

**STATE OF IDAHO  
Contract Amendment**

**CONTRACT NO.:** RC070800

**CONTRACT AMENDMENT NO.:** 8

**CONTRACTOR'S FEDERAL I.D.NO.:** 94264909700

**RFP NO.:** RRF01103 / RFP02482

**CONTRACT PURCHASE ORDER NO.:** CPO02571

**CFDA NUMBER AND TITLE:**

**DUNS NUMBER:**

This Contract Amendment is entered into by the State of Idaho, Department of Health and Welfare, hereinafter referred to as the **DEPARTMENT**, and **UNITED BEHAVIORAL HEALTH**, hereinafter referred to as the **CONTRACTOR**. The effective date of the original contract was **04/24/2013**. The expiration date of the contract as amended is **06/30/2021**.

**ADDITIONAL SERVICES/PROVISIONS/DELIVERABLES:**

Amending the Cost/Billing Procedure to include the State Fiscal Year 2020 Per Member Per Month rates.

The following amended Attachments are hereby incorporated and made a part of this Agreement:

Cost/Billing Procedure

**AMENDMENT AMOUNT** \$171,019,917.45

**CONTRACT MONITOR:** Elizabeth Henstock

**CONTRACT MANAGER:** Sara Stith

THIS AGREEMENT is an amendment of the original contract between the Contractor and the Department.

(AMD 8) WHEREAS, the Contractor and the Department desire to further amend the contract as set forth in this amendment to reflect changes in the Cost/Billing Procedure; and

WHEREAS, the Department is legally authorized to enter into this agreement by power granted by Title 56, Chapter 10, of the Idaho Code; and

WHEREAS, the Contractor has been determined qualified and available to continue the provision of services for the time period covered by this Agreement; and

NOW THEREFORE, in consideration of the above recitals and the mutual covenants set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Contractor and the Department do hereby agree as follows:

The parties hereby agree that all other provisions of the original contract, with the exception of the amendments as provided herein, shall remain in force during the period covered by this Agreement.

IN WITNESS WHEREOF, the Department and the Contractor have executed this Agreement.

CONTRACTOR:

Optum  
Name of Organization

Timothy Wicks  
Name of Signature Authority (printed)

Optum, Chief Financial Officer  
Title

  
Signature

1/13/2020  
Date

Mailing Address:

11000 Optum Circle, MN 101-W015  
Eden Prairie, MN 55344

952-205-1001  
Telephone No.

Contract Number: RC070800

STATE OF IDAHO:

Department of Health and Welfare  
Name of Organization

Valarie Carlson, Division of Operational Services  
Name of Signature Authority (printed)

Grants/Contracts Management Supervisor  
Title

Valarie Carlson  
Signature

1/14/2020  
Date

Mailing Address:

P.O. Box 83720

Boise, ID 83720-0036

208-334-5831  
Telephone No.

Division of Purchasing  
Name of Signature Authority

Arianne Quignon, Purchasing Officer  
Title

Arianne Quignon  
Signature

1/21/2020  
Date

Mailing Address:

650 W. State St. Rm B-15

Boise, ID 83702

Telephone No.

## Cost/Billing Procedure Amendment 8

**Cost:**

This is a FIRM FIXED FEE, INDEFINITE QUANTITY contract for services specified in the Scope of Work and Attachment 6 - Technical Requirements.

**(AMD 8)** The Department will pay the Contractor up to the total sum of **ONE BILLION THIRTY-EIGHT MILLION SIX HUNDRED THIRTY FIVE THOUSAND EIGHT HUNDRED FIFTY DOLLARS AND EIGHTY SEVEN CENTS (\$1,038,635,850.87)** for services satisfactorily performed and authorized under the contract as defined in the cost matrix below plus any incentives related to Scope of Work XXXIX.

The initial PMPM proposed cost, which includes administrative costs, is effective for the first four (4) years of the contract. The IDHW will conduct actuarial analyses after the first four (4) years of the contract. The IDHW shall have the option to renew the contract for two (2) additional two (2) year periods. In accordance with 42 CFR § 438, rates may be adjusted to maintain actuarial soundness on an annual basis.

For payment purposes, the most current eligible enrollee count is based on the number of eligible enrollees as of the first (1st) day of the contract month multiplied by the Total PMPM cost in the Cost Matrix below.

