

Contract Summary Form

Master Agreement for Provision of Medical Safety Net Program Network Hospital Services

SUMMARY OF SIGNIFICANT CHANGES

1. Non-standard language provision – Mutual indemnification language has been inserted into the Indemnification and Insurance Paragraph of the Agreement, as reviewed and approved by County Counsel and Risk Management. See Risk Management Waiver Attachment J to ASR #18-000926.

SUBCONTRACTORS

This contract does not currently include subcontractors or pass through to other providers.

CONTRACT OPERATING EXPENSES

I. PAYMENTS TO CONTRACTING NETWORK HOSPITALS

A. Hospital Claims for Emergency Services and Outpatient Hospital Services

1. Upon approval of Hospital Claims for Emergency Services not resulting in an inpatient admission and Outpatient Hospital Services, the Intermediary shall make reimbursements for these claims at the following specified percentage of APR-DRGs or the CalOptima Medi-Cal fee-for-service rates, less the required co-payments to be collected by CONTRACTOR.

<u>Service</u>	<u>Contracting Hospitals</u>	<u>Contracting ED Hospitals</u>	<u>Non-Contracting Hospitals</u>
Medical	100%	75%	45%

2. Required co-payments to be collected by CONTRACTOR for these services are as follows:

a. For emergency department visits CONTRACTOR shall collect a three hundred dollar (\$300) co-payment from MSN Enrollees; provided, however, if the MSN Enrollee is admitted directly from the Emergency Room to CONTRACTOR's facility or lower level of care, including Recuperative Care, the co-payment for the emergency department visit shall be waived.

b. For Outpatient Hospital Services, including hospital based surgical center services and physical and occupational therapy services as may be authorized by the CCU as Post Stabilization Services, CONTRACTOR shall collect a twenty dollar (\$20) co-payment per visit; provided, however CONTRACTOR's co-payment shall be waived if there is a corresponding

professional co-payment due from the MSN Enrollee.

c. Regardless of the number of services or visits provided in a single day at CONTRACTOR's facility, only one (1) co-payment may be collected per day.

d. CONTRACTOR shall also attempt to collect co-payments from MSN Pending who subsequently become MSN Enrollees.

4. Inpatient Hospital services, including Emergency and Stabilization Services which result in the admission of an MSN Enrollee shall be reimbursed as specified in subparagraph B below. CONTRACTOR shall not be separately reimbursed for Emergency and Stabilization Services for MSN Enrollees directly admitted to CONTRACTOR's facility, as such reimbursement shall be deemed to be included in the reimbursement for inpatient care.

B. Hospital Claims for Inpatient Services

1. Reimbursement to CONTRACTOR for inpatient services shall be contingent upon ADMINISTRATOR's receipt of CONTRACTOR's Rate Certification Form. CONTRACTOR must reflect on the Rate Certification Form the payment mechanism that is in effect between CONTRACTOR and CalOptima at the time the Rate Certification Form is completed as follows:

a. For Period One, ADMINISTRATOR shall distribute, concurrently with this Agreement for signature, a Rate Certification Form which must be completed and returned in accordance with subparagraph III.I.1. of Exhibit A to this Agreement.

b. For Period Two, Period Three, Period Four, and Period Five, ADMINISTRATOR shall distribute a Rate Certification Form prior to the start of each Period. CONTRACTOR shall return the completed Rate Certification Form to ADMINISTRATOR within forty-five (45) calendar days of ADMINISTRATOR's delivery to CONTRACTOR, or HASC on behalf of CONTRACTOR, of the Rate Certification Form.

c. On the Rate Certification Form, CONTRACTOR shall certify if it contracts with CalOptima, and if so, that it contracts with CalOptima for one of the following reimbursement methods, as applicable to the Period:

1) On a fee-for-service basis: CONTRACTOR shall provide the Traditional CalOptima rate that is in effect as of July 1 of each period. ADMINISTRATOR shall direct the Intermediary to reimburse CONTRACTOR at one hundred percent (100%) of the Traditional CalOptima rate after ADMINISTRATOR validates the rate with CalOptima. Regardless of any subsequent negotiations between CONTRACTOR and CalOptima for reimbursement of services provided during any Period, the rate that is in effect as of the completion of the Rate Certification Form for each Period shall be the rate paid by the MSN Program for each Period.

2) Based on Diagnostic Related Groups (DRGs): ADMINISTRATOR shall direct the Intermediary to reimburse CONTRACTOR at one hundred percent (100%) of DRGs after ADMINISTRATOR validates the reimbursement method with CalOptima. Regardless of any subsequent negotiations between CONTRACTOR and CalOptima for reimbursement of

services provided during each Period, the rate that is in effect as of the completion of the Rate Certification Form shall be the rate paid by the MSN Program for each Period.

3) If CONTRACTOR's Rate Certification Form is not received by the deadlines specified for each Period, ADMINISTRATOR shall direct the Intermediary to reimburse CONTRACTOR at the last certified rate that ADMINISTRATOR has on file for CONTRACTOR. If no certified rate is on file for CONTRACTOR, one hundred percent (100%) of the Non-Contract Hospital Rate shall be used. In such instances, any change in the reimbursement rate to CONTRACTOR shall be effective upon receipt of Rate Certification Form and shall not be retroactive to the beginning of the applicable Period.

