOs. Results from the first year of reporting will be used to help set standards and benchmarks, where appropriate, and to analyze the validity of this data as quality indicators. The Department has not yet defined the minimum standard(s) MCOs need to reach, and has not yet finalized the set of indicators that will be used to measure quality.

Quality indicators may be validated by the External Quality Review Organization according to the CMS Calculating Performance Measures Protocols 2 and 3 for Use in Conducting Medicaid External Quality Review Activities.

The purpose of including these indicators in the contract is to communicate to the MCO specific areas the Department will be monitoring, and indicate which areas the MCO will need to collect information for the Department.

A. HEDIS Quality Indicators

PACE and Partnership programs must report to the Department all the HEDIS quality indicators and supporting information that are reported to CMS for all Medicare enrollees. Reports will be submitted at the same time that the information is reported to CMS.

B. Quality Indicators – all programs

Focus Area	Continuity of Care
Quality Indicator	Percent of social service coordinators (referred to as social workers in the PACE program) and percent of RNs who separated during the contract period (i.e., turnover rate). Separation is defined as movement out of an organization (i.e., it includes resignations as well as terminations). Separations do not include transfers, promotions within an organization, temporary hires (LTEs).
Population Grouping	None. (Interdisciplinary team members are reported by provider type, i.e., social service coordinator, registered nurse).
Performance Measure	Numerator 1: Number of case managers in the denominator who separated during the reporting year, i.e., who were not employed by the MCO as of December 31 of the reporting period (the numerator should include all interdisciplinary team members regardless of why they separated, e.g., retired, etc.). Denominator 1: The total number of case managers employed by the MCO as of December 31 of the year preceding the reporting year. Do not count the number of positions, e.g., if three different persons were employed in a particular position during the year, all three would be counted as part of the total number of interdisciplinary team members.

Focus Area	Continuity of Care
	There are no exclusions from the denominator, i.e., all providers should be included whether they died, retired, were terminated or relocated during the reporting year. Numerator 2: Number of RNs in the denominator who separated during the reporting year, i.e., who were not employed by the MCO as of December 31 of the reporting period (the numerator should include all interdisciplinary team members regardless of why they separated, e.g., retired, etc.). Denominator 2: The total number of RNs employed by the MCO as of December 31 of the year preceding the reporting year. Do not count the number of positions, e.g., if three different persons were employed in a particular position during the year, all three would be counted as part of the total number of interdisciplinary team members. There are no exclusions from the denominator, i.e., all providers should be included whether they died, retired, were terminated or relocated during the reporting year.
Data Source	MCO administrative data.
Data Elements	Provider type (CM or RN), total number of staff, total number of separated, percent separated.
Timeframe	Contract period.
Reporting Elements	MCO: Provide turnover data by **March 1, of the following contract year.**

Focus Area	Health & Safety
Quality Indicator	Percent of MCO members who received a seasonal influenza vaccine during the measurement time period and who were members of the MCO during the measurement period. The percent of members who received a specialty vaccination are not included in this measure.
Population Grouping	By target group.
Performance Measure	Numerator: Number of MCO members in the denominator whose service record contains documentation that an influenza vaccine was administered during the reporting period. Denominator: The number of members continuously enrolled through the measurement time period. (Measurement time period is **September 1 to December 31 of the contract year.)**
Data Source	Family Care MCO service records or Partnership MCO event files.
Data Elements	Member name, MCI #, DOB, sex, target group and the date of vaccination.
Timeframe	Contract period.

Reporting Requirements	MCO: Provide immunization data described above **by March 1** of the following contract year. In addition, provide copies of policies and procedures related to data collection and documentation as well as a summary of the analysis the MCO has performed for these data.

Focus Area	**Health & Safety**
Quality Indicator	Percent of MCO members who received a pneumovax vaccine in last ten years.
Population Grouping	By target group.
Performance Measure	Numerator: Number of MCO members in the denominator whose service record contains documentation of having had a pneumovax vaccine within the last ten years. (Exception: for those members aged 65 or older, one vaccine administered at >= 65 years of age will count as a numerator event.). Denominator: The number of members continuously enrolled for at least six (6) months **July 1 to December 31 of the contract year**.
Data Source	Family Care MCO service records; Partnership MCO event file.
Data Elements	Member name, MCI #, age, DOB, sex, target group and the date of the vaccination that meets the timeline criteria noted above.
Timeframe	Contract period.
Reporting Requirements	MCO: Provide immunization data described above **by March 1 of the following contract year.** In addition, provide copies of policies and procedures related to data collection and documentation as well as a summary of the analysis the MCO has performed for these data.

C. Quality Indicator – Partnership & PACE only

Focus Area	**Health & Safety**
Quality Indicator	Percent of MCO members who have a dental visit during the measurement time period and who were members during the measurement period. A dental visit is defined as services from a dentist, dental hygienist, oral surgeon or orthodontist.
Population Grouping	By target group.
Performance Measure	Numerator: Number of MCO members in the denominator with a dental visit recorded in the event file. Denominator: The number of members with at least 6 months of eligibility during the measurement period. (Measurement time period is **January 1 to December 31 of the contract year.**
Data Source	Partnership MCO Event File.

Data Elements	Member name, MCI #, DOB, Dates of Service, target group and sex.
Timeframe	Contract period.
Reporting Requirements	MCO: Provide data described above **by March 1 the following contract year.** In addition, provide copies of policies and procedures related to data collection and documentation as well as a summary of the analysis the MCO has performed for these data.

Refer to Addendum II, State Reporting Requirements for 2011, page 228, for instructions on where to submit this data.

ADDENDUM

VIII. Performance Improvement Projects

A. Overview

A Performance Improvement Project must be designed to improve outcomes for the MCO membership overall or a group of members who have similar care and service needs.

MCOs may satisfy the requirements of this addendum by participating in collaborative Performance Improvement Projects in conjunction with one or more MCOs.

B. Performance Improvement Projects: Schedule

MCOs will work with the Department and its EQRO, MetaStar, Inc., to complete their projects using a defined performance improvement model or method. One example of a defined method is the Best Clinical and Administrative Practices (BCAP) method. Other models or methods may also be used depending on the type of project undertaken. Following are the sequence, events and timeline for Performance Improvement Projects:

1. Form a project team to design, test and implement system changes on their selected PIPs.
2. Identify an MCO senior leader who will actively support the team.
3. Provide the resources necessary to support the team, including staff time to devote to the effort.
4. Use a structured model of improvement that includes a process for identifying and selecting areas for improvement, systematic analysis, and plan-do-study-act (PDSA) improvement cycles.
5. Submit interim reports and participate in conference calls when requested (no more frequently that quarterly) identifying progress and PDSA cycles implemented.
6. Document ongoing progress on activity logs, worksheets, workbooks, or some other consistent format.
7. Maintain and safeguard the confidentiality of privileged data or information – whether written, photographed, or electronically recorded and whether generated or acquired by the team – which can be used to identify an individual member and providers.

