



## UTAH DEPARTMENT OF HEALTH CONTRACT

PO Box 144003, Salt Lake City, Utah 84114  
288 North 1460 West, Salt Lake City, Utah 84116

1603903  
Department Log Number

162700717  
State Contract Number

1. **CONTRACT NAME:** The name of this contract is CHIP -- DentaQuest.
2. **CONTRACTING PARTIES:** This contract is between the Utah Department of Health (DEPARTMENT) and the following CONTRACTOR:

**PAYMENT ADDRESS**

DENTAQUEST USA INSURANCE CO INC  
465 MEDFORD ST  
BOSTON MA, 02129-1426

**MAILING ADDRESS**

DENTAQUEST USA INSURANCE CO INC  
465 MEDFORD ST  
BOSTON MA, 02129-1426

**Vendor ID:** VC196400

**Commodity Code:** 94842

3. **GENERAL PURPOSE OF CONTRACT:** The general purpose of this contract is to provide dental services under the Title XXI Children's Health Insurance Program (CHIP) for children in Salt Lake, Utah, Weber and Davis counties who meet the enrollment criteria..
4. **PROCUREMENT:** This contract is entered into as a result of Other Exemption
5. **CONTRACT PERIOD:** The service period of this contract is 10/01/2015 through 06/30/2017, unless terminated or extended by agreement in accordance with the terms and conditions of this contract.
6. **CONTRACT AMOUNT:** The DEPARTMENT agrees to pay \$4,800,000.00 in accordance with the provisions of this contract. This contract is funded with 100% federal funds, 0% state funds, and 0% other funds. The CFDA # is 93.767 and relates to the federal funds provided.
7. **CONTRACT INQUIRIES:** Inquiries regarding this Contract shall be directed to the following individuals:

**CONTRACTOR**

Nancy McEwen  
[REDACTED]  
[REDACTED]

**DEPARTMENT**

Medicaid and Health Financing  
Managed Health Care  
Trevor Smith  
[REDACTED]  
[REDACTED]

8. REFERENCE TO ATTACHMENTS INCLUDED AS PART OF THIS CONTRACT:

Attachment A: Utah Department of Health General Provisions

Attachment B: Special Provisions

Attachment C: Covered Services

Attachment D: Rates

Attachment E: Cost and Utilization

9. DOCUMENTS INCORPORATED INTO THIS CONTRACT BY REFERENCE BUT NOT ATTACHED:

A. All other governmental laws, regulations, or actions applicable to services provided herein.

B. All Assurances and all responses to bids as provided by the CONTRACTOR.


10. This contract, its attachments, and all documents incorporated by reference constitute the entire agreement between the parties and supersedes all prior written or oral agreements between the parties relating to the subject matter of this contract.

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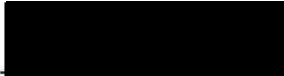
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IN WITNESS WHEREOF, the parties enter into this agreement.

**CONTRACTOR**

By:  3/28/16  
Date  
Senior VP of Client &  
Provider Engagement  
Senior VP of Client &  
Provider Engagement  
EVP/CFO

**STATE**

By:  4/18/2016  
Date  
Shari A. Watkins, C.P.A.  
Director, Office Fiscal Operations

## Attachment A

### UTAH DEPARTMENT OF HEALTH GENERAL PROVISIONS

#### I. CONTRACT DEFINITIONS

The following definitions apply in these general provisions:

"Assign" or "Assignment" means the transfer of all rights and delegation of all duties in the contract to another person.

"Business" means any corporation, partnership, individual, sole proprietorship, joint stock company, joint venture, or any other private legal entity.

"This Contract" means this agreement between the Department and the Contractor, including both the General Provisions and the Special Provisions.

"The Contractor" means the person who delivers the services or goods described in this Contract, other than the state or the Department.

"The Department" means the Utah Department of Health.

"Director" means the Executive Director of the Department or authorized representative.

"Equipment" means an article of nonexpendable, tangible, personal property having a useful life of more than one year and an acquisition cost which equals the lesser of (a) the capitalization level established by the Contractor for financial purposes, or (b) \$5,000.00, unless a different definition or amount is set forth in the Special Provisions or specific Department Program policy as described in writing to Contractor.

"Federal law" means the constitution, orders, case law, statutes, rules, and regulations of the federal government.

"General provisions" means those provisions of this contract which are set forth under the heading "General Provisions."

"Governmental entity" means a federal, state, local, or federally-recognized Indian tribal government, or any subdivision thereof.

"Individual" means a living human being.

"Local health department" means a local health department as defined in § 26A-1-102, Utah Code Annotated, 1953 as amended ("UCA").

"Non-governmental entity" means a privately held non-profit or for profit organization not classified as a "governmental entity."

"Person" means any governmental entity, business, individual, union, committee, club, other organization, or group of individuals.

"Recipient" means an individual who is eligible for services provided by the Department or by an authorized contractor of the Department under the terms of this contract.

"Services" means the furnishing of labor, time, or effort by a contractor, not involving the delivery of a specific end product other than reports which are merely incidental to the required performance.

"Special provisions" means those provisions of this contract which are in addition to the general provisions and which more fully describe the goods or services covered by this contract.

"State" means the State of Utah.

"State law" means the constitution, orders, case law, statutes, and rules, of the state.

"Subcontract" means any signed agreement between the Contractor and a third party to provide goods or services for which the Contractor is obligated, except purchase orders for standard commercial equipment, products, or services.

"Subcontractor" means the person who performs the services or delivers the goods described in a subcontract.

## II. AUTHORITY

UCA 63G-6a-101 et. seq., UCA Titles 26 and 26A et. seq., and related statutes authorize the Department to enter into this Contract. The Contractor represents that it has the institutional, managerial, and financial capability to ensure proper planning, management, and completion of the project or services described in this Contract.

## III. MISCELLANEOUS PROVISIONS

1. For reference clarity, as used in these General Provisions: "ARTICLE" refers to a major topic designated by capitalized roman numerals; "SECTION" refers to the next lower numbered heading designated by arabic numerals, and "SUBSECTIONS" refers to the next two lower headings designated by lower case letters and lower case roman numerals.

2. These provisions distinguish between two contractor types: Governmental and non-governmental. Unspecified text applies to both types. Type-specific statements appear in bold print (e.g., non-governmental entities only).

3. Once signed by the Director and the State Division of Finance, when applicable, and the State Division of Purchasing, when applicable, this Contract becomes effective on the date specified in this Contract. Changes made to the unsigned Contract document shall be initialed by both persons signing this Contract on page one. Changes made to this Contract after the signatures are made on page one may only be made by a separate written amendment signed by persons authorized to amend this Contract.

4. Neither party may enlarge, modify, reduce the terms, scope of work, nor dollar amount in this Contract, except by written amendment as provided in section 4.

5. This Contract and the contracts that incorporate its provisions contain the entire agreement between the Department and the Contractor. Any statements, promises, or inducements made by either party or the agent of either party which are not contained in the written Contract or other contracts are not valid or binding.

6. The Contractor shall comply with all applicable laws regarding federal and state taxes, unemployment insurance, disability insurance, and workers' compensation.

7. To protect against liability, loss and/or expense in connection with the performance of services described under this Contract, the Contractor shall obtain and maintain in force during the entire period of this Contract without interruption, at its own expense, insurance as listed below from insurance companies authorized to do business in the State of Utah. If the solicitation document has qualification requirements for the financial stability of the insurance company, these requirements must be met. The following are minimum coverages that may be supplemented by additional requirements contained in the solicitation for this Contract or provided in an Attachment to this Contract:

- (1) Worker's Compensation Insurance and Employers' Liability Insurance. Worker's compensation insurance shall cover full liability under the worker's compensation laws of the jurisdiction in which the service is performed at the statutory limits required by said jurisdiction.

(2) General Liability Insurance. Contractor must carry insurance with policy limits no less than one million per incident and three million in the aggregate. Contractor must provide proof of insurance to State and must add State as an additional insured with notice of cancellation.

(3) Professional liability insurance in the amount as described in the solicitation for this Contract, if applicable.

(4) Any other insurance described in the solicitation for this Contract, if applicable.

Any type of insurance or any increase of limits of liability not described in this Contract which the Contractor requires for its own protection or on account of any statute, rule, or regulation shall be its own responsibility, and shall be provided at Contractor's own expense. The carrying of insurance required by this Contract shall not be interpreted as relieving the Contractor of any other responsibility or liability under this Contract or any applicable law, statute, rule, regulation, or order.

8. The Contractor is an independent contractor having no authorization, express or implied, to bind the Department to any agreement, settlement, liability, or understanding whatsoever, and agrees not to perform any acts as an agent for the Department except as this contract allows. Compensation as stated by this contract shall be the total amount payable to the Contractor by the Department. The Contractor shall be responsible for the payment of all income tax and Social Security amounts due as a result of payments received from the Department for these contract services.

9. The Contractor shall maintain all licenses, permits, and authority, as required by law and this Contract, necessary to accomplish its obligations under this Contract.

10. The Contractor shall obtain prior written Department approval before purchasing any equipment with Contract funds.

11. Notice shall be in writing, directed to the contact person on page one of this Contract, and delivered by certified mail or by hand to the other party's most currently known address. The notice shall be effective when placed in the U.S. mail or hand-delivered.

12. The Department and the Contractor shall attempt to resolve contract disputes through available administrative remedies prior to initiating any court action.

13. The laws of Utah construe and govern this Contract. The Contractor submits to the jurisdiction of the courts of Utah for any dispute arising out of this Contract or out of breach of this Contract. The proper venue of any legal action arising under this Contract shall be in Salt Lake City, Utah.

14. Any court ruling or other binding legal declaration which declares that any provision of this Contract is illegal or void shall not affect the legality and enforceability of any other provision of this Contract, unless the provisions are mutually dependent.

15. The Contractor agrees to maintain the confidentiality of records that it holds as agent for the Department as required by the Government Records Access and Management Act, UCA 63G-2-101 et. seq. and the confidentiality of records requirements of UCA Title 26 et. seq. The Contractor agrees that the Contract is a public document and may be available for distribution. Contractor gives the Department express permission to make copies of the Contract, related sales orders and invoices excluding client identifiable information, and the response to the solicitation in accordance with the Utah Government Records Access and Management Act. The permission to make copies takes precedence over any statements of confidentiality, proprietary information, copyright information, and similar notation.

16. The Contractor agrees to abide by Utah Executive Order 2006-0012, which prohibits all unlawful harassment in any workplace in which state employees and employees of public and higher education must conduct business.

17. The waiver by either party of any provision, term, covenant or condition of this Contract shall not be deemed to be a waiver of any other provision, covenant, or condition of this Contract nor of any subsequent breach of the same or any other provision, term, covenant or condition of this Contract.

18. The right of the State to perform plan checks, plan reviews, other reviews and/or comment upon the services of the Contractor, as well as any approval by the State, shall not be construed as relieving the Contractor from its professional and legal responsibility for services required under this Contract. No review by the State or any entity /user, approval or acceptance, or payment for any of the services required under this Contract shall be construed to operate as a waiver by the State of any right under this Contract or of any cause of action arising out of the performance or nonperformance of this Contract, and the Contractor shall be and remain liable to the State in accordance with applicable law for all damages to the State caused by the wrongful acts, errors and/or omissions of the Contractor or its subcontractors or sub-consultants at any tier, if any.

19. The Contractor agrees to warrant and assume responsibility for each hardware, firmware, and software product (hereinafter called the "product") that it licenses or sells to the Department per this Contract. The Contractor acknowledges that the Uniform Commercial Code applies to this Contract. In general, the Contractor warrants that: (1) the product shall do what Contractor or a salesperson represented it would do; (2) the product shall satisfy all specific claims that the manufacturer or Contractor makes in advertisements; (3) the product shall be suitable for all ordinary purposes for which the product is ordinarily used; (4) if at the time of this Contract Contractor had reason to know of special purposes for which the Department required the goods and that the Department relied on Contractor's skill or judgment to select or furnish suitable goods, the product shall be suitable for the special purposes; (5) the product has been properly designed and manufactured; and (6) the product has no significant defects or unusual problems about which the Department has not been informed. Remedies available to the State include the following: The Contractor will repair or replace (at no charge to the State) the product whose nonconformance is discovered and made known to the Contractor in writing. If the repaired and/or replaced product proves to be inadequate, or fails of its essential purpose, the Contractor will refund the full amount of any payments that have been made. Nothing in this warranty will be construed to limit any rights or remedies the State of Utah may otherwise have under this contract.

20. The State of Utah's sales and use tax exemption number is 11736850-010-STC. The tangible personal property or services being purchased are being paid for from State funds and used in the exercise of that entity's essential functions. If the items purchased are construction materials, they will be converted into real property by employees of this government entity, unless otherwise stated in the Contract.

21. The parties may amend, modify, or supplement this Contract only by written amendment executed by the parties and attached to the original, signed copy of the Contract.

22. Unless otherwise specified in this Contract, all deliveries will be F.O.B. destination with all transportation and handling charges paid by the Contractor. Responsibility and liability for loss or damage will remain with Contractor until final inspection and acceptance, when responsibility will pass to the Department, except as to latent defects, fraud and Contractor's warranty obligations.

23. The parties shall ship all orders promptly in accordance with the delivery schedule. The Contractor shall submit promptly invoices (within thirty (30) days of shipment or delivery of services) to the Department. The parties shall list the state contract number on all invoices, freight tickets, and correspondence related to the Contract. The prices paid by the Department shall be the prices listed in the Contract. The Department has the right to adjust or return any invoice reflecting incorrect pricing.

24. The Contractor shall release, indemnify, and hold the State of Utah and the Department and all officers, agents, and employees of the State of Utah and the Department harmless from all liability of any kind or nature, including, but not limited to, the Contractor's use of any copyrighted or non-copyrighted composition, secret process, patented or unpatented invention, article, or appliance furnished or used in the performance of this Contract.

25. Neither party to this Contract shall be held responsible for delay or default caused by fire, riot, acts of God, or war which is beyond the party's reasonable control. The Department may terminate this Contract after determining that the delay or default will likely prevent successful performance of the Contract.

26. By signing this Contract, Contractor acknowledges that it understands that it is illegal for any person who is interested in any way in the sale of a procurement item (including, but not limited to, any supplies, services, and construction) or insurance to a public entity to give, offer, or promise to give anything of value, including, but not limited to, money, a loan with below-market rates or terms, an award, employment, admission to an event, a meal, lodging, travel, or entertainment for which a charge is normally made to anyone involved in the procurement process or the administration of a current contract or to an individual the person knows is a family member of anyone involved in the procurement process or the administration of the current contract, pursuant to Utah Code § 63G-6a-2304.5, as amended.