2. Reimbursement to Contracting ED Hospitals shall be made at seventy-five percent (75%) of the rates or method provided on the Rate Certification Form.

3. Any Hospital that does not become a Contracting ED Hospital or Contracting Network Hospital and elects to provide any Hospital Services to any MSN Patient shall be reimbursed by COUNTY at a rate equal to forty-five percent (45%) of APR-DRG, or the Non-Contract Hospital's most recent CalOptima negotiated per-diem rate, dependent upon information made available to the Intermediary or ADMINISTRATOR by the Non-Contract Hospital.

4. For all approved Hospital Claims for Inpatient Services, which may include Stabilization Services and Post Stabilization Services, the Intermediary shall deduct the amount of the required co-payments to be collected by CONTRACTOR from reimbursement due for these claims. Hospitals shall not be reimbursed for the day an MSN Enrollee is discharged unless the MSN Enrollee's admission and discharge occur on the same day.

a. If an MSN Enrollee requires admission to CONTRACTOR's facility, CONTRACTOR shall collect a flat three hundred dollar (\$300) co-payment for the admission, regardless of the MSN Patient's length of stay.

b. Transfers from Contracting ED Hospitals and Non-Contract Hospitals

1) If the transfer is directly from the emergency department of a Contracting ED Hospital or a Non-Contract Hospital, CONTRACTOR shall collect a flat three hundred dollar (\$300) co-payment for the admission, regardless of the MSN Patient's length of stay.

2) If the MSN Patient was admitted to a Contracting ED Hospital or Non-Contract Hospital and, following inpatient Stabilization Services, is being admitted to CONTRACTOR's facility, the co-payment shall be waived.

c. CONTRACTOR shall also attempt to collect co-payments from MSN Pending who subsequently become MSN Enrollees.

C. Implant Devices – This shall apply only to those Hospitals not reimbursed based on DRGs. DRG reimbursement is understood to include reimbursement of implants as applicable.

1. "Implant Device" means a medical device manufactured to replace a missing biological structure, support a damaged biological structure, or enhance an existing biological

structure which are allowed in accordance with the MSN Provider Manual or as may be authorized by ADMINISTRATOR, which authorization may be provided through the CCU.

2. CONTRACTOR and Contracting ED Hospitals shall be paid one hundred percent (100%) of the invoiced cost for Implant Devices. CONTRACTOR must submit a copy of its invoice for the Implant Device with the Claim to the Intermediary in order to receive reimbursement.

3. Non-Contract Hospitals shall be paid seventy percent (70%) of the invoiced cost for Implant Devices. Non-Contract Hospitals must submit a copy of its invoice for the Implant Device with the Claim to the Intermediary in order to receive reimbursement.

D. Recuperative Care

1. Hospital Claims for Recuperative Care shall be reimbursed at two hundred and twenty dollars (\$220) per day.

2. Non-Contract Hospitals shall not be reimbursed for Recuperative Care.

E. Reimbursement Limitations

1. For Emergency Services and Outpatient Hospital Services - No Contracting Network Hospital shall be reimbursed more than one hundred percent (100%) of CalOptima fee-for-service rates or Allowable Costs, less the required co-payments, whichever is less.

2. For inpatient Hospital Services – No Contracting Network Hospital shall be paid more than one hundred percent (100%) of the equivalent CalOptima reimbursement, or Allowable Costs, less applicable co-payments, whichever is less.

3. “Allowable Costs” means a maximum of one hundred percent (100%) of CONTRACTOR’s actual costs according to the most recent Hospital Annual Financial Data report issued by the Office of Statewide Health Planning and Development.

F. All Funds in accounts maintained by the Intermediary relating to the term of this Agreement, which funds are remaining after December 31 following each Fiscal Year, and all other payments required by this Agreement have been made, shall be, in whole or in part, returned to COUNTY by the Intermediary or rolled over to a subsequent Period as directed by ADMINISTRATOR.

G. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the Payments to Contracting Network Hospitals Paragraph of this Exhibit B to the Agreement.

II. PAYMENTS FOR OUTPATIENT PHARMACY SERVICES

A. If CONTRACTOR elects to be an outpatient pharmaceutical provider, CONTRACTOR shall bill COUNTY’s Pharmacy Benefits Manager and shall be reimbursed at rates to be negotiated by COUNTY with said Pharmacy Benefits Manager.

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B. Only products identified on the MSN formulary shall be reimbursed. Products available over the counter shall not be reimbursed, including those products for which the prescribed dosage can be achieved through an increased dosage of an over the counter medication.

C. Unless otherwise directed by ADMINISTRATOR, all pharmacy claims shall be submitted electronically to COUNTY's Pharmacy Benefits Manager.

D. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the Payments for Outpatient Pharmacy Services Paragraph of this Exhibit B to the Agreement.