C. Performance Improvement Projects: Components

1. *Project Steps*

   There are basic steps that any performance improvement project should include, regardless of the model or method used. These steps include:

   a. Step 1: Selecting the topic.

Topics for PIPs should be selected based on their relevance to the MCO's membership and should focus on important aspects of care and/or outcomes for Family Care members (outcomes are listed in Part 2 of this article).

b. Step 2: Defining the study questions and/or project aims/goals.

Each study or project should have clearly defined study questions and/or project aims. Baseline studies should have clearly stated study questions, while projects that are in the intervention phase should have clearly stated project aims that include numerical goals and target dates.

c. Step 3: Selecting project indicators and measures.

Projects should have clearly defined indicators and measures. Whenever feasible, the MCO should consider the use of existing indicators. Indicators should relate to the study questions and/or project aims and have clearly defined corresponding measures. Each measure's numerator and denominator should be clearly defined with documented specifications.

d. Step 4: Using a representative and generalizable population.

The MCO should identify the relevant population the study or project is aimed at and clearly define any inclusion or exclusion criteria, including eligibility criteria. If the MCO is stratifying the relevant study or project population, they should consider stratifying by high risk, high utilization, or high needs.

e. Step 5: Using sound sampling techniques (if sampling is performed).

If part of the study or project includes the use of a sample group, the MCO should use methodologically sound sampling techniques when selecting the sample group.

f. Step 6: Reliably collecting data.

Each project should have a prospective plan for data collection and analysis. This plan should address data collection methods, data storage, data aggregation and data analysis. The plan should identify who will be involved in data collection, analysis and interpretation. If data being collected are more implicit in nature, the MCO should have a plan for ensuring that data collectors are appropriately qualified and trained in the use of data collection instruments.

g. Step 7: Implementing interventions and improvement strategies.

Interventions and improvement strategies should be considered that are likely to result in desired improvement. Interventions should be tested on small pilot groups using P-D-S-A cycles to determine their effectiveness prior to full implementation. The MCO should develop ways of measuring the implementation and effectiveness of all interventions. When barriers are encountered, they should be analyzed and addressed.

h. Step 8: Analyzing data and interpreting results.

Each study or project should include baseline and repeat measurements. Project data should be periodically reviewed and analyzed to determine if the project is accomplishing what it was designed to do.

i. Step 9: Determining "real" improvement.

Improvement should be assessed to determine if it is real improvement (i.e. if improvement resulted from planned interventions as opposed to artifacts from a short-term event that is unrelated to the intervention, or random chance). Tests for statistical significance should also be conducted to help determine if improvement is statistically significant.

j. Step 10: Achieving sustained improvement.

Each project should include a plan for how real improvement, once achieved, will be sustained. This should include a plan for periodic monitoring of project indicators.

2. *Annual Reports*

The MCO shall report the status and results of each project to the Department annually. The annual report shall include information about each step of the improvement project.

ADDENDUM

IX. Data Certification

Encounter Data Certification
This certification requires the responsible party to attest that the submitted Encounter Data is accurate, complete and truthful to the best of his/her knowledge. This is required by 42 CFR 438.600 (e.g.) and the managed long-term care contract. **It is the responsibility of the certifying party to assure the necessary internal checks, audits, and testing procedures have been conducted to ensure the integrity of the data.**

After the MCO receives the **submission status report** indicating that the MCO's data has been **accepted and free of batch accept errors**, certification shall be made via the automated data certification method or, when the automated function is not available, via the Data Certification Form. The form is provided by DHS in accordance with 42 CFR 438.600. If it is necessary to use the form, it shall be emailed to the Department (DHSOFCE@wisconsin.gov).

Financial Certification
This certification requires the responsible party to attest that the submitted financial statement is accurate, complete and truthful to the best of his/her knowledge. This is required by 42 CFR 438.600 (e.g.) and the managed long-term care contract. **It is the responsibility of the responsible party to develop the necessary internal checks, audits, and testing procedures to assure the integrity of the financial statement.**

Certification must be included with submission of the financial statement to the State.
Email the completed form to the Department (DHSOFCE@wisconsin.gov).

Jim Doyle
Governor

Karen E. Timberlake
Secretary

State of Wisconsin
Department of Health Services

DIVISION OF LONG TERM CARE

1 WEST WILSON STREET
PO BOX 7851
MADISON WI 53707-7851

Telephone: 608-266-2000
FAX: 608-266-2579
TTY: 888-241-9432
DHS.wisconsin.gov

ENCOUNTER DATA CERTIFICATION

Pursuant to the Family Care Partnership Program contract(s) between the State of Wisconsin, Department of Health Services, Division of Long-Term Care, and the _____ _____ Managed Care Organization, hereafter known as the MCO. The MCO certifies that: The business entity named on this form is a qualified provider enrolled with and authorized to participate in the Wisconsin Medicaid program as an MCO. The MCO acknowledges that Federal Code 42 CFR 438.600 (e.g.) requires that the data submitted must be certified by a Chief Financial officer, Chief Executive Officer, or a person who reports directly to and who is authorized to sign for the Chief Financial Officer or Chief Executive Officer.

The MCO hereby requests payment from the Wisconsin Medicaid program based on encounter data submitted and in so doing makes the following certification to the State of Wisconsin as required by Federal Code 42 CFR 438.600 (e.g.).

The MCO has reported to the State of Wisconsin for the month/year of _____ all new encounters included in batch ID# _____. The MCO has reviewed the encounter data for the period and batch listed above and I, _____ (enter Name of Chief Financial Officer, Chief Executive Officer or Name of person who reports directly to and who is authorized to sign for Chief Financial Officer, Chief Executive Officer) attest that based on best knowledge, information, and belief as of the date indicated below, all information submitted to the State of Wisconsin in this batch is accurate, complete, and truthful. No material fact has been omitted from this form.

I, _____(enter Name of Chief Financial Officer, Chief Executive Officer or Name of person who reports directly to and who is authorized to sign for Chief Financial Officer, Chief Executive Officer) **acknowledge that the information described above may directly affect the calculation of payments to the MCO. I understand that I may be prosecuted under applicable federal and state laws for any false claims, statements, or documents, or concealment of a material fact**.

_____ _____
SIGNATURE - NAME AND TITLE OF CFO, CEO OR DELEGATE DATE SIGNED

Jim Doyle
Governor

Karen E. Timberlake
Secretary

State of Wisconsin
Department of Health Services

DIVISION OF LONG TERM CARE

1 WEST WILSON STREET
PO BOX 7851
MADISON WI 53707-7851

Telephone: 608-266-2000
FAX: 608-266-2579
TTY: 888-241-9432
DHS.wisconsin.gov

FINANCIAL STATEMENT CERTIFICATION

Pursuant to the Family Care Partnership Program contract(s) between the State of Wisconsin, Department of Health Services, Division of Long-Term Care, and the _____ _____ Managed Care Organization, hereafter referred to as the MCO. The MCO certifies that: The business entity named on this form is a qualified provider enrolled with and authorized to participate in the Wisconsin Medicaid program as an MCO.