27. Any terms or conditions provided by Contractor that apply to this Contract must be in writing, attached to this Contract, and approved by both parties. No terms or conditions which are not in this Contract apply to this Contract, including, but not limited to, any terms listed or referenced on Contractor's website and any terms listed in Contractor's quotation or sales order. If there is any conflict between this Contract's terms or conditions, the order of precedence (listed in order of descending precedence) among the terms and conditions is: (1) Department General Provisions; (2) State of Utah Contract Signature Page(s); (3) Department Special Revisions; (4) Contractor Terms and Conditions.

28. The Contractor agrees to maintain the security and integrity of any electronic media that contains confidential data procured or used pursuant to the undertaking of this agreement. At the termination of this agreement the Contractor shall certify in writing that all such confidential data has been disposed of in such a manner that it cannot be recovered or recreated. If, as part of this agreement, the Department has provided the Contractor with any type of electronic data storage device, the Contractor shall return all devices to the Department at the termination of this agreement.

29. If the Contractor is a nonprofit corporation, the Contractor shall comply with the following provisions. The Contractor shall disclose to the Department whether it received 50% or more of its funds from federal, state and local government entities through contract or that its revenues or expenditures total more than \$500,000 in the previous fiscal year. The Contractor shall disclose whether it anticipates receiving 50% or more of its funds from federal, state and local government entities through contract or that its revenues or expenditures total more than \$500,000 in the fiscal year the grant is issued. If the Contractor is a nonprofit entity, the Contractor shall comply with the Nonprofit Entity Receipt of State Money Act in Utah Code Ann. 63J-9-101 et seq. The Contractor shall provide the Department an itemized report at least annually detailing the expenditure of state money. The Contractor shall include provisions for the financial oversight of the state money and for the compliance with state laws related to state money, procedures to designate an administrator who manages the state money and a procedure to dismiss the designated administrator. The Department may require the grantee to return an amount of money that is equal to the state money expended in violation of the terms of the section.

#### IV. UTAH INDOOR CLEAN AIR ACT

The Contractor shall ensure that all its personnel operating within Utah comply with the Utah Indoor Clean Air Act (UCA 26-38-1 et seq.), which prohibits smoking in enclosed public places.

#### V. RELATED PARTIES & CONFLICTS OF INTEREST

1. As used in this section, "related parties" means any person related to the Contractor by blood, marriage, partnership, common directors or officers, or 10% or greater direct or indirect ownership in a common entity. The Contractor shall not pay related parties for goods, services, facilities, leases, salaries, wages, professional fees, or the like for Contract expenses without the prior written consent of the Department. The Department shall consider the payments to the related parties as disallowed expenditures and accordingly adjust the Department's payment to the Contractor for all related party payments made without the Department's consent.

2. The Contractor shall comply with the Public Officers' and Employees' Ethics Act, UCA 67-16-1 et seq., which prohibits actions that may create or that are actual or potential conflicts of interest. The Act also provides that, "No person shall induce or seek to induce any public officer or public employee to violate any provisions of this [Act]" (UCA 67-16-10). By signing this contract, the Contractor represents that none of its officers, directors, or employees are officers, directors, or employees of the State of Utah, besides any officers, directors, or employees properly disclosed per UCA 67-16-8.

#### VI. OTHER CONTRACTS

1. The Department may perform additional work related to this Contract or award other contracts for such work. The Contractor shall cooperate fully with other contractors, public officers, and public employees in scheduling and coordinating Contract work. The Contractor shall give other contractors reasonable opportunity to execute their work and shall not interfere with the scheduled work of other contractors, public officers, and public employees.

2. The Department shall not unreasonably interfere with the Contractor's performance of its obligations under this Contract.

#### VII. SUBCONTRACTS & ASSIGNMENTS

The Contractor shall not assign, sell, transfer, subcontract, or sublet rights or delegate responsibilities under this Contract, in whole or part, without the prior written consent of the Department. The Department agrees that the Contractor may partially subcontract services, provided that the Contractor retains ultimate responsibility for performance of all terms, conditions and provisions of this Contract. When subcontracting, the Contractor agrees to use written subcontracts that conform to federal and state laws. The Contractor shall request Department approval for any assignment at least 20 days prior to its effective date..

#### VIII. FURTHER WARRANTY

The Contractor warrants that (a) all services shall be performed in conformity with the requirements of this Contract by qualified personnel in accordance with generally recognized standards; and (b) all goods or products furnished pursuant to this Contract shall be free from defects and shall conform to contract requirements. For any item that the Department determines does not conform with the warranty, the Department may arrange to have the item repaired or replaced, either by the Contractor or by a third party at the Department's option, at the Contractor's expense.

#### IX. INFORMATION OWNERSHIP

Except for confidential medical records, personal health information or other information or documents protected by state or federal law from any use, disclosure or transfer of ownership contemplated by this Section IX, the Department shall own exclusive title to all information gathered, reports developed, and conclusions reached specifically for the Department and in specific performance of this Contract ("Department Information"). The Contractor shall not use, except in meeting its obligations under this Contract, information gathered, reports developed, or conclusions reached in performance of this Contract without the express written consent of the Department.

#### X. SOFTWARE OWNERSHIP

1. If the Contractor develops or pays to have developed computer software exclusively with funds or proceeds from this Contract to perform its obligations under this Contract, or to perform computerized tasks that it was not previously performing to meet its obligations under this Contract, the computer software shall be exclusively owned by or licensed to the Department. In the case of software owned by the Department, the Department grants to the Contractor a nontransferable, nonexclusive license to use the software in the performance of this Contract. In the case of software licensed to the Department, the Department grants to the Contractor permission to use the software in the performance of this Contract. This license or permission, as the case may be, terminates when the Contractor has completed its work under this Contract.

2. If the Contractor develops or pays to have developed computer software which is an addition to existing software owned by or licensed exclusively with funds or proceeds from this Contract, or to modify

software to perform computerized tasks in a manner different than previously performed, to meet its obligations under this Contract, the addition shall be exclusively owned by or licensed to the Department. In the case of software owned by the Department, the Department grants to the Contractor a nontransferable, nonexclusive license to use the software in the performance of this Contract. In the case of software licensed to the Department, the Department grants to the Contractor permission to use the software in the performance of this Contract. This license or permission, as the case may be, terminates when the Contractor has completed its work under this Contract.

3. If the Contractor uses computer software licensed to it which it does not modify or program to handle the specific tasks required by this Contract, then to the extent allowed by the license agreement between the Contractor and the owner of the software, the Contractor grants to the Department a continuing nonexclusive license for either the Department or a different contractor to use the software in order to perform work substantially identical to the work performed by the Contractor under this Contract. If the Contractor cannot grant the license as required by this section, then the Contractor shall reveal the input screens, report formats, data structures, linkages, and relations used in performing its obligations under this contract in such a manner to allow the Department or another Contractor to continue the work performed by the contractor under this Contract.

4. The Contractor shall deliver to the Department a copy of the software or information required by this Article within 90 days after the commencement of this Contract and thereafter immediately upon making a modification to any of the software which is the subject of this Contract.

#### XI. INFORMATION PRACTICES

1. **(Government entities only)** The Contractor shall establish, maintain, and practice information procedures and controls that comply with federal and state law including, as applicable, Utah Code § 25-1-1 *et seq* and the privacy and security standards promulgated pursuant to the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") & the Health Information Technology for Economic and Clinical Health Act of 2009 (the "HITECH Act"). The Contractor shall receive or request from the Department per this Contract only information about an individual that is necessary to the Contractor's performance of its duties and functions. Contractor shall use the information only for purposes of the Contract. The Department shall inform the Contractor of any non-public designation of any information it provides to the Contractor. If the Grantee has employees or contractors on-site such individuals will comply with the Department's confidentiality standards and policies, including, but not limited to, "Appropriate use of state-issued and privately owned information technology resources and personal mobile devices #5.01" and "Confidential Access and Confidentiality # 1.11".

2. **(Non-governmental entities only)** The Contractor shall establish, maintain, and practice information procedures and controls that comply with federal and state law including, as applicable, Utah Code § 25-1-1 *et seq* and the privacy and security standards promulgated pursuant to the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") & the Health Information Technology for Economic and Clinical Health Act of 2009 (the "HITECH Act"). The Contractor shall not release any information regarding any person provided by the Department, unless the Department first consents in writing to the release, or as required by law. If the Grantee has employees or contractors on-site such individuals will comply with the Department's confidentiality standards and policies, including, but not limited to, "Appropriate use of state-issued and privately owned information technology resources and personal mobile devices #5.01" and "Confidential Access and Confidentiality # 1.11".

#### XII. INDEMNIFICATION

1. **(Governmental entities only)** It is mutually agreed that each party assumes liability for the negligent and wrongful acts committed by its own agents, officials, or employees, regardless of the source of funding for this Contract. Neither party waives any rights or defenses otherwise available under the Governmental Immunity Act.

2. **(Non-governmental entities only)** To the extent authorized by law, the Contractor shall indemnify and hold harmless the Department and any of its agents, officers, and employees, from any claims, demands, suits, actions, proceedings, loss, injury, death, and damages of every kind and description, including any

attorney's fees and litigation expenses, which may be brought, made against, or incurred by the Contractor on account of loss or damage to any property, or for injuries to or death of any person, caused by, arising directly or indirectly out of, or contributed to in whole or in part, by reason of any alleged act, omission, professional error, fault, mistake, or negligence of the Contractor or its employees, agents, or representatives, or subcontractors or their employees, agents, or representatives, in connection with, incident to, or arising directly or indirectly out of this Contract, or arising out of workers' compensation claims, unemployment, or claims under similar such laws or obligations. The parties agree that if there are any Limitations of the Contractor's Liability, including a limitation of liability for anyone for whom the Contractor is responsible, such Limitations of Liability will not apply to injuries to persons, including death, or to damages to property.

### XIII. SUBMISSION OF REPORTS

If the Contractor is a local health department, it shall submit monthly expenditure reports to the Department in a format approved by the Department. All other contractors shall submit monthly summarized billing statements to the Department. Expenditure reports and billing statements must be submitted to the Department within 30 days following the last day of the month in which the expenditures were incurred or the services provided.

### XIV. PAYMENT

1. If a recipient, a recipient's insurance, or any third-party is responsible to pay for services rendered pursuant to this Contract, the Contractor shall bill and collect for the goods or services provided to the recipient. The Department shall reimburse total actual expenditures, less amounts collected as required by this section.

2. Under no circumstances shall the Department authorize payment to the Contractor that exceeds the amount specified in this Contract without an amendment to the Contract.

3. The Department agrees to make every effort to pay for completed services. Payments are conditioned upon receipt of applicable, accurate, and completed reports prepared by the Contractor and delivered to the Department. The Department may delay or deny payment for final expenditure reports received more than twenty (20) days after the Contractor has satisfied all Contract requirements.

4. By signing this Contract, the Contractor acknowledges that the Department cannot contract for the payment of funds not yet appropriated by the Utah State Legislature or received from federal sources. If funding to the Department is reduced due to an order by the Legislature or the governor, or is required by state law, or if applicable federal funding is not provided to the Department, the Department shall reimburse the Contractor for products delivered and services performed through the date of cancellation or reduction, and the Department shall not be liable for any future commitments, penalties, or liquidated damages.

5. Offeror may quote a prompt payment discount based upon early payment; however, discounts offered for less than 30 days will not be considered in making the award. Contractor shall list Payment Discount Terms on invoices. The prompt payment discount will apply to payments made with purchasing cards and checks. The date from which discount time is calculated will be the date a correct invoice is received or receipt of shipment, whichever is later; except that if testing is performed, the date will be the date of acceptance of the merchandise.

### XV. RECORD KEEPING, AUDITS, & INSPECTIONS

1. The Contractor shall use an accrual or a modified accrual basis for reporting annual fiscal data, as required by Generally Accepted Accounting Principles (GAAP). Required monthly or quarterly reports may be reported using a cash basis.

2. The Contractor, and any subcontractors, shall maintain financial and operational records relating to Contract services, requirements, collections, and expenditures in sufficient detail to document all contract fund transactions. The Contractor, and any subcontractors, shall make and maintain all records necessary and reasonable for a full and complete audit, inspection, and monitoring of services by state

and federal auditors and Department staff during normal business hours or by appointment, until all audits and reviews initiated by federal and state auditors are completed, or for a period of six (6) years from the date of termination of this Contract, whichever is longer, or for any period required elsewhere in this Contract.

3. The Contractor shall retain all records which relate to disputes, litigation, and claim settlements arising from Contract performance or cost or expense exceptions initiated by the Director, until all disputes, litigation, claims, or exceptions are resolved.

4. The Contractor shall comply with federal and state regulations concerning cost principles, audit requirements, and Contract administration requirements, cited in Table 1. Unless specifically exempted in this Contract's special provisions, the Contractor must comply with applicable federal cost principles and Contract administration requirements if state funds are received. The Contractor shall also provide the Department with a copy of all reports required by Chapter 2a, Title 51, UCA. All federal and state principles and requirements cited in Table 1 are available on the Web at the addresses indicated. A Contractor who receives federal or state funds may be subject to federal and state reporting requirements. A Contractor who receives \$750,000 or more per year from federal sources may be subject to the federal single audit requirement. Counties, cities, towns, school districts, and all non-profit corporations that receive 50 percent or more of its funds from federal, state or local governmental entities are subject to the State of Utah Legal Compliance Audit Guide. Copies of required reports shall be sent to the Utah Department of Health, Bureau of Financial Audit, Box 144002, Salt Lake City, Utah 84114-4002.

Federal and State Principles and Requirements:

- 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
- Documents Web Address
- CFRs <http://www.ecfr.gov/cgi-bin/ECFR?page=browse>
- UCA <http://le.utah.gov/UtahCode/title.jsp>

XVI. CONTRACT ADMINISTRATION REQUIREMENTS:

The Contractor agrees to administer this Contract in compliance with 2 CFR Part 200. Financial management, procurement, and affirmative step requirements specify that:

1. The Contractor must have fiscal control and accounting procedures sufficient to: a. permit preparation of reports required by this Contract, and b. permit the tracing of funds to a level of expenditures adequate to establish that such funds have not been used in violation of the restrictions and prohibitions of applicable statutes.

2. The Contractor's financial management systems must meet the following standards:

a. *Financial reporting.* Accurate, current, and complete disclosure of the financial results of financially assisted activities must be made in accordance with the financial reporting requirements of this Contract.

b. *Accounting records.* The Contractor must maintain records which adequately identify the source and application of funds provided for federally financially-assisted activities. These records must contain information pertaining to the Contract's awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income.

c. *Internal control.* Effective control and accountability must be maintained for all Contract cash, real and personal property, and other assets. The Contractor must adequately safeguard all such property and must assure that it is used solely for authorized purposes.

d. *Budget control.* Actual expenditures or outlays must be compared with budgeted amounts for the Contract. Financial information must be related to performance or productivity data, including the development of unit cost information whenever appropriate or specifically required in this

Contract. If unit cost data are required, estimates based on available documentation will be accepted whenever possible.

