

Exhibit C – Consideration

1. Payment Types and Rates

- a. In consideration of all the Work to be performed under this Contract, OHA will pay Contractor a monthly CCO Payment for each Member. Contractor shall be paid a CCO Payment only for Members who are enrolled with Contract according to OHA records. For Members that are enrolled mid-month CCO Payment will be prorated. OHA may withhold payment for new members when, and for so long as, OHA determines that Contractor meets the circumstances cited in 42 CFR 434.67.
- b. If Contractor has a contractual relationship with a designated Type A, Type B, or rural critical access hospital, the Contractor and each said hospital shall provide representations and warranties to OHA.
- c. In addition to the base CCO Payment rate paid to Contractor, OHA will pay a hospital reimbursement adjustment and a graduate medical education adjustment to the CCO Payment rate to Contractor in accordance with the CCO Payments calculation reflected in the rate schedule in Attachment 2 of this Exhibit C. Contractor shall distribute such hospital reimbursement adjustment and graduate medical education payment amounts to eligible hospitals located in Oregon that receive Medicare reimbursement based upon diagnostic related groups, in accordance with requirements established by OHA.

2. Changes in Payment Rates

The CCO Payment rate established in Attachment 2, to this Exhibit may be changed only by amendment to this Contract pursuant to Exhibit D, Section 20 of this Contract.

- a. Changes in the CCO Payment rate as a result of adjustments to the Service Area and/or to the Enrollment limit may be required pursuant to Exhibit B, Part 4, Section 2 of this Contract.
- b. The CCO Payments authorized to be paid under this Contract are based on the funded condition-treatment pairs on the Prioritized List of Health Services contained in OAR 410-141-2520 in effect on the date this Contract is executed, subject to the terms of this Contract.
 - (1) Pursuant to ORS 414.720, the Prioritized List of condition-treatment pairs developed by the HERS may be expanded, limited or otherwise changed. Pursuant to ORS 414.715 and 414.735, the funding line for the services on the Prioritized List may be changed by the Legislature.
 - (2) In the event that insufficient resources are available during this Contract period, ORS 414.735 provides that reimbursement shall be adjusted by eliminating services in the order of priority recommended by the HERS, starting with the least important and progressing toward the most important.
 - (3) Before instituting reductions in Covered Services pursuant to ORS 414.735, OHA is required to obtain the approval of the Legislative Assembly or the Emergency Board if the Legislative Assembly is not in session.
 - (4) In addition, OHA will notify Contractor at least two weeks prior to any legislative consideration of such reductions.

- (5) Adjustments made to the Covered Services pursuant to ORS 414.735 during this Contract year will be referred to the actuary who is under Contract with OHA for the determination of capitation rates. The actuary will determine any rate modifications required as the result of cumulative adjustments to the funded list of Covered Services based on the totality of the OHP rates for all Contractors (total OHP rates).
- (a) For changes made during the first year of the two year per capita cost period since the list was last approved by the Legislative Assembly or the Emergency Board, the actuary will consider whether changes are covered by the trend rate included in the existing total OHP capitation rate(s) and, thus, not subject to adjustment or are services moved from a non-covered service to a Covered Service.
 - (b) If the net result under Paragraph (5) or (5) (a) above for services subject to the adjustment is less than 1% of the total OHP rates, no adjustment to the CCO Payment rate(s) in Attachment 2, to this Exhibit will be made.
 - (c) If the net result under Paragraph (5) or (5) (a) above is 1% or greater of the total OHP rates, the CCO Payment rate(s) in Attachment 2, to this Exhibit will be amended pursuant to Exhibit D, Section 20 of this Contract.
 - (d) The assumptions and methodologies used by the actuary to determine whether the net result is more or less than 1% shall be made available to Contractor.
- (6) Notwithstanding the foregoing, Subsections b (1) through (5) do not apply to reductions made by the Legislative Assembly in a legislatively adopted or approved budget.

3. Timing of CCO Payments

- a. The date on which OHA will process CCO Payments for Contractor's Members depends on whether the Enrollment occurred during a weekly or monthly Enrollment cycle. OHA will provide a schedule of Enrollment end of month deadlines for each month of the Contract period. On months where the first of the month falls on a Friday, Saturday or Sunday, CCO Payments will be made available to the Contractor no later than the 11th day of the month to which such payments are applicable.
 - (1) Weekly Enrollment: For OHP Clients enrolled with Contractor during a weekly Enrollment cycle, CCO Payments will be made available to Contractor no later than two weeks following the date of Enrollment, except for those occurrences each year when the weekly and monthly Enrollment start date are the same day.
 - (2) Monthly Enrollment: For OHP Clients enrolled with Contractor during a monthly Enrollment cycle, CCO Payments shall be made available to Contractor by the 10th day of the month to which such payments are applicable, except for those occurrences each year when the weekly and monthly CCO Payments coincide with each other.
- b. Both sets of payments described in Subsection a, of this section shall appear on the monthly CCO Payment/Remittance Advice. To assist Contractor with Enrollment and CCO Payment/Remittance Advice reconciliation, OHA will include in the Enrollment transaction the original adjustment amount and the paid amount for each of Contractor's Members. The inclusion of this information does not ensure or suggest that the two transaction files will balance. If Contractor believes that there are any errors in the Enrollment information,

Contractor shall notify OHA. Contractor may request an adjustment to the Remittance Advice no later than 18 months from the affected Enrollment period.