The MCO acknowledges that if payment is based on any information required by the State and contained in financial statements, Federal Code 42 CFR 438.600 (e.g.) requires that the data submitted must be certified by a Chief Financial Officer, Chief Executive Officer, or a person who reports directly to and who is authorized to sign for the Chief Financial Officer or Chief Executive Officer.

The MCO hereby requests payment from the Wisconsin Medicaid program based on any information required by the State and contained in financial statements submitted and in so doing makes the following certification to the State of Wisconsin as required by Federal Code 42 CFR 438.600 (e.g.).

The MCO has reported to the State of Wisconsin for the period of _____ (indicate dates) all information required by the State and contained in financial statements. The MCO has reviewed the information submitted for the period listed above and I, _____ _____ (enter Name of Chief Financial Officer, Chief Executive Officer or Name of person who reports directly to and who is authorized to sign for Chief Financial Officer, Chief Executive Officer) attest that based on best knowledge, information, and belief as of the date indicated below, all information submitted to the State of Wisconsin in this batch is accurate, complete, and truthful. No material fact has been omitted from this form.

I, _____ (enter Name of Chief Financial Officer, Chief Executive Officer or Name of person who reports directly to and who is authorized to sign for Chief Financial Officer, Chief Executive Officer) **acknowledge that the information described above may directly affect the calculation of payments to the MCO. I understand that I may be prosecuted under applicable federal and state laws for any false claims, statements, or documents, or concealment of a material fact.**

SIGNATURE - NAME AND TITLE OF CFO, CEO OR DELEGATE **DATE SIGNED**

ADDENDUM

X. CPA Audit Checklist

Company Letterhead

CPA AUDIT CHECKLIST
Ref: Chapter Ins 57, Wis. Adm. Code

Complete and return this with your CPA audit report by June 1.

For Year Ending December 31, ___

1. Name of Certified Public Accountant (CPA) firm engaged to perform the CMO's audit:

_____

		Circle One	
a.	Did company have a change in CPAs this year? If NO, go to question 2. If YES, complete 1 b. - e.	YES	NO
b.	Have you notified the Commissioner of Insurance within 5 business days of the dismissal or resignation of the former CPA?	YES	NO
c.	Have you submitted a letter to the OCI, within 15 business days, stating whether in the 24 months preceding the change there were any disagreements with the former CPA as to accounting matters?	YES	NO
d.	Have you submitted a letter from the former CPA to the OCI stating whether they agree with the company's statement in the letter described in item 1 c.?	YES	NO
e.	Have you submitted a letter to the OCI from the new CPA stating an understanding of the provisions of the insurance code and of the rules of the Commissioner relating to accounting and financial matters?	YES	NO

2. Name of accounting firm partner or other person responsible for rendering the audit report:

_____

Number of consecutive years (including the year most recently audited) the firm partner or other person responsible for rendering the audit has acted in this capacity for this CMO: _____

3. Does the audit report include the following:

a.	The report of the independent certified public accountant?	YES	NO
b.	A balance sheet reporting assets, liabilities, and equity?	YES	NO
c.	A statement of profit and loss?	YES	NO
d.	A statement of cash flows?	YES	NO
e.	Notes to the financial statements?	YES	NO

4. a. Were audit adjustments made subsequent to the filing of the preliminary December Financial Statements? YES NO

   b. If YES, has a reconciliation to explain any differences between the preliminary Financial Statement and the annual report been submitted? YES NO

Care Management Organization Name:

If differences are material, or if adjustments result in the CMO not meeting its working capital or risk reserve requirements as certified in the annual business plan by the Department of Health Services (DHS) that resulted in OCI issuing a permit to the CMO, your CPA is required to notify the board of directors or the audit committee of the CMO, in writing, within 5 business days. The CMO is required to forward a copy of the report to the Commissioner within 5 business days of receipt of the report.

Circle One

5. Have you submitted a consolidated CPA audit report? YES NO

   If YES, have you attached a worksheet reconciling the consolidated balance sheet to the financial statements of the CMO with a column for each company and explanations of consolidating and eliminating entries? YES NO

6. Reconciliation between the preliminary Financial Statements and audit report:

	Preliminary Financial Statement	**Audit Report**	**Difference**
a. Assets			
b. Equity			
c. Net Income			

If differences, these have been reconciled in (check one):

☐ Consolidated worksheets prepared for question No. 5 ☐ Other (attach explanations)

Have you resubmitted corrected statements to reflect the adjustments made by your auditors? YES NO
If no, resubmit revised financial statements in the format provided by DHS.

7. The due date is **June 1** for all CMO's except if the CMO is part of a county financial audit. Have you filed for an extension? YES NO

   Requests for extension must be made in writing 10 days prior to the due date of the audit report and must show why the CMO and the CPA consider the extension necessary, including sufficient detail to permit an informed decision on the request.

8. a. AN INTERNAL CONTROL LETTER FROM THE AUDITOR IS REQUIRED TO BE FILED WITH THE AUDIT REPORT. HAS THE COMPANY FILED AN INTERNAL CONTROL LETTER WITH THE AUDIT REPORT? YES NO

   b. ANY MATERIAL WEAKNESSES NOTED IN THE INTERNAL CONTROL LETTER MUST BE ACCOMPANIED BY A SUMMARY OF ANY REMEDIAL ACTION TAKEN OR PROPOSED. HAS THE COMPANY FILED AN EXPLANATION OF THE REMEDIAL ACTION TAKEN TO CORRECT THE MATERIAL WEAKNESS IDENTIFIED BY THE AUDITORS? YES NO

9. Have you enclosed an accountant's letter of qualifications, pursuant to s. Ins 57.37, Wis. Adm. Code, noting the accountant's understanding that the Commissioner of Insurance will be relying on the information and agreeing to make work papers available for review? In addition, the auditors should be aware that DHS will be relying on the financial statements in accordance with the CMO's contract. YES NO

Title of Financial Officer/ Finance Director	Name of Financial Officer/ Finance Director (Type or Print)
Date	Signature of Financial Officer/ Finance Director

ADDENDUM

XI. Procedures for Implementing Sanctions

The Department may utilize the sanction procedures as set forth below for the sanctions identified in Article XVI.D., Sanctions for Violation, Breach, or Non-Performance, page 193.