3. Federal OMB cost principles, federal agency program regulations, and the terms of grant and sub-grant, and contract agreements shall be followed in determining the reasonableness, allowability, and allocability of costs.

a. *Source documentation.* Accounting records must be supported by such source documentation as canceled checks, paid bills, payrolls, time and attendance records, contract and subcontract award documents, etc.

b. *Cash management.* Procedures for minimizing the time elapsing between the transfer of funds from the U.S. Treasury and disbursement by the Department and the Contractor must be followed whenever advance payment procedures are used.

4. The Contractor shall use its own procurement procedures which reflect applicable state and local laws, rules, and regulations, provided that the procurements conform to applicable federal law and the standards identified in this Contract.

a. The Contractor shall maintain a contract administration system which ensures that subcontractors perform in accordance with the terms, conditions, and specifications of its contracts or purchase orders.

b. The Contractor shall maintain a written code of standards of conduct governing the performance of its employees engaged in the award and administration of contracts. No employee, officer or agent of the Department or the Contractor shall participate in the selection, award, or administration of a contract supported by federal funds if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when:

- i. the employee, officer or agent,
- ii. any member of his immediate family,
- iii. his or her partner; or
- iv. an organization which employs, or is about to employ, any of the above, has a financial or other interest in the firm selected for award.

The Department's and the Contractor's officer, employees and agents shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, potential contractors, or parties to sub-agreements. The Department and the Contractor may set minimum rules where the financial interest is not substantial or the gift is an unsolicited item of nominal intrinsic value. To the extent permitted by state or local law or regulations, such standards or conduct shall provide for penalties, sanctions, or other disciplinary actions for violations of such standards by the Department's or the Contractor's officers, employees, or agents, or by subcontractors or their agents.

c. The Contractor's procedures shall provide for a review of proposed procurements to avoid purchase of unnecessary or duplicative items. Consideration shall be given to consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate, an analysis shall be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach.

d. To foster greater economy and efficiency, the Contractor, if a governmental entity, is encouraged to enter into state and local intergovernmental agreements for procurement or use of common goods and services.

e. If allowed by law, the Contractor is encouraged to use federal excess and surplus property in lieu of purchasing new equipment and property whenever such use is feasible and reduces project costs.

f. The Contractor must contract only with responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement.

g. The Contractor shall maintain records sufficient to detail the significant history of a procurement. These records shall include, but are not necessarily limited to the following:

- i. the rationale for the method of procurement,
- ii. selection of contract type,
- iii. contractor selection or rejection, and
- iv. the basis for the contract price.

h. The Contractor may use time and material type contracts only:

- i. after a determination that no other contract is suitable, and
- ii. if the Contract includes a ceiling price that the Contractor exceeds at its own risk.

i. The Contractor alone shall be responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements. These issues include, but are not limited to, source evaluation, protests, disputes, and claims. These standards do not relieve the Contractor of any contractual responsibilities under its contracts.

j. The Contractor shall have protest procedures to handle and resolve disputes relating to its procurements and shall in all instances disclose information regarding the protest to the federal funding agency. A protestor must exhaust all administrative remedies with the Department and the Contractor before pursuing a protest with the federal funding agency.

5. The Contractor shall take all necessary affirmative steps to assure that minority firms, women's business enterprises, and labor surplus area firms are used when possible. Affirmative steps shall include:

- a. Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
- b. Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;
- c. Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority business, and women's business enterprises;
- d. Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority business, and women's business enterprises;
- e. Using the services and assistance of the Small Business Administration, and the Minority Business Development Agency of the Department of Commerce; and
- f. Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in Article XVI, section 5, subsections a – e.

## XVII. DEFAULT, TERMINATION, & PAYMENT ADJUSTMENT

1. Each party may terminate this Contract with cause. If the cause for termination is due to the default of a party, the non-defaulting party shall send a notice, which meets the notice requirements of this Contract, citing the default and giving notice to the defaulting party of its intent to terminate. The defaulting party may cure the default within fifteen days of the notice. If the default is not cured within the fifteen days, the party giving notice may terminate this Contract 45 days from the date of the initial notice of default or at a later date specified in the notice.

2. The Department may terminate this Contract without cause, in advance of the specified termination date, upon 30 days written notice to the Contractor.

3. The Department agrees to use its best efforts to obtain funding for multi-year contracts. If continued funding for this Contract is not appropriated or budgeted at any time throughout the multi-year contract period, the Department may terminate this contract upon 30 days' notice to the Contractor.
4. If funding to the Department is reduced due to an order by the Legislature or the governor, or is required by federal or state law, the Department may terminate this Contract or proportionately reduce the services and goods due and the amount due from the Department upon 30 days written notice to the Contractor. If the specific funding source for the subject matter of this Contract is reduced, the Department may terminate this Contract or proportionately reduce the services and goods due and the amount due from the Department upon 30 written notice to the Contractor.
5. If the Department terminates this Contract, the Department may procure replacement goods or services upon terms and conditions necessary to replace the Contractor's obligations. If the termination is due to the Contractor's failure to perform, and the Department procures replacement goods or services, the Contractor agrees to pay the excess costs associated with obtaining the replacement goods or services.
6. If the Contractor terminates this Contract without cause, except as provided in Attachment B Section 16.1.2, the Department may treat the Contractor's action as a default under this Contract.
7. The Department may terminate this contract if the Contractor becomes debarred, insolvent, files for bankruptcy or reorganization proceedings, sells 30% or more of the company's assets or corporate stock, or gives notice of its inability to perform its obligations under this contract.
8. If the Contractor defaults in any manner in the performance of any obligation under this Contract, or if audit exceptions are identified, the Department may as provided in Attachment B, at its option, either adjust the amount of payment or withhold payment until satisfactory resolution of the default or exception. Default and audit exceptions for which payment may be adjusted or withheld include disallowed expenditures of federal or state funds as a result of the Contractor's failure to comply with federal regulations or state rules. In addition, the Department may withhold amounts due the Contractor under this Contract, any other current contract between the Department and the Contractor, or any future payments due the Contractor to recover the funds. The Department shall notify the Contractor of the Department's action in adjusting the amount of payment or withholding payment. This Contract is executory until such repayment is made. The Department will comply with all notice and other applicable requirements provided in Attachment B before exercising its rights under this provision.
9. The rights and remedies of the Department enumerated in this article are in addition to any other rights or remedies provided in this Contract or available in law or equity.
10. Upon termination of the Contract, all accounts and payments for services rendered to the date of termination shall be processed according to the financial arrangements set forth herein for approved services rendered to date of termination. If the Department terminates this Contract, the Contractor shall stop all work as specified in the notice of termination. The Department shall not be liable for work or services performed beyond the termination date as specified in the notice of termination.
11. Any of the following events may constitute cause for the Department to declare Contractor in default of the Contract: a. Nonperformance of contractual requirements; b. A material breach of any term or condition of this Contract. The Department shall issue a written notice of default providing a ten (10) day period in which Contractor shall have an opportunity to cure. Time allowed for cure shall not diminish or eliminate Contractor's liability for damages. If the default remains after Contractor has been provided the opportunity to cure, the Department may do one or more of the following: c. Exercise any remedy provided by law; d. Terminate this Contract and any related agreements or portions thereof; e. Impose liquidated damages, as set forth in Attachment B to the Contract, if liquidated damages are listed in Attachment B to the contract; f. Suspend Contractor from receiving future solicitations.

12. In the event of such termination, the Contractor shall be compensated for services properly performed under this Contract up to the effective date of the notice of termination. The Contractor agrees that in the event of such termination for cause or without cause, Contractor's sole remedy and monetary recovery from the State is limited to full payment for all work properly performed as authorized under this Contract up to the date of termination as well as any reasonable monies owed as a result of the Contractor having to terminate contracts necessarily and appropriately entered into by the Contractor pursuant to this Contract.

#### XVIII. FEDERAL REQUIREMENTS

The Contractor shall comply with all applicable federal requirements. To the extent that the Department is able, the Department shall give further clarification of federal requirements upon the Contractor's request. If the Contractor is receiving federal funds under this Contract, certain federal requirements apply. The Contractor agrees to comply with the federal requirements to the extent that they are applicable to the subject matter of this Contract and are required by the amount of federal funds involved in this Contract.

##### 1. Civil Rights Requirements:

a. The Civil Rights Act of 1964, Title VI, provides that no person in the United States shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance. The Health and Human Services regulation implementing this requirement is 45 CFR Part 80.

b. The Civil Rights Act of 1964, Title VII, (P.L. 88-352 & 42 U.S.C. § 2000e et seq.) prohibits employers from discriminating against employees on the basis of race, color, religion, national origin, and sex. Title VII applies to employers of fifteen or more employees, and prohibits all discriminatory employment practices.

c. The Rehabilitation Act of 1973, as amended, section 504, provides that no otherwise qualified handicapped individual in the United States shall, solely by reason of the handicap, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance. The Health and Human Services regulation 45 CFR Part 84 implements this requirement.

d. The Age Discrimination Act of 1975, as amended (42 U.S.C. §§ 6101-6107), prohibits unreasonable discrimination on the basis of age in any program or activity receiving federal financial assistance. The Health and Human Services regulation implementing the provisions of the Age Discrimination Act is 45 CFR Part 91.

e. The Education Amendments of 1972, Title IX, (20 U.S.C. §§ 1681-1683 and 1685-1686), section 901, provides that no person in the United States shall, on the basis of sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any educational program or activity receiving federal financial assistance. Health and Human Services regulation 45 CFR Part 86 implements this requirement.

f. Executive Order No. 11246, as amended by Executive Order 11375, relates to "Equal Employment Opportunity" (for all construction contracts and subcontracts in excess of \$10,000), and prohibits discrimination in employment decisions on the basis of race, color, religion, sex, or national origin. It also requires covered contractors to take affirmative action to ensure equal opportunity is provided in all aspects of their employment.

g. Americans with Disabilities Act of 1990, (P.L. 101-336), section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794), prohibits discrimination on the basis of disability.

h. The Public Health Service Act, as amended, Title VII, section 704 and Title VIII, section 855, forbids the extension of federal support for health manpower and nurse training programs authorized under those titles to any entity that discriminates on the basis of sex in the admission of

individuals to its training programs. Health and Human Services regulation implementing this requirement is 45 CFR Part 83.

i. The Public Health Service Act, as amended, section 526, provides that drug abusers who are suffering from medical conditions shall not be discriminated against in admission or treatment because of their drug abuse or drug dependence, by any private or public general hospital that receives support in any form from any federally funded program. This prohibition is extended to all outpatient facilities receiving or benefiting from federal financial assistance by 45 CFR Part 84.

j. The Public Health Service Act, as amended, section 522, provides that alcohol abusers and alcoholics who are suffering from medical conditions shall not be discriminated against in admission or treatment, solely because of their alcohol abuse or alcoholism, by any private or public general hospital that receives support in any form from any federally funded program. This prohibition is extended to all outpatient facilities receiving or benefiting from federal financial assistance by 45 CFR Part 84.

2. Confidentiality: The Public Health Service Act, as amended, sections 301(d) and 543, requires that certain records be kept confidential except under certain specified circumstances and for specified purposes. Confidential records include records of the identity, diagnosis, prognosis, or treatment of any patient that are maintained in connection with the performance of any activity or program relating to drug abuse prevention, i.e., drug abuse education, training, treatment, or research, or alcoholism or alcohol abuse education, training, treatment, rehabilitation, or research that is directly or indirectly assisted by the federal government. Public Health Service regulations, 42 CFR Parts 2 and 2a, implement these requirements.

3. Lobbying Restrictions: Lobbying restrictions per 31 U.S.C. § 1352, require the Contractor to abide by this section and to place the section's language in all of the Contractor's contracts:

a. No federal funds have been paid or will be paid, by or on behalf of the Contractor, to any person for influencing or attempting to influence an officer or employee of any federal agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, or the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.

b. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any federal agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the federal contract, grant, loan, or cooperative agreement, the Contractor shall complete and submit Federal Standard Form LLL, "Disclosure Form to report Lobbying," in accordance with its instructions.

c. The Contractor shall require that the language of this article be included in the award documents for all subcontracts and that subcontractors shall certify and disclose accordingly.

4. Debarment, suspension or other ineligibility: The Contractor certifies that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or excluded from participation in this Contract by any governmental department or agency. The Contractor must notify the Department within thirty (30) days in accordance with the notification requirements specified in Article III, section 11 of this Contract if the Contractor has been debarred or excluded by any governmental entity within the contract period. Debarment regulations are stated in Health and Human Services regulation 45 CFR Part 76.

5. Environmental Impact: The National Environmental Policy Act of 1969 (NEPA) (Public Law 91-190) establishes national policy goals and procedures to protect and enhance the environment. NEPA applies to all federal agencies and requires them to consider the probable environmental consequences of any

major federal activity, including activities of other organizations operating with the concurrence or support of a federal agency. This includes grant-supported activities under this Contract if federal funds are involved. Additional environmental requirements include:

- a. The institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order 11514;
- b. The notification of violating facilities pursuant to Executive Order 11738 (all contracts, subcontracts, and sub-grants in excess of \$100,000);
- c. The protection of wetlands pursuant to Executive Order 11990;
- d. The evaluation of flood hazards in floodplains in accordance with Executive Order 11988;
- e. The assurance of project consistency with the approved state management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§ 1451 *et seq.*);
- f. The conformity of federal actions to State (Clean Air) Implementation Plans under Section 176 (c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§ 7401 *et seq.*);
- g. The protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended, (P.L. 93-523),
- h. The protection of endangered species under the Endangered Species Act of 1973, as amended, (P.L. 93-205) and;
- i. The protection of the national wild and scenic rivers system under the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§ 1271 *et seq.*).

6. Human Subjects: The Public Health Service Act, section 474(a), implemented by 45 CFR Part 46, requires basic protection for human subjects involved in Public Health Service grant supported research activities. Human subject is defined in the regulation as "a living individual about whom an investigator (whether professional or student) conducting research obtains data through intervention or interaction with the individual or identifiable private information." The regulation extends to the use of human organs, tissues, and body fluids from individually identifiable human subjects as well as to graphic, written, or recorded information derived from individually identifiable human subjects. The regulation also specifies additional protection for certain classes of human research involving fetuses, pregnant women, human in vitro fertilization, and prisoners. However, the regulation exempts certain categories of research involving human subjects which normally involve little or no risk. The exemptions are listed in 45 CFR Part 46.101(b). The protection of human subjects involved in research, development, and related activities is found in P.L. 93-348.