- c. OHA will make retroactive CCO Payments to Contractor for any Member(s) erroneously omitted from the Enrollment transaction files. Such payments will be made to Contractor once OHA manually processes the correction(s).
- d. OHA will make retroactive Capitation Premium/Payments to Contractor for newborn Members. Such payments will be made to Contractor by the 10th day of the month after OHA adds the newborn(s).
- e. Services that are not Capitated Services provided to a Member or for any health care services provided to OHP Clients are not entitled to be paid as Capitated Premium/Payments. Fee-for-service Claims for payment must be billed directly to OHA by Contractor, its Subcontractors, or its Participating Providers, all of which must be enrolled with OHA in order to receive payment. Billing and payment of all fee-for-service Claims shall be pursuant to and under OAR Chapter 410, Division 120.

4. Settlement of Accounts

- a. If a Member is Disenrolled, any CCO Payments received by Contractor after the effective date of Disenrollment will be considered an overpayment and will be recouped by OHA from future CCO Payments.
- b. OHA will have no obligation to make any payments to Contractor for any period(s) during which Contractor fails to carry out any of the terms of this Contract.
- c. If Contractor requests, or is required by OHA, to adjust the Service Area or Enrollment limit or to transfer or reassign Members due to loss of Provider capacity or for other reasons, any delay in executing amendments or completing other Contract obligations pursuant to Exhibit B, Part 4, Section 2, Adjustments in Service Area or Enrollment, may result in recovery of CCO Payments to which Contractor was not entitled under the terms of this Contract.
- d. Any payments received by Contractor from OHA under this Contract, and any other payments received by Contractor from OHA, or any other source to which Contractor is not entitled under the terms of this Contract shall be considered an overpayment and shall be recovered from Contractor.
- e. Sanctions imposed that result in Recovery Amounts pursuant to Exhibit D, Section 32 through 35 of this Contract are subject to recovery and shall be recovered from Contractor.
- f. Any overpayment and/or Recovery Amount under Exhibit B, of this Contract may be recovered by recoupment from any future payments to which Contractor would be entitled from OHA, or pursuant to the terms of a written agreement with OHA, or by civil action to recover the amount. OHA may withhold payments to Contractor for amounts disputed in good faith and shall not be charged interest on any payments so withheld.
- g. OHA will recover from Contractor payments made to Contractor or to other Providers for sterilizations and hysterectomies performed where the Contractor failed to meet the requirements of Exhibit B, Part 1, Section 6, of this Contract, the amount of which will be calculated as follows:

- (1) Contractor shall, within 60 days of a request from OHA, provide OHA with a list of all Members who received sterilizations or hysterectomies, from Contractor or its Subcontractors during the Contract year and copies of the informed consent form or certification. OHA will be permitted to review the Medical Records of these individuals selected by OHA for purposes of determining whether Contractor complied with OAR 410-130-0580.
 - (2) By review of the informed consent forms, certifications, and other relevant Medical Records of Members, OHA will determine for the Contract year the number of sterilizations and hysterectomies provided or authorized by Contractor or its Subcontractors that did not meet the requirements of Exhibit B, Part 1, Section 6, of this Contract.
 - (3) Sterilizations and hysterectomies that Contractor denies for payment shall not be included in the recoupment calculation, however, they must be reported in the submission. The report of these sterilizations and hysterectomies must be accompanied by a signed statement certifying that Contractor did not make payment for the surgery or any services, which are specifically related to the procedure.
 - (4) The number of vasectomy, tubal ligation, and hysterectomy procedures that do not meet the documentation requirements of Exhibit B, Part 1, Section 6, of this Contract, shall be multiplied by the assigned “value of service”.
 - (5) “Value of service” for vasectomy, tubal ligation, and hysterectomy means the OHP amount calculated by OHA’s internal actuarial unit for each category of service using the encounter data.
 - (6) The results of Paragraph (4) of this subsection will be totaled to determine Contractor’s overpayment for hysterectomies and sterilizations subject to recovery pursuant to Exhibit C, Section 4, Subsection f, of this Contract.
 - (7) The final results of the review will be conveyed to Contractor in a timely manner within 90 days of determination.
- h.** The requirements of this section expressly survive the termination of this Contract, and shall not be affected by any amendment to this Contract, even if amendment results in modification or reduction of Contractor’s Service Area or Enrollment. Termination, modification, or reduction of Contractor’s Service Area does not relieve Contractor of its obligation to submit sterilization/hysterectomy documentation for dates of service applicable to Service Areas while they were paid a CCO Payment under this Contract, nor does it relieve Contractor of the obligation to repay overpayment amounts or Recovery Amounts under this section.
- i.** Notwithstanding anything set forth elsewhere in this Exhibit C, Contractor shall be paid the supplemental payments described in Exhibit B, Part 4, Section 6, for distribution to Patient Centered Medical Home clinics. Such supplemental payments shall be considered Payments within the meaning of the Contract.

Exhibit C – Consideration - Attachment 1 – Calculation of CCO Payments

Global Payment Rate Methodology

OHA has developed actuarially set Adjusted Per Capita Costs (Capitation Rates) to reimburse plans for providing the Covered Services. A full description of the methodology used to calculate per capita costs may be found in the OHA document _____, dated _____, which is by this reference incorporated herein.

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Exhibit C – Consideration - Attachment 2 – CCO Payment Rates

(Specific Plan Rates)

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