A. Civil Monetary Penalties

Civil monetary penalties will be imposed as specified below:

1. A maximum of $25,000 for each determination of failure to provide services; misrepresentation or false statements to enrollees, potential enrollees or health care providers; failure to comply with physician incentive plan requirements; or marketing violations.
2. A maximum of $100,000 for each determination of discrimination; or misrepresentation or false statements to CMS or the Department.
3. A maximum of $15,000 for each recipient the Department determines was not enrolled because of a discriminatory practice (subject to the $100,000 overall limit above).
4. A maximum of $25,000 or double the amount of the excess charges, (whichever is greater) for charging premiums or charges in excess of the amounts permitted under the Medicaid program. The Department must deduct from the penalty the amount of overcharge and return it to the affected member(s).

B. Rules for Temporary Management

1. *Reasons for Temporary Management*

   The Department may impose temporary management only if it finds that:

   a. There is continued egregious behavior by the MCO, including but not limited to behavior that is described in 42 CFR 438.700, or that is contrary to any requirements of sections 1903(m) and 1932 of the Social Security Act; or

   b. There is substantial risk to enrollees' health; or

   c. The sanction is necessary to ensure the health of the MCO's enrollees:

      i. While improvements are made to remedy violations under this contract; or

      ii. Until there is an orderly termination or reorganization of the MCO.

2. *Hearing*

   The Department may not delay imposition of temporary management to provide a hearing before imposing this sanction.

3. *Duration of Sanction*

The Department may not terminate temporary management until it determines that the MCO can ensure that the sanctioned behavior will not recur.

C. Suspension of New Enrollment

1. Whenever the MCO has acted or failed to act in accordance with Article XVI.D.1., Imposition of Sanctions, page 193, the Department may suspend the MCO's right to receive new enrollment or disenroll enrollees in anticipation of the MCO not being able to comply with federal or state law at its current enrollment under this contract.
2. The Department, when exercising this option, must notify the MCO in writing of its intent to suspend new enrollment at least thirty (30) calendar days prior to the beginning of the suspension period. The suspension will take effect if the action or failure to act remains uncorrected at the end of this period.
3. The Department may suspend new enrollment sooner than the time period specified in this paragraph or appoint temporary management as described below if the Department finds that member long-term care, health or welfare is jeopardized or if the MCO is unable to comply with Federal or State law.
4. The suspension period may be for any length of time specified by the Department, or may be indefinite. The suspension period may extend up to the expiration of the contract as provided under Article XIX, MCO Specific Contract Terms, page 221.

D. Department-Initiated Enrollment Reductions

1. The Department may reduce the maximum enrollment level and/or number of current members whenever it determines that the MCO has failed to provide one or more of the contract services including services necessary to support outcomes in the benefit package required under Article VII, Services, page 73 and Addendum XII, Benefit Package Service Definitions, page 256, or that the MCO has failed to maintain or make available any records or reports required under this contract which the Department needs to determine whether the MCO is providing the services as required under Article XIV, Reports and Data, page 178.
2. The MCO shall be given at least thirty (30) calendar days to correct the lack of necessary services prior to the Department taking any action set forth in this paragraph. The Department may reduce enrollment or appoint temporary management as set forth below sooner than the time period specified in this paragraph if the Department finds that member long-term care, health or welfare is jeopardized or if the MCO is unable to comply with federal or state law.
3. The Department may also suspend new enrollment or disenroll enrollees in anticipation of the MCO being unable to comply with federal or state law at its current enrollment level. Such suspension shall not be subject to the 30 day notification requirement.

4. In the case of a participant whose enrollment ceases for any reason, the MCO will provide assistance to the individual in obtaining necessary transitional care through appropriate referrals and making the individual's medical records available to new providers.

E. Withholding or Recovering of Capitation Payments and Orders to Provide Services

1. If the MCO fails to make prompt and reasonable efforts to remedy the situation resulting in the sanction, the Department may withhold or recover portions of capitation payments as liquidated damages or otherwise recover damages from the MCO on the following grounds:

   Whenever the Department determines that the MCO has failed to provide medically necessary covered services or one or more of the services necessary to support outcomes in the benefit package, required under the contract, the Department may:

   a. Order the MCO and to provide such services;

   b. Recover capitation payments to the MCO for a member(s) and the Department's administrative costs; less the service costs incurred by the MCO specific to the member.

   c. Withhold a portion of the MCO's capitation payments for the following month or subsequent months, with such portion withheld to be equal to the amount of money the Department must pay to provide such services and the Department's administrative costs.

2. Recovery of Damages

   In any case under this contract where the Department has the authority to withhold or recover capitation payments, the Department also has the authority to use all other legal processes for the recovery of damages.

3. Procedures

   In any case where the Department intends to withhold or recover capitation payments or recover damages through the exercise of other legal processes under Section E of this article, the following procedures shall be used:

   a. The Department will notify the MCO of its failure to perform a required function under this contract;

   b. The Department shall give the MCO thirty (30) calendar days prior notice to develop an acceptable plan for correcting this failure; and,

   c. If the MCO has not submitted an acceptable corrective action plan within thirty (30) calendar days, or has not implemented this plan in accordance with its terms, the Department will provide the MCO with a statement itemizing the damage costs for which it intends to require compensation. The Department shall then proceed to recover said compensation.

   d. The MCO shall be given at least a seven (7) day prior written notice regarding either:

i. The Department's ordering the MCO to pay; or

ii. The Department's withholding or recovering any capitation payments.

In case of an emergency, no such seven (7) day notice is required.

e. When the Department withholds or recovers payments under this section, the Department must submit to the MCO a list of the members for whom payments are being withheld, the nature of the service(s) denied, and payments the Department must make to provide medically necessary services and the services necessary to support outcomes.

f. The MCO may exercise appeal rights in accordance with Article XVI.B., Cooperation of Parties and Dispute Resolution, page 192.

4. Reversal of Action

If the Department acts under this section and subsequently determines that the services in question were not covered services:

a. In the event the Department withheld payments, it shall restore to the MCO the full capitation payment; or,

b. In the event the Department ordered the MCO to provide services under this section; it shall pay the MCO the actual documented cost of providing the services.

ADDENDUM

XII. Benefit Package Service Definitions

A. Home and Community Based Waiver Services

The following services, defined in Wisconsin's s. 1915 (c) home and community-based waiver services waivers #0367.90 and #0368.90 required under s. 46.281(1)(c), Wis. Stats., and approved by the Centers for Medicare & Medicaid Services (CMS) are included in the Family Care, Partnership and PACE benefit packages:

1. **Adaptive aids** are controls or appliances that enable persons to increase their abilities to perform activities of daily living or control the environment in which they live (including patient lifts, control switches, etc.). Adaptive aids are also services and material benefits that enable individuals to access, participate and function in their community. These include the purchase of vehicle modifications (such as van lifts, hand controls, equipment modifications etc. that allow the vehicle to be used by the participant to access the community), or those costs associated with the maintenance of these items.