### Rate Certifications (AMD 8)

PMPM			Date	
Dual	Non-Dual	Expansion	From:	To:
\$107.19	\$39.59	n/a	09/01/2013	06/30/2017
\$90.85	\$34.68	n/a	07/01/2017	06/30/2018
\$75.72	\$38.28** see below	n/a	07/01/2018	06/30/2019
\$73.17	\$38.78	\$44.70***	07/01/2019	06/30/2020

### COST MATRIX (AMD 8)

Item	PMPM Services Cost	PMPM Administrative Cost (must not exceed 15% of total PMPM cost)	Total PMPM Cost
Idaho Behavioral Health Plan -- Dual	\$62.19	\$10.98	\$73.17

Item	PMPM Services Cost	PMPM Administrative Cost (must not exceed 15% of total PMPM cost)	Total PMPM Cost
Idaho Behavioral Health Plan -- Non-Dual	\$32.96	\$5.82	\$38.78

Item	PMPM Services Cost	PMPM Administrative Cost (must not exceed 12% of total PMPM cost)	Total PMPM Cost
Idaho Behavioral Health Plan -- Expansion	\$39.34	\$5.36	\$44.70

**(AMD 8)** \*\*\*Effective 1/1/2020-6/30/2020 to align with Medicaid Expansion implementation. The Expansion PMPM Cost is being assessed at eighty-eight percent (88%) MLR, with twelve percent (12%) Administrative Cost. The Contractor will remit all funds below eighty-five percent (85%) of MLR to IDHW within thirty (30) days of submitting the final Annual BenEx Report. The Contractor will assume risk up to ninety-one percent (91%) of MLR. If MLR exceeds ninety-one (91%), the Department will pay the Contractor an amount necessary to result in a ninety-one percent (91%) MLR within thirty (30) days of submitting the final Annual BenEx Report. The Contractor agrees to notify the Department if the MLR exceeds ninety-one percent (91%) in a timely manner.

\*\*\$2.35 PMPM cost on an annual basis is expected to be needed from the CHIRA account for part of SFY19 (July 2018 - June 2019) and part of SFY20 (July 2019 - September 2019). Per SOW XL.6.a, these funds may be pulled from the CHIRA account by the Contractor as needed throughout the year. The Department will not request remittances from the CHIRA that would prevent the CHIRA portion PMPM cost being applied.

Original Contract	\$300,321,549.90
Amendment 1	\$0.00
Amendment 2	\$ 72,248,450.10
Amendment 3	\$186,268,768.88
Amendment 4 (1st 2-year Additional Contract Period)	\$306,777,164.54
Amendment 5	\$0.00
Amendment 6	\$0.00
Amendment 7	\$2,000,000.00
<b>Amendment 8</b>	<b>\$171,019,917.45</b>
<b>Total Contract Amount</b>	<b>\$1,038,635,850.87</b>

Quality Assurance Withhold and Incentive for Stabilization and Reduction of Behavioral Health Inpatient Costs:

The Contractor shall provide an array of outpatient services designed to prevent or limit the need for inpatient services. An initial withhold from the capitation rate for the non-dual population of five percent (5%) will be used as a quality assurance withhold. Six (6) months after the first year the Contractor has begun administering services, the IDHW will calculate the previous year expenditures and the prior year fee-for-service expenditures. The amounts are calculated on a PMPM basis.

If Medicaid does not experience an increase in behavioral health inpatient expenditures above its' historical trend rate of five percent (5%), the total amount of the withheld amount will be paid to the Contractor. Should Medicaid experience an increase in inpatient costs in an amount greater than its' anticipated trend rate of five percent (5%), the amount of the increase above the trend rate will be subtracted from the amount withheld from the PMPM on a dollar to dollar basis, up to the total of the withheld amount. Any remaining funds are then paid to the Contractor, to be added pro-rata (2/12ths of previous period and 10/12ths of the latest period in order to align with the state fiscal year) to the Annual Benefits Expense Report, in order to determine the amount of the quality assurance withhold to be designated as Community Health Initiatives. The withhold payment may be adjusted to ensure that rates remain actuarially sound, if necessary, to comply with 42 CFR § 438.4.

**(AMD 8)** THIS ITEM HAS BEEN REMOVED.

**Billing Procedure:**

The Contractor shall submit deliverables in accordance with established timelines. Per 42 CFR § 431.55(h) and 42 CFR § 438.808. FFP is not available for amounts expended for providers excluded by Medicare, Medicaid, or SCHIP.

Inquiries, invoices, and deliverables shall be submitted to:

Division of Medicaid  
Idaho Behavioral Health Program  
3232 Elder Street  
Boise, ID 83705  
Phone: (208) 364-1813  
Fax: (208) 364-1811  
E-mail: [Elizabeth.Henstock@dhw.idaho.gov](mailto:Elizabeth.Henstock@dhw.idaho.gov)