7. Sterilization: Health and Human Services and Public Health Service have established certain limitations on the performance of nonemergency sterilizations by Public Health Service grant-supported programs or projects that are otherwise authorized to perform such sterilizations. Public Health Service has issued regulations that establish safeguards to ensure that such sterilizations are performed on the basis of informed consent and that the solicitation of consent is not based on the withholding of benefits. These regulations, published at 42 CFR Part 50, Subpart B, apply to the performance of nonemergency sterilizations on persons legally capable of consenting to the sterilization. Federal financial participation is not available for any sterilization procedure performed on an individual who is under the age of 21, legally incapable of consenting to the sterilization, declared mentally incompetent, or is institutionalized.

8. Abortions and Related Medical Services: Federal financial participation is generally not available for the performance of an abortion in a grant-supported health services project. For further information on this subject, consult the regulation at 42 CFR Part 50, Subpart C.

9. Recombinant DNA and Institutional Biosafety Committees: Each institution where research involving recombinant DNA technology is being or will be conducted must establish a standing Biosafety Committee. Requirements for the composition of such a committee are given in Section IV of *Guidelines for Research Involving Recombinant DNA Molecules*, (49 FR 46266 or latest revision), which also discusses the roles and responsibilities of principal investigators and contractor institutions. *Guidelines for Research Involving Recombinant DNA Molecules and Administrative Practices Supplement* should be consulted for complete requirements for the conduct of projects involving recombinant DNA technology.

10. Animal Welfare: The *Public Health Service Policy on Humane Care and Use of Laboratory Animals By Awardee Institutions* requires that applicant organizations establish and maintain appropriate policies and procedures to ensure the humane care and use of live vertebrate animals involved in research activities supported by Public Health Service. This policy implements and supplements the U.S. *Government Principles for the Utilization and Care of Vertebrate Animals Used in Testing, Research, and Training* and requires that institutions use the *Guide for the Care and Use of Laboratory Animals* as a basis for developing and implementing an institutional animal care and use program. This policy does not affect applicable state or local laws or regulations which impose more stringent standards for the care and use of laboratory animals. All institutions are required to comply, as applicable, with the Animal Welfare Act as amended (7 U.S.C. 2131 et seq.) and other federal statutes and regulations relating to animals. These documents are available from the Office for Protection from Research Risks (OPRR), National Institutes of Health, Bethesda, MD 20892, (301) 496-7005.

11. Contract Provisions: In its contracts relating to the performance of terms set out in Attachment B, the Contractor must include the following provisions in its contracts, as limited by the statements enclosed within the parentheses following each provision:

- a. Administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provides for such sanctions and penalties as may be appropriate. (Contracts other than small purchases. Small purchases involve relatively simple and informal procurement methods that do not cost more than \$100,000 in aggregate.)
- b. Termination for cause and for convenience by the contractor or sub-grantee including the manner by which it will be effected and the basis for settlement. (All contracts in excess of \$10,000)
- c. Compliance with Executive Order 11246 of September 24, 1965 entitled "Equal Employment Opportunity," as amended by Executive Order 11375 of October 13, 1967 and as supplemented in Department of Labor regulations (41 CFR Chapter 60). (All construction contracts awarded in excess of \$10,000 by the Contractor and its contractors or sub-grantees)
- d. Compliance with the Copeland "Anti-Kickback" Act (18 U.S.C. 874) as supplemented in Department of Labor regulations (29 CFR Part 3). (All contracts and sub-grants for construction or repair)
- e. Compliance with the Davis-Bacon Act (40 U.S.C. 276a to a-7) as supplemented by Department of Labor regulations (29 CFR Part 5), which sets requirements concerning minimum wages. (Construction contracts in excess of \$2,000 awarded when required by federal grant program legislation)
- f. Compliance with the Contract Work Hours and Safety Standards Act, sections 103 and 107, (40 U.S.C. 3701 et seq.) as supplemented by Department of Labor regulations (29 CFR Part 5). (Construction contracts awarded in excess of \$2,000, and in excess of \$2,500 for other contracts which involve the employment of mechanics or laborers)
- g. Notice of the federal awarding agency requirements and regulations pertaining to reporting.

h. Notice of federal awarding agency requirements and regulations pertaining to patent rights with respect to any discovery or invention which arises or is developed in the course of or under such contract.

i. Federal awarding agency requirements and regulations pertaining to copyrights and rights in data.

j. Access by the Department, the Contractor, the Federal funding agency, the Comptroller General of the United States, or any of their duly authorized representatives to any books, documents, papers, and records of the Contractor which are directly pertinent to that specific contract for the purpose of making audit, examination, excerpts, and transcriptions.

k. Compliance with all applicable standards, orders, or requirements of the Clean Air Act, section 306 (42 U.S.C. 7606), the Clean Water Act, section 508, the Clean Water Act, section 508 (33 U.S.C. 1368), Executive Order 11738, and Environmental Protection Agency regulations (40 CFR Chapter 1 et seq.). (Contracts, subcontracts, and sub-grants of amounts in excess of \$100,000).

l. Mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub. L. 94-163). [Intentionally Omitted]

12. (Governmental entities only) Merit System Standards: The Intergovernmental Personnel Act of 1970 (42 U.S.C. §§ 4728-4763), requires adherence to prescribed standards for merit systems funded with federal funds.

13. Misconduct in Science: The United States Public Health Service requires certain levels of ethical standards for all PHS grant-supported projects and requires recipient institutions to inquire into, investigate and resolve all instances of alleged or apparent misconduct in science. Issues involving potential criminal violations must be promptly reported to the HHS Office of Inspector General. (See regulations in 42 CFR Part 93.)

XIX. STATE REVIEWS AND LIMITATIONS: The Department has the right to perform plan checks, plan reviews, other reviews, comment upon Contractor's services, and approve Contractor's services. This right does not relieve Contractor from its professional and legal responsibilities for services per the contract. No review, approval, acceptance, or payment by the Department or any entity or user for any services per the contract shall operate as a waiver by the Department of any of its rights per this contract or of any cause of action arising out of the performance or nonperformance of the contract; Contractor may be liable to the Department per applicable laws for all damages to the Department for wrongful acts, error, or omissions of Contractor or its subcontractor or sub-consultants at any tier (if any).

XX. PERFORMANCE EVALUATION: The Department may conduct a performance evaluation of Contractor's services, including services performed by specific personnel of Contractor. The Department may make available to Contractor the results of all evaluations.

# Article 1 Introductory Provisions

## 1.1 Parties

This contract is between the State of Utah, acting by and through its Department of Health hereinafter referred to as “DOH” or “Department” and DentaQuest USA Insurance Company, Inc. (“DentaQuest,” or “Contractor”). Together, the Department and Contractor shall be referred to as the “Parties.”

## 1.2 Notices

Any notices that are permitted or required under this Contract shall be in writing and shall be transmitted through either:

- (a) Certified or registered United States mail, return receipt requested;
- (b) Personal delivery;
- (c) Expedited Delivery Service.

Such Notices shall be addressed as follows:

Department (If by Mail):

Utah Department of Health

Medicaid and Health Financing

Director, Bureau of Managed Health Care

P.O. Box 143108

Salt Lake City, UT 84114

Department (If in Person):

Utah Department of Health

Medicaid and Health Financing

Director, Bureau of Managed Health Care

288 North 1460 West

Salt Lake City, UT 84114

Contractor:

DentaQuest

12121 North Corporate Parkway

Mequon, WI 53092

In the event that the above contact information changes, the party changing the contact information shall notify the other party, in writing, of such change.

### **1.3 Effective Date and Duration**

This Contract shall automatically terminate on June 30, 2017. In the event that Congress appropriates additional funding for the CHIP program past this date, the Parties agree to meet prior to the end date of this Contract to discuss terms and conditions that may be incorporated into future contracts. The effective date and duration of the contract may change subject to the Contract Termination Provisions found in Article 16 of this Contract.

### **1.4 Service Area**

The Service Area is the specific geographic area within which the Enrollee must reside to enroll in the Contractor's Dental Plan. The Service Area for this Contract is Weber, Davis, Salt Lake, and Utah counties.

## **Article 2 Definitions**

### **2.1.1 Definitions**

For purposes of this Contract the following definitions apply, unless otherwise specified:

**Abuse** means Provider practices that are inconsistent with sound fiscal, business, or medical practices, and results in unnecessary cost to the CHIP program, or in reimbursement services that are not

Medically Necessary or that fail to meet professionally recognized standards for dental care. It also includes recipient practices that result in unnecessary cost to the CHIP program.

**Action** means:

1. the denial or limited authorization of a requested service, including the type or level of service;
2. the reduction, suspension, or termination of a previously authorized service;
3. the denial, in whole or in part, of payment for a service and the denial could result in the Enrollee liable for payment;
4. the failure to provide services in a timely manner, as defined as failure to meet performance standards for appointment waiting times; or
5. the failure of the Contractor to act within the time frames established for resolution and notification of Grievances and Appeals.

**Appeal** means a request for review of an Action taken by the Contractor.

**Balance Bill** means the practice of billing patients for charges that exceed the amount that the Contractor will pay.

**BMHC** means the Bureau of Managed Health Care, Division of Medicaid and Health Financing, Utah Department of Health.

**Capitation** means the reimbursement arrangement in which a fixed rate of payment per Enrollee per month is made to the Contractor for the performance of all of the Contractor's duties and obligations pursuant to this Contract, except for the Delivery Case Rate.

**Capitation Payment** means the payment the Department makes to the Contractor on behalf of each Enrollee for the provision of Covered Services. The Department makes the payment regardless of whether the Enrollee receives services during the period covered by the payment.

**Capitation Rate** means the rate negotiated between the Contractor and Department for each CHIP eligibility group or Capitation Rate cell, calculated at the premium rate(s) set forth in Section 1 of Attachment D to this Contract.

**CHIP** means the Children's Health Insurance Program authorized by Title XXI of the Social Security Act.

**CHIP Eligible Individual** means any individual who has been certified by the Utah Department of Human Services or the Utah Department of Workforce Services to be eligible for CHIP benefits.

**Claim** includes (1) a bill for services, (2) a line item of services, or (3) all services for one Enrollee within a bill.

**Clean Claim** means a claim that can be processed without obtaining any additional information from the Provider of the service or from a third party. It includes a claim with errors originating from the Contractor's claims system. It does not include a claim from a Provider who is under investigation for Fraud or Abuse or a claim under review for medical necessity.

**CMS** means the Centers for Medicare and Medicaid Services, the federal Medicaid agency, within the Department of Health and Human Services.

**Cold Call Marketing** means any unsolicited personal contact by the Contractor, its employees, Participating Providers, agents, or subcontractors with a potential enrollee for the purposes of marketing.

**Confidential Data** means any non-public information maintained in an electronic format used or exchanged by the Parties in the course of the performance of this contract whose collection, disclosure, protection, and disposition is governed by state or federal law or regulation, particularly information subject to the Gramm-Leach-Bliley Act, the Health Insurance Portability and Accountability Act, and other equivalent state and federal laws. Confidential Data includes, but is not limited to, social security numbers, birth dates, medical records, Medicaid/CHIP identification numbers, dental claims and Encounter Data.

**Contractor Affiliate** means an entity who conducts provider network activities on behalf of the Contractor and is an entity that is under common control with, controlling or controlled by Contractor.

**Convicted** means a judgment of conviction entered by a Federal, State, or local court, regardless of whether an appeal from that judgment is pending.

**Covered Services** means services identified in Attachment C of this Contract which the Contractor has agreed to provide to Enrollees and pay for under the terms of this Contract.

**Dental Plan** means a federally defined Prepaid Ambulatory Health Plan (PAHP) Managed Care Entity under contract with the Department to provide specified dental care services to a specific group of Medicaid Eligible Individuals.

**Electronic Resource Eligibility Product** or **eREP** means the computer support system used by eligibility workers to determine Medicaid and CHIP eligibility and store eligibility information.

**Emergency Dental Services** Treatment of an unforeseen, sudden, and acute onset of symptoms or injuries requiring immediate treatment, where delay in treatment would jeopardize or cause permanent damage to a person's dental or medical health.

**Encounter** means an individual service or procedure provided to an Enrollee that would result in a claim.

**Encounter Data** means the compilation of data elements, as specified in the Department's 837 companion guide, identifying an Encounter.

**Enrollee** means any CHIP Eligible Individual whose name appears on the Department's Eligibility Transmission as enrolled in the Contractor's Dental Plan.

**Enrollment Area** or **Service Area** means the counties enumerated in Article 1.4 of this Contract.

**Excluded Parties List System** or **EPLS** means the electronic version of the Lists of Parties Excluded from Federal Procurement and Non-procurement Programs (List) that identifies those individual and firms excluded from receiving Federal contracts or Federally-approved subcontracts and from certain types of Federal financial and non-financial assistance and benefits. The EPLS website is located at <http://epls.gov>.

**Exclusion** or **Excluded** means that the items or services furnished by a specific Provider who has defrauded or abused the Medicaid or CHIP program will not be reimbursed under Medicaid or CHIP.

**External Quality Review** or **EQR** means the analysis and evaluation of information on quality, timeliness, and access to the dental care services that a Dental Plan, or its Providers, furnished to its Enrollees.

**Federal Financial Participation** or **FFP** means, in accordance with 42 CFR 400.203, the Federal Government's share of a state's expenditures under the Medicaid or CHIP program and is determined by comparing a state's per capita income to the national average.

**Federal Health Care Program** means (1) any plan or program that provides health benefits, whether directly, through insurance, or otherwise, which is funded directly, in whole or in part, by the United States Government (other than the health insurance program under chapter 89 of title 5, United States Code) of the Social Security Act; or (2) any State Health Care program, as defined in Section 1128(h) of the Social Security Act.

**FFS** means the Fee For Service Utah Medicaid Program.

**Fiscal Agent** means a contractor that processes or pays vendor claims on behalf of the Contractor.

**Four Day Grace Period** means the four day grace period granted to eligible applicants as currently defined in the Utah Department of Health CHIP Policy Manual Section 602-1.

**Fraud** means an intentional deception or misrepresentation made by a person with the knowledge that the deception could result in some unauthorized benefit to himself or some other person including any act that constitutes fraud under applicable Federal or State law. Under Utah Code Ann. §63J-41-102(5), Fraud means intentional or knowing: (a) deception, misrepresentation, or up coding in relation to Medicaid or CHIP funds, costs, a claim, reimbursement, or services; or (b) a violation of a provision of Utah Code Ann. §§ 26-20-3 through 26-20-7.

**Grievance** means an expression of dissatisfaction about any matter other than an Action.

**Grievance and Appeals System** means an overall system that includes a Grievance process, an Appeal process, and access to the State's fair hearing system.

**Health Insurer Fee** means the annual fee the Contractor is required to pay pursuant to Section 9010 of the Patient Protection and Affordable Care Act.