2. **Adult day care services** are the provision of services for part of a day in a non-residential group setting to adults who need an enriched social or health-supportive experience or who need assistance with activities of daily living, supervision and/or protection. Services may include personal care and supervision, light meals, medical care, transportation to and from the day care site. Transportation between the individual's place of residence and the adult day health center may be provided as a component part of adult day health services. The cost of this transportation is included in the rate paid to providers of adult day health services. Meals provided as part of adult day care may not constitute a "full nutritional regimen" (3 meals per day). The interdisciplinary team is responsible to assure that adult day care services do not include services that are duplicative of another waiver or State Plan service also received by the participant.

3. **Care/case management services** (sometimes called support and service coordination) are provided by an interdisciplinary care management team (IDT). The participant is the center of the IDT. The IDT consists of, at minimum, a registered nurse and a social services coordinator, and may also include other professionals as appropriate to the needs of the participant and family or other informal supports requested by the participant. The IDT initiates and oversees the initial comprehensive assessment of needs and reassessment process, the results of which are used in developing the individual's participant-centered plan of care. The IDT identifies the participant's preferred outcomes and the services needed to support those outcomes and monitors the participant's health and welfare, the delivery of services, and progress in achieving identified outcomes. The IDT also carries out activities that help participants and their families identify other service needs and gain access to medical, social, rehabilitation, vocational, educational and other services identified. (Note: the IDT for Partnership also includes a

nurse practitioner. The IDT for PACE includes the primary care physician, Wisconsin licensed registered nurse, master's level social worker, and other professional disciplines as defined in 42 CFR 460.102.)

4. **Communication aids** are devices or services needed to assist members to hear, speak or see. These items or services assist the individual to effectively communicate with service providers, family, friends and the general public, decrease reliance on paid staff, increase personal safety, enhance independence, and improve social and emotional well-being. Communication aids include any device that addresses these objectives such as communicators, speech amplifiers, aids and assistive devices, interpreters, and cognitive retraining aids and the repair and/or servicing of such devices. This list is intended to be illustrative and is not exhaustive.

5. **Consumer education and training services** are designed to help a person with a disability develop self-advocacy skills, exercise civil rights, and acquire skills needed to exercise control and responsibility over other support services. Includes education and training for participants, their caregivers and/or legal representatives that is directly related to building or acquiring such skills. Managed care organizations assure that information about educational and/or training opportunities is available to participants and their caregivers and legal representatives. Covered expenses may include enrollment fees, books and other educational materials and transportation related to participation in training courses, conferences and other similar events.

6. **Counseling and therapeutic services** is the provision of services to treat personal, social, behavioral, emotional, cognitive, mental or alcohol or drug abuse disorders. Services may be provided in a natural setting or service office. Counseling and therapeutic services may include assistance in adjusting to aging and/or disabilities. Services may also include assistance with interpersonal relationships, recreational therapies, music therapy, nutritional counseling, medical and legal counseling, and grief counseling.

7. **Financial management services** are the provision of services to assist waiver participants and their families to manage service dollars or manage their personal finances to prevent institutionalization. This service includes a person or agency paying service providers after the participant, guardian or family authorizes payment to be made for services included in the participant's approved self-directed supports plan. Financial management services providers, sometimes referred to as fiscal intermediaries, are organizations or individuals that write checks to pay bills for personnel costs, tax withholding, worker's compensation, health insurance and other taxes and benefits appropriate for the specific provider consistent with the individual's self-directed supports plan or budget for services. Financial management services are purchased directly by the MCO and made available to the participant/family to insure that appropriate compensation is paid to providers of services. Also includes the provision of assistance to waiver participants who are unable to manage their own personal funds to assist them to manage their personal resources. This service includes assistance to the participant to effectively budget the participant's personal funds to ensure

sufficient resources are available for housing, board and other essential costs. This service includes paying bills authorized by the participant or their guardian, keeping an account of disbursements and assisting the participant ensure that sufficient funds are available for needs.

8. **Habilitation Services**

   a. **Daily living skills training** is the provision of training services to teach members the skills involved in performing activities of daily living, including skills intended to increase the member's independence and participation in community life. May include money management, home care maintenance, food preparation, mobility training, self-care skills and the skills necessary for accessing and using community resources. Daily living skills training may involve training the participant or the natural support person.

   b. **Day center service/treatment** is the provision of regularly scheduled activities in a non-residential setting (day center) to enhance social development and to develop skills in performing activities of daily living and community living. Day services include services primarily intended for adults with disabilities. Transportation may be provided between a participant's place of residence and the site of habilitation services or between habilitation sites (in cases where the individual receives habilitation services in more than one place) as a component part of habilitation services. The cost of this transportation is included in the rate paid to providers of the appropriate type of habilitation services. Day center services may be provided to supplement, but may not duplicate services provided under vocational futures planning provided under the waiver.

   c. **Day services for children** are the provision of services that provide children with regularly scheduled activities for part of the day. Services include training, coordination and intervention directed at skill development and maintenance, physical health promotion and maintenance, language development, cognitive development, socialization, social and community integration and domestic and economic management. This includes services not otherwise available through public education programs that provide after school supervision, daytime services when school is not in session, and services to pre-school age children. Services are typically provided up to five days per week in a non-residential setting and may occur in a single physical environment or in multiple environments, including natural settings in the community. Training activities may involve children and their families. Coordination activities may involve the implementation of components of the child's family-centered and individualized service plans and may involve family, professionals, and others involved with the child as directed by the child's plan. Day Services for children also include the provision of supplementary staffing necessary to meet the child's exceptional care needs. Excludes any services available through public education programs.

Excludes the basic cost of day care unrelated to a child's disability (i.e., the rate paid for children who do not have special needs). Excludes any service that falls under the definition of daily living skills training, prevocational services, or respite care. Excludes services provided to children under the age of 17 years and 9 months.

For children with physical or personal care needs, the types of activities that may be applied include direct personal care provision beyond those age activities expected for a child, skilled tasks such as tube or gavage feedings, catheterization, close supervision and monitoring of a child with complex medical needs, follow through on specific therapeutic interventions, and frequent positioning or specialized skin care.

Providers are required to have caregiver background checks and specialized training related to the child's unique needs in order to effectively address the needs and to ensure the health safety and welfare of each child served. If these unique needs are generally related to physical, medical and personal care the provider is responsible for implementing specific activities or treatments as outlined in a medical plan of care.

d. **Prevocational services** involve the provision of learning and work experiences where a member can develop general, non-job-task-specific strengths and skills that contribute to employability in paid employment in integrated, community settings. Services are expected to occur over a defined period of time as determined by the member and his/her care planning team in the ongoing member-centered planning process. Services are expected to specifically involve strategies that enhance a participant's employability in integrated, community settings. Competitive employment or supported employment are considered successful outcomes of prevocational services.

