

Three-Way Contract for Capitated Model

Contract

Between

United States Department of Health and Human Services

Centers for Medicare & Medicaid Services

In Partnership with

The Commonwealth of Massachusetts

and

Tufts Health Public Plans, Inc.

Effective August 1, 2020

This Contract, effective July 16, 2013, and amended by addendum effective September 10, 2014 and January 7, 2015; amended and restated effective December 28, 2015; further amended by addendum effective July 5, 2016 and June 11, 2018; further amended and restated effective April 1, 2019; and further amended by addendum effective August 1, 2019, is hereby amended by addendum effective August 1, 2020, and is between the United States Department of Health and Human Services, acting by and through the Centers for Medicare & Medicaid Services (CMS), the Commonwealth of Massachusetts, acting by and through the Executive Office of Health and Human Services (EOHHS) and Tufts Health Public Plans, Inc. (the Contractor). The Contractor's principal place of business is 705 Mount Auburn Street, Watertown, MA 02472.

WHEREAS, CMS is an agency of the United States, Department of Health and Human Services, responsible, in relevant part, for the administration of the Medicare, Medicaid, and State Children's Health Insurance Programs under Title XVIII, Title IX, Title XI, and Title XXI of the Social Security Act;

WHEREAS, the Massachusetts Executive Office of Health and Human Services is an agency responsible for operating a program of medical assistance under 42 U.S.C. § 1396 et. seq., and M.G.L. c. 118E, designed to pay for medical services for eligible individuals;

WHEREAS, the Contractor is in the business of providing medical services, and CMS and the Massachusetts Executive Office of Health and Human Services desire to purchase such services from the Contractor;

WHEREAS, the continued provision of covered services contributes to the health and welfare of Enrollees;

WHEREAS, in accordance with **Section 5.8.1** of the Contract, EOHHS and the Contractor desire to amend the Contract;

WHEREAS, in light of the state of emergency declared in the Commonwealth due to the 2019 novel Coronavirus outbreak, the term of the Contract is being extended pursuant to 801 CMR 21.05(5)(b) for the period necessary for EOHHS to complete its new procurement for the services set forth in the Contract;

WHEREAS, the Contractor agrees to furnish these services in accordance with the terms and conditions of this Contract and in compliance with all federal and State laws and regulations;

NOW, THEREFORE, in consideration of the mutual promises set forth in this Contract, the parties agree as follows:

1. This Addendum deletes and replaces the definition for “Demonstration Year” in **Section 1.36** with the following **Section 1.36**:

“**Demonstration Year** — Demonstration Year 1 runs from the first Effective Enrollment Date through December 31, 2014; Demonstration Year 2 runs from January 1, 2015 through December 31, 2015; Demonstration Year 3 runs from January 1, 2016 through December 31, 2016; Demonstration Year 4 runs from January 1, 2017 through December 31, 2017; Demonstration Year 5 runs from January 1, 2018 through December 31, 2018; Demonstration Year 6 runs from January 1, 2019 through December 31, 2019, Demonstration Year 7 runs from January 1, 2020 through December 31, 2020, and Demonstration Year 8 runs from January 1, 2021 through December 31, 2021.”

2. This Addendum deletes and replaces the language in **Subsection 4.1.2** with the following **Subsection 4.1.2**:

“B. Demonstration Year Dates

Capitation Rate updates will take place on January 1st of each calendar year. However, savings percentages and quality withhold percentages (see Sections 4.3.4 and 4.4.5) will be applied based on Demonstration Years, as follows:

| Demonstration Year | Calendar Dates |
|---------------------------|---|
| 1 | First Effective Enrollment Date – December 31, 2014 |
| 2 | January 1, 2015 – December 31, 2015 |
| 3 | January 1, 2016 – December 31, 2016 |
| 4 | January 1, 2017 – December 31, 2017 |
| 5 | January 1, 2018 – December 31, 2018 |
| 6 | January 1, 2019 – December 31, 2019 |
| 7 | January 1, 2020 – December 31, 2020 |
| 8 | January 1, 2021 – December 31, 2021 |

3. This Addendum deletes and replaces the language in **Subsection 4.3.4.1** with the following **Subsection 4.3.4.1**:

“4.3.4.1. Aggregate savings percentages will be applied equally unless otherwise specified, as follows, to the baseline spending amounts for the Medicare Parts A/B Component and the MassHealth Component of the capitated rate, provided that such savings percentages may be adjusted in accordance with Section 4.3.4.4.

4.3.4.1.1. Demonstration Year 1, as divided into the following two time periods:

4.3.4.1.1.1. First six months following the first Effective Enrollment Date: 0%

4.3.4.1.1.2. After the first six months following the first Effective Enrollment Date through December 31, 2014: 1%

4.3.4.1.2. Demonstration Year 2: 0%

4.3.4.1.3. Demonstration Year 3: 0%

4.3.4.1.4. Demonstration Year 4: 0.25%

4.3.4.1.5. Demonstration Year 5: 0.50%

4.3.4.1.6. Demonstration Year 6: 0.50%

4.3.4.1.7. Demonstration Year 7: 0.50%, unless a Commonwealth of Massachusetts state of emergency related to COVID-19 is in effect on or after May 15, 2020, including but not limited to the Commonwealth state of emergency declared via Executive Order No. 591. If such a Commonwealth state of emergency is in effect at any point during the period from May 15, 2020 through December 31, 2020, EOHHS may retroactively revise the savings percentage for the MassHealth Component of the capitated rate for the entirety of Demonstration Year 7 to a percentage not to exceed 0.50%.