**Health Plan** means a federally defined Prepaid Ambulatory Health Plan, a federally defined Primary Care Case Management system, or a federally defined Managed Care Organization under contract with the Department to provide specified physical health care services to a specific group of CHIP Eligible Individuals.

**Indirect Ownership Interest** means an Ownership Interest in an entity that has an Ownership Interest in the Contractor. This term includes an Ownership Interest in any entity that has an Indirect Ownership Interest in the Contractor.

**List of Excluded Individuals/Entities** or **LEIE** means the Federal Department of Health and Human Services-Office of Inspector General's (HHS-OIG's) database regarding individuals and entities currently Excluded by the HHS-OIG from participation in Medicare, Medicaid, and all other Federal Health Care Programs. Individuals and entities who have been reinstated are

removed from the LEIE. The LEIE website is located at <http://www.exclusions.oig.hhs.gov>.

**Managed Care Entity** or **MCE** means MCOs, PIHPs, PAHPs, PCCMs, and HIOs. The Contractor is a PAHP.

**Managed Care Organization** means an entity that has, or is seeking to qualify for, a comprehensive Risk Contract, and that is – (1) A Federally qualified HMO that meets the Advance Directives requirements of 42 CFR 489, Subpart I; or (2) Any public or private entity that meets the Advance Directives requirement of 42 CFR 489, Subpart I and is determined to also meet the following conditions: (i) Makes the services it provides to its Medicaid or CHIP Enrollees as accessible (in terms of timeliness, amount, duration, and scope) as those services are to other Medicaid or CHIP recipients within the area served by the entity.

**Managing Employee** means a general manager, business manager, administrator, director, or other individual who exercises operational or managerial control over, or who directly or indirectly conducts the day-to-day operation of the Contractor.

**Marketing** means any communication from Contractor, its employees, Participating Providers, agents or subcontractors to a potential enrollee that can reasonably be interpreted to influence the potential enrollee to enroll in Contractor's CHIP product, or either to not enroll in, or to disenroll from another Dental Plan's CHIP product.

**Marketing Materials** means materials that are produced in any medium, by or on behalf of the Contractor, its employees, affiliated Providers, agents or subcontractors to a potential enrollee that can reasonably be intended to market to potential enrollees.

**Medicaid Fraud Control Unit (MFCU)** means the statutorily authorized criminal investigation unit charged with investigating and prosecuting the Medicaid and CHIP fraud in the Utah Attorney General's Office.

**Medically Necessary or Medical Necessity** means any medical service that is (1) reasonably calculated to prevent, diagnose, or cure conditions in the Enrollee that endanger life, cause suffering or pain, cause deformity or malfunction, or threaten to cause a handicap; and (2) there is no equally effective course of treatment available or suitable for the Enrollee requesting the service which is more conservative or substantially less costly. To be considered Medically Necessary, the medical services shall be of a quality that meets professionally recognized standards of dental care, and shall be substantiated by records including evidence of such medical necessity and quality. Those records will be made available to the Department upon request.

**Member Services** means a method of assisting Enrollees in understanding Contractor policies and procedures, facilitating referrals to participating specialists, and assisting in the resolution of problems and member complaints. The purpose of Member Services is to improve access to services and promote Enrollee satisfaction.

**Non-Covered Service** or **Non-Covered Item** means a medical service or item that is not a benefit to the Enrollee pursuant to this Contract, or is a medical service or item that does not meet Medical Necessity criteria for amount, duration, as described in the Utah State Plan.

**Non-Participating Provider** means an any individual, corporate entity, or any other organization that is engaged in the delivery of dental care services, is legally authorized to do so by the State in which it delivers the services and who does not have a subcontract or any other pre-arranged payment agreement with the Contractor or with a Contractor Affiliate.

**Notice of Action** means written notification to an Enrollee and written or verbal notification to a Provider when applicable, of an Action that will be taken by the Contractor.

**Notice of Appeal Resolution** means written notification to an Enrollee, and a Provider when applicable, of the Contractor's resolution of an Appeal.

**Office of Recovery Services (ORS)** means an agency within the Department of Human Services.

**Other Disclosing Entity** means any other Medicaid disclosing entity and any entity that does not participate in Medicaid but is required to disclose certain ownership and control information because of participation in any of the programs established under Title V, XVIII, or XX of the Social Security Act. This includes:

1. Any hospital, skilled nursing facility, home health agency, independent clinical laboratory, renal disease facility, rural health clinic, or health maintenance organization that participates in Medicare;
2. Any Medicare intermediary or carrier: and
3. Any entity (other than an individual practitioner or group of practitioners) that furnishes, or arranges for the furnishing of, health-related services for which it claims payment under any plan or program established under Title V or Title XX of the Social Security Act.

**Other Provider-Preventable Condition** means a condition occurring in a health care setting that meets the following criteria:

1. Is identified in the State Plan.
2. Has been found by the State, based upon a review of medical literature by qualified professionals, to be reasonably preventable through the application of procedures supported by evidence-based guidelines.
3. Has a negative consequence for the Enrollee.

4. Is auditable.
5. Includes, at minimum, wrong surgical or other invasive procedure performed on a patient; surgical or other invasive procedure performed on the wrong body part; surgical or other invasive procedure performed on the wrong patient.

**Ownership Interest** means the possession of equity in the capital, the stock, or the profits of the Contractor.

**Participating Provider** means any individual, corporate entity, or any other organization that is engaged in the delivery of dental care services, is legally authorized to do so by the State in which it delivers the services and has a contractual agreement with the Contractor, [or with a Contractor Affiliate](#), to provide health care services to Enrollees.

**Person with an Ownership or Control Interest** means a person or corporation that:

1. Has an ownership interest totaling 5 percent or more in the Contractor;
2. Has an indirect ownership interest equal to 5 percent or more in the Contractor;
3. Has a combination of direct and indirect ownership interests equal to 5 percent or more in the Contractor;
4. Owns an interest of 5 percent or more in any mortgage, deed of trust, note, or other obligation secured by the Contractor if that interest equals at least 5 percent of the value of the property or assets of the Contractor;
5. Is an officer or director of the Contractor including the Contractor's Board of Directors' members, if applicable; or
6. Is a partner in the Contractor that is organized as a partnership.

**Post-Stabilization Care Services** means Covered Services related to an Emergency Medical Condition that are provided after an Enrollee is stabilized in order to maintain the stabilized condition, or to improve or resolve the Enrollee's condition.

**Potential Enrollee** means a CHIP recipient who is subject to mandatory enrollment or may voluntarily elect to enroll in a given managed care program, but is not yet an enrollee of a specific Dental Plan.

**Prepaid Ambulatory Health Plan or PAHP** means an entity that provides medical services to Enrollees under contract with the Department and on the basis of prepaid Capitation Payments, or other payment arrangements that do not use State Plan payment rates; does not provide or arrange for, and is not otherwise responsible for the provision of any inpatient hospital or institutional services for its Enrollees; and does not have a comprehensive Risk Contract.

**Primary Care Dentist (PCD)** for the purposes of this Contract means a dental professional acting within the scope of his license, such as a general or pediatric dentist, who provides comprehensive oral health by treating dental concerns and diseases and promotes prevention by providing oral health literacy.

**Provider** means a Participating Provider or a Non-Participating Provider.

**Provider Incentive Plan** means any compensation arrangement between the Contractor and a provider group that may directly or indirectly have the effect of reducing or limiting services furnished provided with respect to Enrollees in the organization.

**Risk Contract** means a contract under which the Contractor assumes risk for the cost of the services covered under the contract; and incurs loss if the cost of furnishing the services exceeds the payments under the contract.

**Service Authorization Request** means a Provider's or Enrollee's request to the Contractor for the provision of a service.

**State Fiscal Year** means twelve calendar months commencing on July 1 and ending on June 30 following or the 12-month period for which the State budgets funds.

**State Health Care Program** means (1) a State plan approved under Title XIX of the Social Security Act, (2) any program receiving funds under Title V of the Social Security Act or from an allotment to a State under such title; (3) any program receiving funds under Title XX of the Social Security Act or from an allotment to a State under such title; or (4) a State child health plan approved under Title XXI of the Social Security Act.

**State Plan** means the Utah State Plan for organization and operation of the Medicaid and CHIP program as defined pursuant to Section 1902 of the Social Security Act (42 U.S.C. 1396a).

**Subcontract** means any written agreement between the Contractor and another party to fulfill the material requirements of this Contract. However, such term does not include insurance purchased by the Contractor to limit its loss with respect to an individual Enrollee.

**Subcontractor** means (except as otherwise defined in Article 6.3 and 6.5) an individual, agency, or organization to which the Contractor has contracted or delegated some of its management functions or responsibilities of providing dental care to its Enrollees provided under this Contract.

**Suspended** means, for purposes of Article 6 of this Contract that items or services furnished by a specified Provider who has been convicted of a program-related offense in a Federal, State, or local court will not be reimbursed under Medicaid or CHIP.

**TTY/TTD** means a teletype writer and telecommunications device for the deaf.

**Third Party Liability or TPL** means any individual, entity or program that is or may be liable to pay all or part of the expenditures for medical assistance furnished under a State Plan.

**Waste** means overutilization of resources or inappropriate payment.

## **Article 3 Enrollment Services**

### **3.1 Marketing Activities**

(A) The Contractor, its employees, Participating Providers, agents or subcontractors shall not conduct direct or indirect Marketing of the Contractor's Dental Plan.

(B) The Contractor shall not Market to or otherwise attempt to influence the Department's Health Plan Representatives or local Health Department staff to encourage Enrollees or Potential Enrollees to enroll in the Contractor's Dental Plan.

#### **3.1.1 Prohibited Marketing Activities**

(A) Contractor, its employees, Participating Providers, agents, or Subcontractors are prohibited from:

(1) Directly or indirectly, conducting door-to-door, telephonic, or other "cold call" Marketing activities;

(2) Influencing a Potential Enrollee's enrollment in conjunction with the sale or offering of any private insurance; and

(3) Distributing any materials that include statements that will be considered inaccurate, false, or misleading. Such statements can include that the Potential Enrollee must enroll with the Contractor in order to obtain or not to lose benefits; or that the Contractor has been endorsed by CMS, the Federal or State government, or similar entity.

## **3.2 Outreach Activities**

### **3.2.1 Outreach Activities, General Rules**

(A) The Contractor may conduct outreach activities and produce outreach materials that promote the CHIP program, generally. The Contractor is not allowed to conduct outreach activities and/or produce marketing materials which promotes its individual CHIP Health Plan.

(B) Any outreach materials must be submitted to the Department for Department approval prior to use or distribution. This includes new outreach materials as well as changes being made to existing outreach materials. The Contractor shall submit outreach materials to the Department public information officer and to the CHIP Director either by email or in a format approved by the Department. The Department shall provide its approval or disapproval of the outreach materials in writing. If the Department does not provide approval or disapproval of the materials within 15 days of the request, and if the Department does not request additional information or correction to the material, the Contractor may deem the materials approved by the Department.

(C) The Contractor shall notify the Department of all events within the State of Utah that are events that the Contractor intends to organize or participate in which the Contractor intends to conduct outreach activities. The Contractor shall notify the Department of such events at least five days in advance of the event or activity. The Department shall provide its approval or disapproval of the event in writing. Representatives from the Dental Plan may not promote the Dental Plan by wearing clothing with company logos or handing out items to Potential CHIP enrollees that specifically promotes the Dental Plan.

(D) In the event that the Contractor violates any of the provisions found in this Article the Contractor shall be subject to the sanctions found in Article 15.

## **3.3 Enrollment Process**

### **3.3.1 Enrollee Choice**

(A) The Department or the Department's designee shall determine a Potential Enrollee's eligibility for Enrollment and will offer Potential Enrollees a choice among all available Dental Plans. If the Enrollee does not select a Dental Plan, then the Department will assign the Enrollee to a Dental Plan.

(B) The Department shall certify and the Contractor agrees to accept the individuals who are eligible to be enrolled in the CHIP program. The Contractor shall enroll individuals in the order in which they apply.

(C) Each Enrollee can be enrolled or disenrolled in a Dental Plan independent of the enrollment or disenrollment of any other children in the family.

(D) On an annual basis, Enrollees shall be permitted to transfer from one Dental Plan to another without cause during the Department-defined open enrollment period.

(E) The Department may, at any time, revise its enrollment procedures. The Department will advise the Contractor of the anticipated changes in advance whenever possible. The Contractor shall have the opportunity to make comments and provide input on the changes. The Contractor shall be bound by the changes in enrollment procedures.

### **3.3.2 Prohibition Against Conditions on Enrollment**

(A) Contractor must accept eligible Enrollees without restrictions unless such restriction is authorized by the Department.

(B) Contractor and Department may not pre-screen or select Potential Enrollees on the basis of pre-existing dental problems.

(C) Contractor shall not discriminate against Enrollees or Potential Enrollees on the basis of race, color, or national origin, and shall not use any policy or practice that has the effect of discriminating on the basis of race, color, or national origin.

(D) Contractor shall not discriminate against Enrollees or against Potential Enrollees on the basis of health status or the need for dental services.

### **3.3.3 Period of Enrollment**

(A) An Enrollee shall be considered enrolled in the Contractor's Dental Plan beginning on the effective date shown on the Eligibility Transmission.

(B) An Enrollee shall be enrolled in the Contractor's Dental Plan until the earliest of the following:

(1) the end of the Contract;

(2) the end of the period of CHIP eligibility;

(3) the date the Enrollee has changed Dental Plans; or

(4) the date the Enrollee is disenrolled.

(C) Until the Department notifies the Contractor that an Enrollee is no longer CHIP eligible or is no longer enrolled with the Contractor's Dental Plan, the Contractor may assume that the Enrollee continues to be enrolled. The Contractor is responsible for verifying enrollment using the most current information available from the Department.

(D) Generally, the enrollment period is for one year from the time of enrollment.

### **3.3.4 CHIP and Medicaid Eligibility**

(A) If a CHIP Enrollee becomes eligible for Medicaid, CHIP coverage will end the last day of the month prior to the start of Medicaid eligibility.

(B) The Contractor will make a good faith effort to recover claims paid to a Provider after the date coverage began with Medicaid, to the extent that date of enrollment and date of termination of the applicable CHIP Enrollee has been provided to Contractor in the Eligibility Transmission. The Contractor

will recover such claims according to industry standards. The Contractor will use recovered claims to offset the total claims expenses.

### **3.3.5 CHIP and Other Health Insurance**

(A) If a CHIP Enrollee becomes eligible for private insurance during the same month or a month previously covered by CHIP, CHIP coverage will end the last day of the month in which 10 day proper notice of closure can be given.