Prevocational services should enable each member to attain the highest possible wage and work which is in the most integrated setting and matched to the member's interests, strengths, priorities, abilities, and capabilities. Services are intended to develop and teach general skills that lead to employment including but not limited to: ability to communicate effectively with supervisors, co-workers and customers; generally accepted community workplace conduct and dress; ability to follow directions; ability to attend to tasks; workplace problem solving skills and strategies; general workplace safety and mobility training.

Support of employment outcomes is a part of the member-centered planning process, which includes the individual, his or her guardian if any, and other members of the interdisciplinary care planning team, and emphasizes informed consumer choice. This process includes identification of the member's personal outcomes and identification of services and items, including prevocational services and other employment-related services that advance achievement of the member's outcomes. The member and his or her interdisciplinary care planning team

will identify alternatives that are effective in supporting his or her outcomes and from those select the most cost-effective alternative.

Members who receive prevocational services during some days or parts of days may also receive supported employment, educational, or day services at other times.

Members participating in prevocational services may be compensated in accordance with applicable Federal laws and regulations, but the provision of prevocational services is intended to lead to a permanent integrated employment situation.

Participation in prevocational services is not a required pre-requisite for supported employment services provided under the waiver. Prevocational services may be provided in a variety of community locations including but not limited to work centers operated by community rehabilitation programs (CRPs).

For more information, refer to the Technical Guidelines for Prevocational Services: http://www.dhs.wisconsin.gov/LTCare/Partners/infoseries/ta10-04.pdf

e. **Supported employment services** is the provision of support to participants who, because of their disabilities, need intensive ongoing support to obtain and maintain competitive or customized employment in an integrated work setting. Supported employment may also include support to maintain self-employment, including home-based self-employment. Supported employment services are individualized and may include any combination of the following services: vocational/job-related discovery or assessment, person-centered employment planning, job placement, job development, negotiation with prospective employers, job analysis, training and systematic instruction, job coaching, benefits management, transportation and career advancement services. Other workplace support services including services not specifically related to job skill training may also be provided based on the needs of the specific participant served.

Supported employment services may be provided by a co-worker or other job site personnel provided that the services that are furnished are not part of the normal duties of the co-worker or other personnel and these individuals meet the qualifications established below for individual providers of service. Employers may be reimbursed for supported employment services provided by co-workers.

The cost of transportation for a participant to get to and from a supported employment site may be included in the reimbursement paid to the supported employment provider, or may be covered and reimbursed under specialized transportation, but not both. All providers of transportation shall ensure that the provider qualifications for specialized transportation are met.

Personal care provided to a participant during the receipt of supported employment services may be included in the reimbursement paid to the supported employment provider, or may be covered and reimbursed under the waiver service personal care, but not both. All providers of personal care shall meet the personal care provider qualifications.

With regard to self-employment, supported employment services may include: (a) aiding the participant to identify potential business opportunities; (b) assistance in the development of a business plan, including identifying potential sources of business financing and other assistance in developing and launching a business; (c) identification of the supports that are necessary in order for the participant to operate the business; and (d) ongoing assistance, counseling and guidance once the business has been launched.

f. **Vocational futures planning and support (VFPS)** is a person-centered, team based comprehensive employment planning and support service that provides assistance for waiver program participants to obtain, maintain or advance in employment or self-employment. The agency providing VFPS services will ensure that the following service strategies are available as needed to the participant/member:

i. Development of an employment plan based on an individualized determination of strengths, needs and interests of the individual with a disability, the barriers to work, including an assistive technology pre-screen or in-depth assessment, and identification of the assets a member brings to employment;

ii. benefits analysis and support;

iii. resource team coordination;

iv. career exploration and employment goal validation;

v. job seeking support; and,

vi. job follow-up and long-term support.

VFPS must be provided by qualified professionals that include, for example, an employment specialist, a benefits specialist and an assistive technology consultant. When this service is provided the member record must contain activity reports, completed by the appropriate VFPS Team member(s), within thirty (30) days of completing a particular service strategy. When ongoing support is provided, monthly ongoing support reports must be completed by the provider of the ongoing support.

9. **Home delivered meals** (sometimes called "meals on wheels") include the costs associated with the purchase and planning of food, supplies, equipment, labor and transportation to deliver one or two meals a day to recipients who are unable to prepare or obtain nourishing meals without assistance. This service will be provided to persons in natural or supportive service settings to promote socialization and adequate nutrition.

10. **Home modifications** are the provision of services and items to assess the need for, arrange for and provide modifications and or improvements to a participant's living quarters in order to provide accessibility or enhance safety. Modifications may provide for safe access to and within the home, reduce the risk of injury, facilitate independence and self-reliance, allow the individual to perform more ADLs or IADLs with less assistance and decrease reliance on paid staff. Home modifications may include ramps; stair lifts, wheelchair lifts, or other mechanical devices to lift persons with impaired mobility from one vertical level to another; kitchen/bathroom modifications; specialized accessibility/safety adaptations; voice-activated, light-activated, motion-activated and electronic devices that increase the participant's self-reliance and capacity to function independently. Home modifications may include modifications that add to the square footage of the residence if the modification assures the health, safety or independence of the person and prevents institutionalization and the modification is the most cost effective means of meeting the accessibility or safety need compared to other more expensive options.

11. **Housing counseling** is a service which provides assistance to a recipient when acquiring housing in the community, where ownership or rental of housing is separate from service provision. The purpose of the housing counseling is to promote consumer choice and control of housing and access to housing that is affordable and promotes community inclusion. Housing counseling includes exploring both home ownership and rental options, and both individual and shared housing situations, including situations where the individual lives with his or her family. Services include counseling and assistance in identifying housing options, identifying financial resources and determining affordability, identifying preferences of location and type of housing, identifying accessibility and modification needs, locating available housing, identifying and assisting in access to housing financing, and planning for ongoing management and maintenance. A qualified provider must be an agency or unit of an agency that provides housing counseling as a regular part of its mission. Counseling must be provided by staff with specialized training and experience in housing issues and shall be available to anyone in the general public who needs assistance with housing.

12. **Personal emergency response system (PERS)** is a service that provides a direct telephonic or other electronic communications link between someone living in the community and health professionals to secure immediate assistance in the event of a physical, emotional or environmental emergency. PERS may also include cellular telephone service used when a conventional PERS is less cost-effective or is not feasible. This service may include installation, upkeep and maintenance of devices or systems as appropriate.