4.3.4.1.8. Demonstration Year 8: 0.75% for the Medicare A/B Component of the capitated rate, and 0.50% for the MassHealth Component, unless a Commonwealth of Massachusetts state of emergency related to COVID-19 is in effect on or after September 1, 2020, including but not limited to the Commonwealth state of emergency declared via Executive Order No. 591. If such a Commonwealth state of emergency is in effect at any point during the period from September 1, 2020 through December 31, 2020, the Demonstration Year 8 savings percentage for both the Medicare A/B Component and the MassHealth Component of the capitated rate will be 0.50%.

4. This Addendum deletes and replaces the language in **Subsection 4.4.5.6** with the following **Subsection 4.4.5.6**:

“4.4.5.6. Withhold Measures in Demonstration Years 2 - 8

4.4.5.6.1. The quality withhold will be 0% in Demonstration Year 2 and 1% in Demonstration Year 3.

4.4.5.6.2. The quality withhold will be 1.25% in Demonstration Year 4, 1.50% for Demonstration Year 5, and 1.75% in Demonstration Years 6 - 8.

4.4.5.6.3. Payment will be based on performance on the quality withhold measures listed in Figure 4.2, below. The Contractor must report these measures

according to the prevailing technical specifications for the applicable measurement year.

4.4.5.6.4. If the Contractor is unable to report at least three of the quality withhold measures listed in Figure 4.2 for a given year due to low enrollment or inability to meet other reporting criteria, alternative measures will be used in the quality withhold analysis. Additional information about this policy is available in separate technical guidance.

4.4.5.6.5. For Demonstrations Years 6, 7, and/or 8, CMS and EOHHS in their sole discretion may provide flexibilities via administrative guidance to the quality withhold measures listed in Figure 4.2 related to COVID-19 impacts.

Figure 4.2: Quality Withhold Measures for Demonstration Years 2 through 8

| Measure | Measure Steward/Data Source | CMS Core Withhold Measure | State-Specified Withhold Measure |
|--|-----------------------------|---------------------------|----------------------------------|
| Getting Appointments and Care Quickly (for DY 2 only) | AHRQ/CAHPS | X | |
| Customer Service (for DY 2 only) | AHRQ/CAHPS | X | |
| Plan all-cause readmissions | NCQA/HEDIS | X | |
| Annual flu vaccine | AHRQ/CAHPS | X | |
| Follow-up after hospitalization for mental illness | NCQA/HEDIS | X | |
| Controlling blood pressure | NCQA/HEDIS | X | |
| Part D medication adherence for diabetes medications | CMS/PDE Data | X | |
| Initiation and engagement of alcohol and other drug dependence treatment | NCQA/HEDIS | | X |
| Adults' access to preventive/ambulatory health services (starting in DY 3) | NCQA/HEDIS | | X |
| Encounter data (starting in DY 3) | CMS defined process measure | X'' | |

5. In **Subsection 4.7.1** this Addendum deletes the sentence “Risk corridors will be established for Demonstration Years 1 through 7.” and replaces it as follows:

“Risk corridors will be established for Demonstration Years 1 through 8.”

6. In **Subsection 4.7.3.3.4**, this Addendum revises the sentence “Demonstration Years 6 and 7” to read:

“Demonstration Years 6 - 8”.

7. In **Subsection 4.7.3.4.4**, this Addendum revises the sentence “Demonstration Years 6 and 7” to read:

“Demonstration Years 6 - 8.”.

8. This Addendum deletes and replaces the language in **Subsection 5.7.1** with the following **Subsection 5.7.1**:

“5.7.1 Contract Term

This Contract shall be in effect through December 31, 2021, and, so long as the Contractor has not provided CMS with a notice of intention not to renew, and CMS/EOHHS have not provided the Contractor with a notice of intention not to renew, pursuant to 42 C.F.R. § 422.506 or Section 5.5 above, may be renewed in one year terms subject to CMS/EOHHS approval.”

9. This Addendum deletes and replaces the language in Appendix P with the following Appendix P:

“Appendix P – Additional Medicare Waivers

In addition to the waivers granted for the One Care Demonstration in the MOU, CMS hereby waives:

P1. Section 1860-D1 of the Social Security Act, as implemented in 42 C.F.R. § 423.38(c)(4)(i), and extend Sections 1851 (a), (c), (e), and (g) of the Social Security Act, as implemented in 42 C.F.R. Part 422, Subpart B only insofar as such provisions are inconsistent with allowing dually eligible beneficiaries to change enrollment on a monthly basis.

P2. Section 1851(d) of the Social Security Act and the implementing regulations at 42 C.F.R. § 422, Subpart C, only insofar as such provisions are inconsistent with the network adequacy processes provided under the Demonstration.”

In Witness Whereof, CMS, EOHHS, and the Contractor have caused this Agreement to be executed by their respective authorized officers:

Thomas Crosswell (Date)

President

Tufts Health Public Plans, Inc.

This page intentionally left blank.

In Witness Whereof, CMS, EOHHS, and the Contractor have caused this Agreement to be executed by their respective authorized officers:

Shantrina Roberts

(Date)

Deputy Director, Division of Managed Care Operations

Centers for Medicare & Medicaid Services

United States Department of Health and Human Services

This page intentionally left blank.

In Witness Whereof, CMS, EOHHS, and the Contractor have caused this Agreement to be executed by their respective authorized officers:

Kathryn Coleman (Date)

Director

Medicare Drug & Health Plan Contract Administration Group

Centers for Medicare & Medicaid Services

United States Department of Health and Human Services

This page intentionally left blank.

In Witness Whereof, CMS, EOHHS, and the Contractor have caused this Agreement to be executed by their respective authorized officers:

Daniel Tsai (Date)

Deputy Secretary

Executive Office of Health and Human Services

Commonwealth of Massachusetts

This page intentionally left blank.