(B) The Contractor shall use reasonable efforts to coordinate with the private insurance company to recover claims paid after the date coverage began with the private insurance, to the extent that Contractor has received notice of the applicable CHIP Enrollee's eligibility for private insurance. If the Contractor coordinates with the private insurance company, the Contractor's Dental Plan shall pay as a secondary insurance. The Contractor may not recover claims pursuant to this Section 3.3.5 from the Provider other than when coordinating with the private insurance company and paying as a secondary insurance plan. The Contractor's Dental Plan will use recovered claims to offset the total claims expenses. The Contractor shall not bill the CHIP Enrollee.

## **3.4 Eligibility Transmission**

### **3.4.1 Eligibility Transmission, Generally**

(A) The Department shall provide to the Contractor an Eligibility Transmission which is an electronic file that includes data on individuals that the Department certifies as being CHIP Eligible and who have been enrolled in Contractor's Dental Plan. The Eligibility Transmission will include new Enrollees, reinstated Enrollees, retroactive Enrollees, terminated Enrollees and Enrollees whose eligibility information results in a change to a critical field.

(B) Critical Fields found in the Eligibility Transmission shall include: Enrollee's case number, case name, eREP identification number, name, date of birth, date of death, social security number, gender, prevalent language, race, Capitation Rate Cell, pregnancy indicator, co-payment/coinsurance indicators, (including those for American Indians) eligibility start date, third party liability coverage, county, address, and phone number.

(C) The Eligibility Transmission shall be designated as the “834 File” and shall be in accordance with the Utah Health Information Network (“UHIN”) standard. The Contractor shall have the ability to receive and process the Eligibility Transmission.

(D) The appearance of an individual’s name on the 834 File, other than a deleted Enrollee, shall be evidence to the Contractor that the Department has determined that the individual is enrolled in the Contractor’s Dental Plan and qualifies for CHIP Assistance under Title XXI of the Social Security Act.

(E) In addition to the monthly transmission of eligibility files, the Department shall send daily transmissions to report changes to the Contractor.

#### **3.4.2 Eligibility File, Contractor Responsibilities**

(A) The Contractor shall be responsible for ensuring that it is using the most recent 834 File when processing claims.

(B) The Contractor shall follow the policies and procedures found in the Department’s 834 Eligibility Transmission Manual, the HIPAA 834 Best Practices Manual, and any amendments to these documents.

### **3.5 Member Orientation**

#### **3.5.1 Initial Contact, General Orientation**

(A) The Contractor shall make a good faith effort to ensure that each Enrollee or Enrollee’s family or guardian receives the Contractor’s Member Handbook.

(B) The Contractor’s representative shall make a good faith effort to send new Enrollees a Member Handbook within 10 working days after the Contractor has been notified through the Eligibility Transmission of the Enrollee’s Enrolment in the Contractor’s Dental Plan. The Contractor shall maintain written or electronic records of the mailing of the Member Handbook.

(C) The Contractor shall ensure that Enrollees are provided interpreters, Telecommunication Device for the Deaf, and other auxiliary aids to the extent necessary to ensure that Enrollees understand their rights and responsibilities.

### **3.5.2 Identification Card**

(A) The Contractor shall issue an identification card to all Enrollees. The identification card shall contain the following information:

- (1) Children's Health Insurance Program (CHIP);
- (2) Whether the Enrollee is Plan B or Plan C, and if they are Native American.
- (3) The name of Contractor's Dental Plan;
- (4) A toll free Member Service number.

(B) The Contractor shall issue the identification card to new Enrollees within 21 calendar days after the Department notifies the Contractor that the Enrollee has been enrolled in the Contractor's Dental Plan.

(C) The Contractor must issue a new identification card to incumbent Enrollees when their coverage terminates for 60 days or more before reinstating with the Contractor's Dental Plan, when the Enrollee changes Plans (B or C), or when the Enrollee has changes to their co-pay exempt status.

(D) The Contractor is not required to issue an identification card to Enrollees who have qualified for only retroactive enrollment in the Contractor's Dental Plan.

## **3.6 Member Education**

### **3.6.1 Enrollee information Requirements, Generally**

(A) The Contractor shall write all Enrollee and Potential Enrollee informational, instruction, and educational material, including the member handbook, in a manner that may be easily understood at the sixth grade reading level.

(B) Once a year, the Contractor shall notify all Enrollees of their right to request and obtain the Contractor's member handbook.

### **3.6.2 Prevalent Language and Alternative Formats**

(A) The Contractor shall use the Eligibility Transmission to determine prevalent non-English languages. A language is prevalent when it is spoken by five percent or more of the Contractor's enrolled population.

(B) The Contractor shall make available all Contractor's written Enrollee informational and instructional materials, including the member handbook, in the prevalent non-English languages. Contractor's written materials include Contractor's vital documents such as consent forms, release of information forms, letters containing important information, etc., as applicable.

(C) The Contractor shall make Contractor's Enrollee informational and instructional materials, including the member handbook, available in alternative formats that take into consideration the special needs of those who are visually limited or have a limited reading proficiency. Such alternative formats might include audio or video recordings.

### **3.6.3 Member Handbook**

(A) On a yearly basis, the Contractor shall submit its member handbook to the Department for review and approval at least 45 days prior to general distribution. The Department shall notify the Contractor in writing of its approval or disapproval within thirty working days after receiving the member handbook unless the Department and Contractor agree to another timeframe. If the Department does not respond within the agreed upon time frame, the Contractor may deem such materials approved by the Department.

(B) At minimum, the member handbook shall explain in clear terms the following information:

(1) The amount, duration, and scope of benefits provided by the Contractor described in sufficient detail to ensure that Enrollees understand the scope of service and the benefits to which they are entitled;

(2) The Contractor's procedures for obtaining Covered Services, including any service authorization requirements; how and under what circumstances out of area services are covered; policy on referrals to specialty care; and procedures for resolving Enrollee issues related to authorization of coverage or payment for services;

(3) The extent to which, and how, after-hours emergency coverage is provided including:

(i) what constitutes an Emergency Medical Condition, Emergency Services, and Post-Stabilization Care Services;

(ii) the fact that prior authorization is not required for Emergency Services;

(4) A description of Enrollee cost-sharing requirements;

(5) Toll free Member Services telephone number;

(6) A description of the Member Services function;

(7) Information on the availability of written materials in alternative formats and in an appropriate manner that takes into consideration the special needs of those who, for example, are visually limited or have limited reading proficiency, and a statement on how to access these formats; and

(8) How the Enrollee may file a Complaint, Grievance, or Appeal.

(C) The Contractor shall notify the Department when it makes changes to the member handbook at least 90 days prior to the changes taking effect. If the Department deems the changes being made to the member handbook to be "significant" the Contractor shall give each enrollee written notice of the change at least 30 days prior to the intended effective date of the change. The Department agrees to notify the Contractor of information deemed to be "significant" at least 60 calendar days prior to the intended effective date.

(D) The Contractor shall also provide the information described in Section 3.6.3(B) to the Enrollee upon request from the Enrollee.

#### **3.6.4 Additional Information to Enrollees**

(A) The Contractors shall annually reinforce, in writing, to Enrollees how to access emergency and urgent services and how to file an Appeal or Grievance. The Contractor shall provide a draft copy of this annual notification to the Department for review prior to sending the notification to Enrollees.

(B) The Contractor shall make a good faith effort to give written notice of termination of a Participating Provider, within 30 days after receipt or issuance of the termination notice, to each enrollee who received his or her primary care from, or was seen on a regular basis by, the terminated Participating Provider.

### **3.7 Disenrollment**

#### **3.7.1 Disenrollment Initiated by Enrollee, Without Cause**

(A) Enrollees are permitted to transfer from one Dental Plan to another without cause as follows:

- (1) Within the first 90 days following the date of each enrollment period with the Contractor's Dental Plan;
- (2) During the open enrollment period (which shall occur at least once a year or as otherwise defined by the Department); or
- (3) When the Enrollee has been automatically re-enrolled after being disenrolled solely because the Enrollee lost CHIP eligibility for a period of two months or less and the temporary loss of CHIP eligibility caused the Enrollee to miss the annual open enrollment period.

#### **3.7.2 Limited Disenrollment, With Cause**

(A) Enrollees may request to transfer from one Dental Plan to another at any time for the following reasons:

- (1) The Enrollee moves out of the Contractor's Dental Plan's Service Area;

- (2) The Enrollee needs related services to be performed at the same time and not all services are available within the network, and the Enrollee's Primary Care Dentist determines that receiving the services separately would subject the Enrollee to unnecessary risk;
- (3) Other reasons as determined by the Department, including but not limited to, poor quality of care, lack of access to services covered under the Contract, or lack of access to Providers experienced in dealing with the Enrollee's dental care needs;
- (4) Dental Plan does not, because of moral or religious objections cover the service the Enrollee seeks;
- (5) Enrollee becomes emancipated; or
- (6) If the Dental Plan makes changes to its network of Participating Providers that interferes with an Enrollee's continuity of care with the Enrollee's Provider of choice.

### **3.7.3 Process for Requesting Dental Plan Change**

- (A) The Enrollee may change Dental Plans by submitting an oral or written request to the Department. The Enrollee must declare the Dental Plan in which he or she wishes to enroll should the disenrollment be approved.
- (B) If the Enrollee makes a request for disenrollment directly to the Contractor, the Contractor shall forward the request for disenrollment to the Department.
- (C) The Department shall review each disenrollment request from an Enrollee to determine if the request meets the criteria for cause, and if so, the Department shall allow the Enrollee to switch to another Dental Plan. If the request does not meet criteria for cause, or if the concern is with a Provider and not the Contractor, the Department shall deny the disenrollment request and inform the Enrollee of his or her rights to request a State fair hearing.
- (D) If the Department fails to make a determination within ten calendar days after receiving the disenrollment request, the disenrollment is considered approved.
- (E) The disenrollment shall be effective once the Department has been notified by the Enrollee, and the disenrollment is indicated on the Eligibility Transmission. The effective date of an approved disenrollment request shall be no later than the first day of the second month following the month in which the Enrollee filed the request.

### **3.7.4 Disenrollment Initiated by Contractor**

- (A) The Contractor may not terminate an Enrollee's enrollment because of an adverse change in the Enrollee's health or because of the Enrollee's utilization of Covered Services.

(B) The Contractor may initiate disenrollment of any Enrollee for one or more of the following reasons:

(1) For reasons specifically identified in the Contractor's approved Enrollee handbook;

(2) When the Enrollee ceases to be eligible for medical assistance under the State's Title XXI State Plan and as finally determined by the Department;

(3) Upon expiration of the Contractor's Contract with the Department;

(4) Confinement of an Enrollee in an institution when confinement is not a Covered Service under this contract;

(5) Violation of enrollment requirements developed by the Contractor and approved by the Department but only after the Contractor and/or the Enrollee has exhausted the Contractor's applicable internal Grievance procedure; or

(6) When the Contractor has determined that the Enrollee has other valid health insurance coverage.

(C) To initiate disenrollment of an Enrollee's participation in the Contractor's Dental Plan, the Contractor shall provide the Department with documentation justifying the proposed disenrollment.

(1) The Department shall approve or deny the disenrollment request by email or in writing within thirty days of receipt of the request. Failure by the Department to deny a disenrollment request within thirty days shall constitute an approval of the Contractor's disenrollment request.

(2) If the Department approves the Contractor's disenrollment request, the Contractor shall give the Enrollee thirty days written notice of the proposed disenrollment, and shall notify the Enrollee of his or her right to file a Grievance or Appeal. The Contractor shall provide a copy of the written notice to the Department at the time the notice is sent to the Enrollee.

(D) If an Enrollee is disenrolled because of a violation of the responsibilities included in the Contractor's member handbook, the Contractor may refuse re-enrollment of that Enrollee.

## **Article 4 Benefits**

### **4.1 General Provisions**

#### **4.1.1 Basic Standards**

(A) The Contractor shall provide to Enrollees, directly or through arrangements with Providers, all Medically Necessary Covered Services described in Attachment C as promptly and continuously as is consistent with generally accepted standards of medical practice.

### **4.2 Scope of Services**

#### **4.2.1 Scope of Covered Services**

(A) Except as otherwise provided for cases of Emergency Services, the Contractor is responsible to pay for all Covered Services listed in Attachment C. The Contractor shall also be responsible to pay for Covered Services that are, subsequent to the execution of this contract, deemed Covered Services due to amendments, revisions, or additions to the CHIP State Plan or to State or Federal regulations, guidelines or policies or made pursuant to court or administrative orders.

(B) The Contractor shall ensure that services are sufficient in amount, duration or scope to reasonably be expected to achieve the purpose for which the services are furnished.

(C) The Contractor may not arbitrarily deny or reduce the amount, duration, or scope of a required service solely because of diagnosis, type of illness, or condition of the Enrollee.

(D) The Contractor is responsible for payment of Emergency Services 24 hours a day, 7 days a week whether the services were provided by a Participating Provider or a Non-Participating Provider and whether the service was provided inside or outside of the Contractor's Service Area.

#### **4.2.2 Changes to Benefits, Administrative Cost**

Amendments, revisions, or additions to the CHIP State Plan or to State or Federal regulations, guidelines, or policies, insofar as they affect the scope or nature of benefits available to a CHIP Eligible Individual shall be considered incorporated by this Contract and the Contractor shall be required to provide those benefits to CHIP Eligible Individuals. The Department will provide written notice to the Contractor of any amendments, revisions, or additions prior to implementation when feasible. Notwithstanding the foregoing, if any change referenced in this Section 4.2.2 increases either dental or administrative costs to the Contractor, the Parties shall negotiate during the annual rate negotiation process an adjustment to Contractor compensation.

#### **4.2.3 Court and Administrative Orders Regarding Benefits**

The Contractor shall pay for benefits deemed eligible for payment pursuant to the terms of a court or administrative order.

### **4.3 Covered Services, Emergency Services**

#### **4.3.1 Emergency Services, Generally**

(A) The Contractor is responsible for coverage and payment of Emergency Dental Services in a dental provider's office as described by this Contract and by law.

(B) The Contractor shall cover and pay for Emergency Dental Services regardless of whether the Provider that furnishes the services is a Participating Provider or a Non-Participating Provider.

(C) The Contractor may not refuse to cover Emergency Services based on the emergency room Provider, hospital, or fiscal agent not notifying the Enrollee's Primary Care Dentist or the Contractor of the Enrollee's screening and treatment within ten calendar days of presentation for Emergency Services.

(D) The Contractor shall inform Enrollees that access to Emergency Dental Services is not restricted and that if an Enrollee experiences a dental emergency, he or she may obtain services from a Non-Participating Provider without penalty.

#### **4.3.2 Enrollee Payment Liability for Emergency Dental Services**

An Enrollee who has had an Emergency Dental Condition may not be held liable for payment of subsequent screening and treatment that are needed to diagnose the specific condition or stabilize the patient and are Covered Services.

#### **4.3.3 Payment Liability for Referrals**

The Contractor may not deny payment for treatment obtained by an Enrollee when a representative of the Contractor, including the Enrollee's Provider, instructs the Enrollee to seek emergency care that are Covered Services.