13. **Relocations services** are the provision of services and essential items needed to establish a community living arrangement for persons who are relocating from an institution or who are moving from a family home to establish an independent living arrangement. This service includes person-specific services, supports or goods that will be put in place in preparation for the participant's relocation to a safe, accessible, affordable community living arrangement. Services or items

covered by this service may not be purchased more than 180 days prior to the date the participant relocates to the new community living arrangement. Relocation services may include the purchase of necessary furniture, telephone(s), cooking/serving utensils, basic cleaning equipment, household supplies, bathroom and bedroom furnishings and kitchen appliances not otherwise included in a rental arrangement if applicable. Relocations services may include the payment of a security deposit, utility connection costs and telephone installation charges. This service includes payment for moving the participant's personal belongings to the new community living arrangement and general cleaning and household organization services needed to prepare the selected community living arrangement for occupancy.

14. **Residential Care**

a. **Adult family homes of 1-2 beds** are places in which the operator provides care, treatment, support, or services above the level of room and board to up to two adults. Services typically include supportive home care, personal care and supervision. Services may also include transportation and recreational/social activities, behavior and social supports, daily living skills training and transportation if provided by the operator or designee of the operator. Includes homes which are the primary domicile of the operator or homes where staff are hired by a third party who also controls the place. Adult family home services also include coordination with other services received by the participant and providers, including health care services, vocational or day services.

b. **Adult family homes of 3-4 beds** are places where 3-4 adults who are not related to the operator reside and receive care, treatment or services above the level of room and board and that may include up to seven hours of nursing care per resident. Services typically include supportive home care, personal care and supervision. Services may also include behavior and social supports, daily living skills training and transportation performed by the operator or designee of the operator. Includes homes which are the primary domicile of the operator or homes where staff are hired by a third party who also controls the place. Also includes homes specified under s. 50.01 (1) (a) 1 of the Wisconsin Statutes and certified under HFS 82 of the Wisconsin Administrative Code.

c. **Community-based residential facility (CBRF)** for elders or persons with physical disabilities is a place where 5 or more adults who are not related to the operator or administrator reside and receive care, treatment, support, supervision and training. Services include supportive home care, personal care, supervision, behavior and social supports, daily living skills training, transportation and up to seven hours per week of nursing care per resident.

Community-based residential facility (CBRF) for persons with developmental disabilities is a place where up to 8 adults who are not related to the operator or administrator reside and receive care, treatment, support, supervision and training. Services include supportive home care,

personal care, supervision, behavior and social supports, daily living skills training, transportation and up to seven hours per week of nursing care per resident.

d. **Residential care apartment complexes (RCAC)** are services provided in a homelike, community-based setting where 5 or more adults reside in their own living units that are separate and distinct from each other. Persons who reside in the facility also receive the following services: supportive services (e.g., laundry, house cleaning), personal assistance (e.g. personal care), nursing services (e.g., wound care, medication management), and assistance in the event of an emergency (e.g., PERS and response).

15. **Respite care services** are services provided to a waiver eligible participant on a short-term basis to relieve the participant's family or other primary caregiver(s) from daily stress and care demands. Respite care may be provided in an institution such as a certified Medicaid setting (hospital, nursing home) or other licensed facility. Respite care may also be provided in a residential facility such as a certified or licensed adult family home, licensed community-based residential facility, certified residential care apartment complex, in the participant's own home or the home of a respite care provider.

16. **Skilled nursing** means the observation or care of the ill, injured, or infirm for the maintenance of health or prevention of illness that requires substantial nursing skill, knowledge, or training, or application of nursing principles based on biological, physical, and social sciences. Professional nursing includes any of the following:

    a. The observation and recording of symptoms and reactions.

    b. The execution of procedures and techniques in the treatment of the sick under the general or special supervision or direction of a physician, podiatrist licensed under ch. 448, dentist licensed under ch. 447, or optometrist licensed under ch. 449, or under an order of a person who is licensed to practice medicine, podiatry, dentistry, or optometry in another state if the person making the order prepared the order after examining the patient in that other state and directs that the order be carried out in this state.

    c. The execution of general nursing procedures and techniques.

    d. Except as provided in s. 50.04 (2) (b), the supervision of a patient and the supervision and direction of licensed practical nurses and less skilled assistants.

    The nature of skilled nursing provided under this waiver does not differ from skilled nursing furnished under the Medicaid State Plan. The scope of skilled nursing provided under this waiver is limited to those services identified as needed in a participant's plan of care that exceed the skilled nursing otherwise available under the Medicaid State Plan. Providers are subject to the same qualifications as providers under the Medicaid State Plan.

17. **Specialized medical equipment and supplies** are those items necessary to maintain the participant's health, manage a medical or physical condition, improve functioning or enhance independence. Items or devices provided must be of direct medical or remedial benefit to the participant. Allowable items devices or supplies may include incontinence supplies, wound dressings, IV or life support equipment, orthotics, nutritional supplements, vitamins, over the counter medications and skin conditioning lotions/lubricants. Additionally allowable items may include books and other therapy aids that are designed to augment a professional therapy or treatment plan. Room air conditioners, humidifiers and water treatment systems may be allowable when needed to support a participant's health and safety outcomes.

18. **Specialized transportation** is the provision of services or items which permit an individual to gain access to community services, activities and resources. This service may consist of items such as tickets or other fare medium or services where the provider directly conveys a participant and her or his attendant, if any, to destinations.

19. **Support broker** is an individual who assists a participant in planning securing and directing self-directed supports. The services of a support broker are paid for from the participant's self-directed supports budget authority. Service brokers are subject to criminal background checks and must be independent of any other waiver service provider. A support broker shall be knowledgeable of the local service delivery system and local community-integrated services and resources available to the participant. A support broker shall also be knowledgeable of the typical kinds of needs of persons in the participant's target group. The participant and interdisciplinary team are responsible to assure that a support broker selected by the participant has the appropriate knowledge.

20. **Supportive home care (SHC)** is the provision of services to directly assist persons with daily activities and personal needs to meet their daily living needs and to insure adequate functioning in their home. Services include:

    a. Hands-on assistance with activities of daily living such as dressing/undressing, bathing, feeding, toileting, assistance with ambulation (including the use of a walker, cane, etc.), care of hair and care of teeth or dentures. This can also include preparation and cleaning of areas used during personal care activities such as the bathroom and kitchen.

    b. Observation of the participant to assure safety, oversight direction of the participant to complete activities of daily living, instrumental activities of daily living, or companionship for the participant (excluding hands-on care).

    c. Routine housecleaning and housekeeping activities performed for a participant consisting of tasks that take place on a daily, weekly or other regular basis, including: washing dishes, laundry, dusting, vacuuming, meal preparation and shopping for food and similar activities that do not involve hands-on care of the participant.

d. Intermittent major household tasks that must be performed seasonally or in response to some natural or other periodic event. They include: outdoor activities such as yard work and snow shoveling; indoor activities such as window washing, cleaning of attics and basements, cleaning of carpets, rugs and drapery, and refrigerator/freezer defrosting; and the necessary cleaning of vehicles, wheelchairs and other adaptive equipment and home modifications such as ramps.