## **Article 5 Delivery Network**

### **5.1 Availability of Services**

#### **5.1.1 Network Requirements**

(A) The Contractor shall maintain and monitor a network of appropriate, Participating Providers that is supported by written agreements and is sufficient to provide adequate access to all services covered under this Contract.

(B) The Contractor shall have at least two dental providers within 40 miles of each Enrollee's residence. This requirement shall not apply to rural areas where there is a general shortage of dentists.

(C) If the Department determines that the Contractor does not have a sufficient Participating Provider network, the Department shall give written notice to the Contractor of its non-compliance. Upon receipt of the notice, the Contractor shall have 90 days to become compliant. If the Contractor is non-compliant after 90 days, an Enrollee may use any Dental Provider whose practice address is within 40 miles of the Enrollee's residence and the Contractor shall reimburse that provider in accordance with the rates found in Attachment C.

#### **5.1.2 Sufficiency of Network**

(A) The Contractor shall have sufficient specialists in its network to serve the population of Enrollees while minimizing travel time for Enrollees.

#### **5.1.3 Appointments & Waiting Times**

The Contractor shall comply with the following benchmarks for dental providers:

(A) Within 21 days for routine, non-urgent appointments

(B) Same day for urgent care that can be treated in a Provider's office

#### **5.1.4 Choice of Dental Provider**

The Contractor must offer to the Enrollee, to the extent possible and appropriate, a choice in the selection of his or her dental Provider from among those who are available to provide, coordinate and authorize the Enrollee's care.

### **5.1.5 Second Opinions**

The Contractor shall provide for a second opinion from a qualified health care professional within the network, or arrange for the Enrollee to obtain one outside the network at no cost to the Enrollee.

### **5.1.6 Out of Network Services**

(A) If the Contractor's network of Participating Providers is unable to provide Medically Necessary Covered Services under this Contract to a particular Enrollee, the Contractor shall adequately and timely cover these services using a Non-Participating Provider for the Enrollee for as long as the Contractor is unable to provide them.

(B) The Contractor shall use reasonable efforts to ensure that (i) Non-Participating Providers coordinate with the Contractor with respect to payment and (ii) the cost to the Enrollee is no greater than it would be if the services were furnished by a Participating Provider.

### **5.1.7 Timely Access**

The Contractor shall require that its Participating Providers offer hours of operation that are no less than the hours of operation offered to commercial enrollees.

### **5.1.8 Timely Access Monitoring**

The Contractor shall establish mechanisms to ensure that its Participating Providers are complying with the timely access requirements, and shall monitor its Participating Providers regularly to determine compliance by Participating Providers. If there is failure to comply, the Contractor shall take corrective action.

## **5.2 Relationships with Subcontractors and Delegation of Duties**

### **5.2.1 Generally**

(A) The Contractor shall ensure that all of its Subcontracts are in writing.

(B) The written agreements with the Subcontractor shall include any general requirements of this Contract that are appropriate to the service or activity being delegated under the Subcontract, including confidentiality requirements and shall assure that all duties of the Contractor under this Contract that are also delegated to Subcontractor under the Subcontract are performed.

(C) Prior to entering into a Subcontract, the Contractor shall evaluate the prospective Subcontractor's ability to perform the activities being delegated.

(D) The Contractor shall oversee and be held accountable for any functions and responsibilities that it delegates to any Subcontractor.

(E) The Contractor shall monitor the Subcontractor's performance on an on-going basis that shall be subject to formal review according to a periodic schedule established by the Department, consistent with industry standards or State laws and regulations.

(F) If the Contractor identifies in its Subcontractor deficiencies or areas of improvement, the Contractor and/or the Subcontractor shall take corrective action.

(G) No Subcontract shall terminate or limit the legal responsibility of the Contractor to the Department to assure that all activities under this contract are carried out. The Contractor is not relieved of its contractual responsibilities to the Department by delegating those responsibilities to a Subcontractor.

(H) Within 15 days of receiving a request from the Department, the Contractor shall make all Subcontracts available to the Department.

### **5.2.2 Written Agreements, Specific Requirements**

(A) The Contractor shall ensure that each of the Subcontracts with Participating Providers entered into by either the Contractor or a Contractor Affiliate contains the following:

(1) Adequate information about the Grievance, Appeal, and State fair hearing procedures and timelines so that the Provider can comply with the Grievance and Appeals Systems requirements including:

(i) The Enrollee's right to a State Fair Hearing, how to obtain a hearing, and representation rules at a hearing;

(ii) The Enrollee's right to file Grievances and Appeals;

(iii) The requirements and timeframes for filing a Grievance or Appeal;

(iv) The availability of assistance in the filing process;

(v) The toll-free numbers that the Enrollee can use to file a Grievance or Appeal by phone;

(vi) The fact that, when requested by the Enrollee, disputed services will continue if the Enrollee files an Appeal or request a State fair hearing within the timeframes specified for filing, and the Enrollee may be required to pay the cost of disputed services

furnished while the Appeal is pending if the final decision is adverse to the Enrollee; and

(vii) Any State-determined Provider Appeal rights to challenge the failure of the Contractor to cover a service.

### **5.2.3 Other Provider-Subcontractor Requirements**

(A) The Contractor shall ensure that each of the Subcontracts and agreements with Participating Providers entered into by either the Contractor or a Contractor Affiliate will include a provision stating that if either party wishes to terminate the subcontract or agreement, whichever party initiates the termination must give the other party written notice of termination at least 30 calendar days prior to the effective termination date.

(B) The Contractor shall ensure that its Participating Providers abide by the requirements of Section 1877(E)(3)(B) of the Social Security Act prohibiting the Participating Providers from making payments directly or indirectly to a dentist or other Provider as an inducement to reduce or limit Medically Necessary services provided to Enrollees.

(C) All of the Contractor's Participating Providers shall be aware of the Contractor's Quality Assurance Plan and activities. The Contractor shall ensure that all of the agreements between Contractor or Contractor Affiliate and Participating Providers shall include a requirement securing cooperation with the Contractor's Quality Assurance Plan and activities and shall allow the Contractor access to the dental records of Enrollees being treated by Participating Providers.

(D) All providers who administer services under this Contract shall have a unique identifier in accordance with the system established under Section 1173(b) of the Social Security Act and in accordance with the Health Insurance Portability and Accountability Act.

(F) The Contractor shall contractually require that Participating Providers and staff are knowledgeable about methods to detect domestic violence, about mandatory reporting laws when domestic violence is suspected, and about resources in the community to which patients can be referred.

## **5.3 Contractor's Selection of Participating Providers**

### **5.3.1 Participating Provider Selection, Generally**

(A) The Contractor shall implement written policies and procedures for selection and retention of Participating Providers and those procedures should include, at minimum, the requirements found in this Contract.

(B) The Contractor shall maintain documentation of its credentialing and re-credentialing activities. Upon request from the Department, the Contractor shall demonstrate that its

Participating Providers are credentialed and re-credentialed following Contractor's written credentialing and re-credentialing policies and procedures.

### **5.3.2 Excluded Providers**

Pursuant to 42 CFR 438.214(d), the Contractor shall not employ or contract with Providers that are Excluded from participation in Federal Health Care Programs under either Section 1128 or 1128A of the Social Security Act.

### **5.3.3 Notifications**

The Contractor shall have procedures for notifying the Utah Department of Professional Licensing when it suspects or has knowledge that a Provider has violated Professional Licensing statutes, rules, or regulations.

### **5.3.4 Non-Inclusion of Providers**

(A) The Contractor shall report to the Department when a Provider is denied Participating Provider status. Such denial can include when a Provider is denied admission to the Contractor's provider panel, is removed from the Contractor's panel, or voluntarily withdraws from the panel when the denial, removal, or withdrawal is due to a substantive issue. Substantive issues include violations of the Department of Occupational and Professional Licensing's regulations, and allegations of Fraud, Waste or Abuse.

(B) The Contractor shall electronically submit information relating to the non-inclusion of Providers to the Department within 30 calendar days of the non-inclusion action using the Department-specified form.

(C) The Contractor shall not report non-inclusion of Providers when due to non-substantive issues. Non-substantive issues include instances where the provider fails to complete the credentialing process or the Contractor has sufficient network capacity.

## **5.4 Payment of Provider Claims**

### **5.4.1 General Requirements**

(A) The Contractor shall pay Providers on a timely basis consistent with the claims payment procedures described in Section 1902(a)(37)(A) of the Social Security Act and the implementing federal regulations at 42 CFR 447.45 and 42 CFR 447.46 unless the Contractor or Contractor Affiliate and the Participating Provider have established an alternative payment schedule.

(B) The Contractor shall pay 90 percent of all Clean Claims from practitioners, who are in individual or group practice or who practice in shared health facilities, within 30 days of receipt.

(C) The Contractor shall pay 99 percent of all Clean Claims from practitioners, who are in individual or group practice or who practice in shared facilities, within 90 days of the date of receipt.

(D) The date of receipt is the date the Contractor or Contractor Affiliate receives the claim as indicated by its date stamp on the claim.

(E) The date of payment is the date of the check or other form of payment.

#### **5.4.2 Coverage Start Dates**

(A) The Contractor is responsible for making payment on claims for Enrollees from the earlier of:

(1) the first day of the month of such Enrollee's application is submitted; or

(2) during the Four Day Grace period from the date of application of such Enrollee.

#### **5.4.3 Federally Qualified Health Center and Rural Health Clinic Payments**

The Contractor shall pay to Federally Qualified Health Clinics ("FQHCs") and Rural Health Clinics ("RHCs") with which it is contracted an amount not less than what it pays other similar providers that are not FQHCs and RHCs.

#### **5.4.4 Indian Health Services Contracts**

(A) The Contractor shall make, or shall ensure that Contractor Affiliate makes, a good faith effort to subcontract with Indian Health Services. Any such subcontract shall be comparable to subcontracts offered to other Participating Providers.

(B) If an Indian health care Provider is a Participating Provider, the Contractor must allow Native American Enrollees to choose the Indian health care Provider.

(C) The Contractor must demonstrate that it has sufficient Indian health care providers as Participating Providers to ensure that Enrollees have timely access to Covered Services.

(D) The Contractor agrees to make prompt payment to Indian Health Services in accordance with 42 CFR 447.45 and 42 CFR 447.46.

(E) The Contractor shall pay an Indian health care provider that is both an FQHC and a Non-Participating Provider at the same rate that the Contractor, or Contractor Affiliate, would pay a Participating Provider. The Contractor shall ensure that a Contractor Affiliate pay an Indian health care provider that is both an FQHC and Non-Participating Provider at the same rate the Contractor or Contractor Affiliate would pay a Participating Provider.

## **Article 6: Program Integrity Requirements**

### **6.1 Fraud, Waste and Abuse**

#### **6.1.1 Generally**

(A) Pursuant to 42 CFR 438.608, the Contractor shall have administrative and management arrangements or procedures, including a mandatory compliance plan, that are designed to guard against Fraud, Waste, and Abuse on the part of the Providers, Enrollees, and other patients who falsely present themselves as being CHIP eligible.

(B) The Contractor's compliance plan shall be designed to identify and refer suspected Fraud, Waste, and Abuse activities. The Contractor shall submit the Fraud, Waste, and Abuse plan to the Department, upon the Department's request and the compliance plan shall be subject to the Department's approval.

(C) The Contractor shall cooperate and coordinate with the Department, the Utah OIG, and the Medicaid Fraud Control Unit ("MFCU") in any Waste, Fraud, and Abuse activities and investigations.

(D) The Contractor shall make reasonable efforts to attend and participate in quarterly Fraud, Waste, and Abuse meetings with the Department, MFCU, and the Utah OIG.

#### **6.1.2 Specific Requirements for Contractor's Management Arrangements or Procedures**

(A) The Contractor's management arrangements or procedures and compliance plan to guard against Fraud, Waste, and Abuse shall include the following:

(1) Written policies, procedures, and standards of conduct that articulate the Contractor's commitment to comply with all applicable Federal and State standards;

(2) The designation of a compliance officer and a compliance committee that are accountable to senior management;

(3) Effective training and education for the compliance officer and the Contractor's employees;

(4) Effective lines of communication between the compliance officer and the Contractor's employees;

(5) Enforcement of standards through well-publicized disciplinary guidelines;

(6) Provisions for internal monitoring and auditing including:

(i) Mechanism(s) for verifying with Enrollees that Covered Services provided or reimbursed by the Contractor were actually furnished to Enrollees (such as

periodic questionnaires, telephone calls, etc., to a sample of Enrollees); and

(ii) Documentation of the sampling methodology and the schedule for conducting the verifications; and

(7) Provisions for prompt response to detected offenses and for development of corrective action initiatives relating to this Contract.

### **6.1.3 Reporting Potential Provider-Related Fraud, Waste, and Abuse**

(A) Pursuant to Utah Code Ann. §63J-4a-101 *et seq.*, if the Contractor or a Provider becomes aware of potential Provider-related Fraud, Waste, or Abuse, the Contractor or the Provider shall report the incident, in writing, to the Utah Office of Inspector General of Medicaid Services (“Utah OIG”) or MFCU in the Utah Attorney General’s Office.

(B) If the Contractor or Provider reports an incident to the Utah OIG or MFCU, the Contractor or Provider shall electronically submit a copy of the report to the Department.

(C) Reports of Fraud, Waste, or Abuse made by the Contractor or a Provider shall be made to the Utah OIG or MFCU and the Department within fifteen working days of detection of the incident of Provider-related Fraud, Waste, or Abuse.

(D) The Contractor or Provider shall include in the report:

(1) Name and identification number of the suspected individual;

(2) Source of the complaint (if anonymous, indicate as such);

(3) Type of Provider or type of staff position, if applicable;

(4) Nature of complaint;

(5) Approximate dollars involved, if applicable and

(6) The legal and administrative disposition of the case, if any, including actions taken by law enforcement to whom the case has been referred.

(E) In accordance with 42 CFR 455.17(a) the Contractor shall report to the Department on a quarterly basis the number of complaints of Fraud, Waste, and Abuse has warranted a preliminary investigation. The report shall be submitted to the Department no later than 30 days after each quarter.

### **6.1.4 Reporting Recipient-Related Fraud, Waste, and Abuse**

If the Contractor or a Provider becomes aware of potential recipient Fraud related to the recipient’s eligibility for CHIP (such as, the recipient misrepresented facts in order to become or

maintain CHIP eligibility), the Contractor or Provider shall report the potential recipient Fraud to the Utah Department of Workforce Services. All other types of potential Fraud and all types of potential recipient Waste or Abuse related to the CHIP program shall be reported to the Utah OIG and to the Department's Bureau of Managed Health Care.