An unrelated live-in caregiver may provide any or all of the types of supportive home care services. Payment of an unrelated live-in caregiver may be reduced by the value of room and board in accordance with any applicable wage and hour laws.

B. Medicaid State Plan Services – Family Care Benefit Package

The following Medicaid State Plan long-term care services defined in ch. DHS 107, Wis. Admin. Code, with specific service definitions as noted in the reference(s) following each service are included in the Family Care Benefit Package. MCOs will determine which services require prior authorization and use the member-centered planning process to define the service limitations, rather than using the requirements in DHS 107. For informational purposes, information about specific services is found in the BadgerCare Plus and Medicaid handbooks at: https://www.forwardhealth.wi.gov/WIPortal/Online%20Handbooks/Display/tabid/152/Default.aspx

1. **AODA day treatment** services as defined in DHS 107.13 (in all settings)
2. **AODA** services as defined in DHS 107.13 (not inpatient or physician provided)
3. **Case management** as defined in DHS 107.32 (includes assessment and care planning)
4. **Community support program** as defined in DHS 107.13 (6)
5. **Durable medical equipment** and **medical supplies** as defined in DHS 107.24 (except hearing aids, prosthetics and family planning supplies)
6. **Home health** as defined in DHS 107.11
7. **Mental health day treatment** services as defined in DHS 107.13 (in all settings)
8. **Mental health** services as defined in DHS 107.13 (not inpatient or physician provided)
9. **Nursing home** services as defined in DHS 107.09 including ICF/MR and IMD. Inpatient services are not covered for IMD residents between the ages of 21 years and 64 years of age, except that services may be provided to a 21 year old resident of an IMD if the person was a resident immediately prior to turning 21 and continues to be a resident after turning 21.

   Nursing home services include coverage of 95% of the MCO's nursing home daily rate for MCO members who are in hospice and reside in nursing homes,

excluding those members who are receiving nursing home hospice respite services for less than 5 day stays in a nursing home.

10. **Nursing** services as defined in DHS 107.11, 107.113 and 107.12 (including respiratory care, intermittent and private duty nursing)
11. **Occupational therapy** as defined in DHS 107.17 (in all settings except inpatient hospital)
12. **Personal care** services as defined in DHS 107.112
13. **Physical therapy** as defined in DHS 107.16 (in all settings except inpatient hospital)
14. **Speech/language pathology** as defined in DHS 107.18 (in all settings except inpatient hospital)
15. **Transportation** services as defined in DHS 107.23 (except ambulance and common carrier)

C. Medicaid State Plan Services – Partnership and PACE Benefit Packages

The following Medicaid State Plan long-term care and health care services defined in ch. DHS 107, Wis. Admin. Code, with specific service definitions as noted in the reference(s) following each service and Medicare Deductibles are included in the Partnership and PACE Benefit Packages. MCOs will determine which services require prior authorization and use the member-centered planning process to define the service limitations, rather than using the requirements in DHS 107. For informational purposes, information about specific services is found in the BadgerCare Plus and Medicaid handbooks at: https://www.forwardhealth.wi.gov/WIPortal/Online%20Handbooks/Display/tabid/152/Default.aspx

** Long-term care services*

1. **AODA day treatment** services as defined in DHS 107.13 (in all settings)*
2. **AODA** services as defined in DHS 107.13 (in all settings)*
3. **Ambulatory prenatal** services for recipients with presumptive eligibility as defined in DHS 107.33
4. **Ambulatory surgical center** services as defined in DHS 107.30
5. **Anesthesiology** services as defined in DHS 107.065
6. **Audiology** services as defined in DHS 107.19
7. **Blood** as defined in DHS 107.27
8. **Case management** services as defined in DHS 107.32 (includes assessment and care planning)*
9. **Chiropractic** services as defined in DHS 107.15
10. **Community support program** as defined in DHS 107.13 (6)*

11. **Dental** services as defined in DHS 107.07
12. **Diagnostic testing** services as defined in DHS 107.25
13. **Dialysis** services as defined in DHS 107.26
14. **Drugs** as defined in DHS 107.10
15. **Durable medical equipment** and **medical supplies** as defined in DHS 107.24*
16. **Early and periodic screening, diagnosis and treatment (EPSDT)** services as defined in DHS 107.22
17. **End-of-life** services for PACE
18. **Family planning** services as defined in DHS 107.21
19. **Home health** services as defined in DHS 107.11*
20. **Hospice care** services as defined in DHS 107.31 for Partnership
21. **Hospital** services as defined in DHS 107.08. Under DHS 107.08(4) and 107.13(1)(f) inpatient services are not covered for IMD residents between the ages of 21 years and 64 years of age, except that services may be provided to a 21 year old resident of an IMD if the person was a resident immediately prior to turning 21 and continues to be a resident after turning 21.
22. **Independent nurse practitioner** services as defined in DHS 107.122
23. **Medicare deductible and coinsurance** amounts – for a dual eligible Partnership member, the MCO shall pay any deductible or coinsurance identified in DHS 107.02 (1) (b) that Medicaid pays for fee-for-service Medicaid recipients.
24. **Mental health day treatment** services as defined in DHS 107.13 (in all settings)*
25. **Mental health** services as defined in DHS 107.13 (in all settings)*
26. **Nurse-midwife** services as defined in DHS 107.121
27. **Nursing home** services as defined in DHS 107.09 including ICF/MR and IMD. Inpatient services are not covered for IMD residents between the ages of 21 years and 64 years of age, except that services may be provided to a 21 year old resident of an IMD if the person was a resident immediately prior to turning 21 and continues to be a resident after turning 21.*
28. **Nursing** services as defined in DHS 107.11, 107.113 and 107.12 (including respiratory care, intermittent and private duty nursing)*
29. **Occupational therapy** as defined in DHS 107.17 (in all settings)*
30. **Personal care** services as defined in DHS 107.112*
31. **Physical therapy** as defined in DHS 107.16 (in all settings)*
32. **Physician** services as defined in DHS 107.06.
33. **Podiatry** services as defined in DHS 107.14

34. **Prenatal care coordination** services as defined in DHS 107.34
35. **Private duty nursing** services as defined in DHS 107.12
36. **Respiratory care** for ventilator-assisted recipients as defined in DHS 107.113
37. **Rural health clinic** services as defined in DHS 107.29
38. **School-based** services as defined in DHS 107.36
39. **Speech and language pathology** services as defined in DHS 107.18 (in all settings)*
40. **Transportation** as defined in DHS 107.23 (all types)*
41. **Vision care** services as defined in DHS 107.20

Note: Services defined under s. 49.46(2), Wis. Stats., and ch. DHS 107 Wis. Admin. Code, may be further clarified in all Wisconsin Medicaid Program Provider Handbooks and Updates, MCO Contract Interpretation Bulletins (CIBs) and as otherwise specified in this contract.