#### **6.1.5 Obligation to Suspend Payments to Providers**

- (A) The Contractor shall develop policies and procedures to comply with 42 CFR §455.23.
- (B) The Contractor shall contact MFCU prior to suspending payments.

### **6.2 False Claims Act**

#### **6.2.1 False Claims Act, Generally**

(A) In accordance with Section 6032 of the Deficit Reduction Act of 2005, if the Contractor receives annual payments of at least \$5,000,000.00 from the Department, the Contractor shall establish written policies and procedures for all of its employees (including management) and its contractors or agents which comply with the Act.

(B) For purposes of this Article 6.2, the following definitions apply:

- (1) **Employee:** includes any officer or employee of the Contractor.
- (2) **Agent or contractor:** includes any contractor, subcontractor, agent or other person which or who, on behalf of the Contractor, furnishes or otherwise authorizes the furnishing of CHIP Covered Services, performs billing or coding functions, or is involved in monitoring of health care provided by or on behalf of the Contractor.

#### **6.2.2 Information Required in False Claims Act Policies**

(A) The written policies shall provide detailed information about the False Claims Act established under Sections 3729 through 3733 of Title 31 of the United States Code, administrative remedies for false claims and statements established under Chapter 38 of Title 31, United States Code, any state laws pertaining to civil or criminal penalties for false claims and statements, and whistleblower protections under such laws, with respect to the role of such laws in preventing and detecting Fraud, Waste, and Abuse in Federal Health Care Programs.

(B) The Contractor shall include as part of its written policies, detailed provisions regarding the Contractor's policies and procedures for detecting and preventing Fraud, Waste, and Abuse.

#### **6.2.3 Dissemination of False Claims Act Policies and Procedures**

(A) The Contractor shall have written procedures for disseminating to its employees, contractors and agents its False Claims Act Policies.

(B) The Contractor shall require that its Participating Providers comply with the Contractor's False Claims Act policies and procedures.

(C) The Contractor shall use all reasonable efforts, including provider attestations, to ensure that its Participating Providers are either disseminating the Contractor's or equivalent False Claims Act policies and procedures to the Participating Providers' employees and agents.

#### **6.2.4 Employee Handbook**

(A) If the Contractor has an employee handbook, the Contractor shall include the following information:

(1) A specific discussion of the False Claims Act established under Sections 3729 through 3733 of Title 31 of the United States Code, administrative remedies for false claims and statements established under Chapter 38 of Title 31, United States Code, any state laws pertaining to civil or criminal penalties for false claims and statements, and whistleblower protections under such laws, with respect to the role of such laws in preventing and detecting Fraud, Waste, and Abuse in Federal Health Care Programs;

(2) The rights of employees to be protected as whistleblowers; and

(3) The Contractor's policies and procedures for detecting and preventing Fraud, Waste, and Abuse.

### **6.3 Prohibited Affiliations with Individuals Debarred by Federal Agencies**

#### **6.3.1 General Requirements**

(A) In accordance with Section 1932(d) of the Social Security Act and 42 CFR 438.610:

(1) The Contractor shall not knowingly have a director, officer, partner, or person with beneficial ownership of more than 5% of the Contractor's equity who is:

(i) disbarred, Suspended, or otherwise Excluded from participating in procurement activities under the Federal Acquisition Regulation or from participating in nonprocurement activities under regulations issued pursuant to Executive Order No. 12549 or under any guidelines implementing such order; or

(ii) an affiliate, as defined in the Federal Acquisition Regulation, of a person who is disbarred, Suspended, or otherwise Excluded from participating in procurement activities under the Federal Acquisition Regulation or from participating in nonprocurement activities under regulations issued pursuant to Executive Order No. 12549 or under any guidelines implementing such order.

(2) The Contractor shall not knowingly have an employment, consulting, or any other agreement with a person who is:

(i) disbarred, Suspended, or otherwise Excluded from participating in procurement activities under the Federal Acquisition Regulation or from participating in nonprocurement activities under regulations issued pursuant to Executive Order No. 12549 or under any guidelines implementing such order where the Contractor is using such person for the provision of items or services that are significant and material to the Contractor's obligations to the Department; or

(ii) an affiliate, as defined in the Federal Acquisition Regulation, of a person who is disbarred, Suspended, or otherwise Excluded from participating in procurement activities under the Federal Acquisition Regulation or from participating in nonprocurement activities under regulations issued pursuant to Executive Order No. 12549 or under any guidelines implementing such order.

(3) Per the Federal Acquisition Regulation, "business concerns are affiliates of each other, if directly or indirectly, either one controls or has the power to control the other, or another concern controls or has the power to control both. In determining whether affiliation exists, consideration is given to all appropriate factors including common ownership, common management, and contractual relationships; *provided* that restraints imposed by a franchise agreement are not considered in determining whether the franchisor controls or has the power to control the franchisee, if the franchisee has the right to profit from its effort, commensurate with ownership, and bears the risk of loss or failure. Any business entity may be found to be an affiliate whether or not it is organized for profit or located in the United States."

(B) For purposes of this Section 6.3 the word "Subcontractor" shall have the following definition:

(1) an individual, agency, or organization which a disclosing entity has contracted or delegated some of its management functions or responsibilities of providing medical care to its patients; or

(2) an individual, agency, or organization with which a fiscal agent has entered into a contract, agreement, purchase order, or lease (or leases of real property) to obtain space, supplies, equipment, or services provided under this Contract.

### **6.3.2 Screening for Prohibited Affiliations**

(A) The Contractor shall maintain written policies and procedures for conducting routine searches for prohibited affiliations.

(B) The Contractor is required to screen the following relationships to ensure it has not entered into a prohibited affiliation:

(1) Directors, officers, or partners of the Contractor (including the Contractor's Board of Directors, if applicable);

(2) Persons with beneficial ownership of 5 percent or more in the Contractor's equity;

(3) Persons with an employment, consulting, or other arrangement with the Contractor for the provision of items and services that are significant and material to the Contractor's obligation under this Contract with the Department.

(C) Before entering into a relationship with the individuals listed in Article 6.3.2(B)(1), (2), and (3), the Contractor shall, at minimum:

(1) Conduct searches of the LEIE and EPLS databases and any other database required by the Department to ensure that the individuals listed in Article 6.3.2(B)(1),(2), and (3) have been debarred, Suspended, or otherwise Excluded; and

(2) The Contractor shall maintain documentation showing that such searches were conducted.

(D) If the individuals listed in Article 6.3.2(B)(1), (2), and (3) are not found in the database searches, the Contractor is required to determine if the individual is an Affiliate of a person who is disbarred, Suspended, or otherwise Excluded from participating in procurement activities under the Federal Acquisition Regulation or from participating in nonprocurement activities under regulations issued pursuant to Executive Order No. 12549 or under any guidelines implementing such order. Affiliate is defined in Article 6.3.1(A)(3)(i) of this Contract.

(1) The Contractor may provide the Department's Prohibited Affiliation Attestation Form to the individuals listed in Article 6.3.2(B)(1), (2) and (3). If the Contractor chooses to use the Department's Prohibited Affiliation Form, the Contractor shall keep the original version of this form and shall provide the Department with an electronic copy of the form.

(2) The Department's Prohibited Affiliation Attestation form includes a statement that if the individual completing the form subsequently becomes an affiliate of a person who is disbarred, Suspended, or otherwise Excluded from participating in procurement activities under the Federal Acquisition Regulation or from participating in nonprocurement activities under regulations issued pursuant to Executive Order No. 12549 or under any guidelines implementing such order, the individual must notify the Contractor within 30 days of the discovery and complete a new attestation form.

(E) If the Contractor determines based on database search results or from the attestation forms that a prohibited affiliation would result, the Contract may not enter into the relationship.

(F) For relationships with the individuals listed in Article 6.3.2(B)(1)(2), and (3) that exist on the effective date of this Contract, the Contractor shall perform the database searches and obtain the requisite attestations. Thereafter, the Contractor shall conduct monthly searches of the required databases to determine if those individuals have been added to the databases. The Contractor shall keep records showing that these monthly searches were conducted.

(G) If an entity other than the Contractor (for example, the Board of Directors) has the authority to enter into a relationship described in Article 6.3.2(B)(1)(2) and (3) of this Contract, then the Contractor or the other entity shall conduct the required database searches and obtain the requisite attestations. Thereafter the other entity or the Contractor shall conduct the monthly searches to ensure that those individuals have not been added to the databases. The party conducting the search shall keep records showing that these monthly searches were conducted.

(H) The Contractor shall not be required to use the Department's Prohibited Affiliation Attestation form if the Contractor has developed an alternative method to screen and report Prohibited Affiliations as described in this Article 6.3. The Contractor shall send a written request to the Department describing the alternative method. The use of an alternative method must be approved of by the Department, in writing.

### **6.3.3 Subcontracted Administrative Functions**

(A) In the event that the Contractor has entered into a Subcontract with an entity that will be performing administrative functions that are significant and material to the Contractor's obligations under this Contract, the Contractor shall ensure that Subcontractor does not have a prohibited affiliation of the type described in Section 6.3.1(A)(1), (2), and (3).

(B) The Contractor shall conduct the database searches and shall obtain attestations for individuals performing administrative functions locally to determine if any of the individuals are disbarred, Suspended, or otherwise Excluded from participating in procurement activities under the Federal Acquisition Regulation or from participating in nonprocurement activities under regulations issued pursuant to Executive Order No. 12549 or under any guidelines implementing such order.

(C) The Contractor shall report any prohibited affiliation in accordance with Article 6.3.4.

(D) If the local Subcontractor has a parent entity, the Contractor shall require the parent entity to submit a letter to the Contractor regarding whether any of its individuals listed in Article 6.3.2(B)(1)(2) and (3) has a prohibited affiliation. The Contractor shall keep the original copy of the letter. If the letter states that the Subcontractor has a prohibited affiliation, the Contractor shall electronically submit a copy of the letter to the Department within 30 calendar days after the Contractor received the letter.

#### **6.3.4 Reporting Prohibited Affiliations**

(A) In the event that the Contractor determines that it is not in compliance and has entered into a prohibited affiliation of the type described in Article 6.3.1(A)(1), (2), or (3) of this Contract, the Contractor must immediately, and no later than 30 days, notify the Department. Notification to the Department shall be by email and shall include the name, Social Security Number, and type of relationship the person has with the Contractor.

(B) If the Contractor obtains an Attestation from an individual stating that the individual has an affiliate who has been disbarred, Suspended, or otherwise Excluded 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 any guidelines implementing such order, the Contractor shall provide an electronic copy of the attestation form to the Department no later than 30 calendar days from the date of the individual providing the attestation to the Contractor.

(C) The Department, after having been notified of the Contractor's noncompliance shall:

(1) Notify the Secretary of the United States' Department of Health and Human Services ("Secretary") of the noncompliance;

(2) May continue the existing Contract with the Contractor unless the Secretary (in consultation with the United States' Department of Health and Human Services Inspector General) directs otherwise;

(3) May not renew or otherwise extend the duration of an existing contract with the Contractor unless the Secretary (in consultation with the United States' Department of Health and Human Services Inspector General) provides to the State and to Congress a

written statement describing Compelling reasons that exist for renewing or extending the agreement.

## **6.4 Excluded Providers**

### **6.4.1 Definition of Excluded Providers**

In accordance with 42 CFR 438.214(d), the Contractor may not employ or contract with Providers who are Excluded from participation in Federal Health Care Programs under either Section 1128 or 1128(A) of the Social Security Act.

### **6.4.2 Screening for Excluded Providers**

(A) The Contractor shall maintain written policies and procedures for conducting routine searches of the LEIE and EPLS databases and any other database required by the Department to ensure that the Providers are not restricted Providers.

(B) Before contracting with or employing a Provider, and as part of the credentialing and recredentialing processes, the Contractor shall search the LEIE and EPLS databases and any other database required by the Department to ensure that the Providers are not restricted Providers.

(C) For Providers that are Medicare-certified or are Medicaid Providers, the Contractor need search only for the Provider's name (e.g., the name of a subcontracted hospital). For Providers that are not Medicare-certified or are not Medicaid Providers, the Contractor shall search for the Provider and its director.

(D) The Contractor shall conduct monthly searches of the LEIE and EPLS databases and any other database required by the Department to ensure that the Providers are not restricted Providers and maintain documentation showing that such searches were conducted.

(E) Once the Contractor has credentialed the potential Provider and enters into a Provider agreement, and the Provider is not Medicare-certified or is not a Medicaid Provider, the Contractor may delegate any of the following monthly searches:

(1) Searches of the Provider's director; and/or

(2) Searches of the Provider's providers who deliver Covered Services incident to the Provider's obligations under its agreements with the Contractor.

(F) The Contractor shall perform searches not delegated to the Provider and shall maintain documentation that such searches were conducted.

(G) If the Contractor delegates the Exclusion searches to a Participating Provider, the Contractor shall include this requirement in its written Provider agreement. The Contractor shall require the Provider to have policies and procedures for conducting the delegated searches, for maintaining documentation that such searches were conducted, and for reporting any Exclusion findings to

the Contractor within 30 calendar days of the discovery.

(H) If the Contractor delegates Exclusion monitoring to a Provider, the Contractor shall have monitoring policies and procedures to ensure its Providers are conducting the Exclusion searches in accordance with the delegation agreement.

(I) Within 30 calendar days of either identifying an Excluded provider or receiving Exclusion information from a Provider, the Contractor shall notify the Department of the Exclusion by electronically submitting the information on the Department's Disclosure of Excluded Provider Form to the Department.

#### **6.4.3 Excluded Provider Payment Prohibition**

(A) If the Contractor employs or contracts with an Excluded Provider, the Contractor is prohibited from paying for any claims for Covered Services to Enrollees which were furnished, ordered, or prescribed by Excluded Providers except as allowed by 42 CFR 1001.1901(c).

### **6.5 Disclosure of Ownership and Control Information**

#### **6.5.1 Definition of Subcontractor**

(A) For purposes of this Section 6.5 the word "Subcontractor" shall have the following definition:

- (1) an individual, agency, or organization which a disclosing entity has contracted or delegated some of its management functions or responsibilities of providing medical care to its patients; or
- (2) an individual, agency, or organization with which a fiscal agent has entered into a contract, agreement, purchase order, or lease (or leases of real property) to obtain space, supplies, equipment, or services provided under this Contract.

#### **6.5.2 Disclosure Information**

(A) Using the Department's Managed Care Entity Disclosure Form, and in accordance with 42 CFR 455.104, the Contractor shall require the following disclosures:

- (1) Each Person with an Ownership or Control Interest in the Contractor shall disclose:
  - (i) Identifying information that shall include the person's name, address, date of birth, Social Security Number (in the case of an individual) or other tax identification number (in the case of a corporation). An individual shall disclose the address of his or her primary residence. A corporate entity shall include (as applicable) the primary business address, every business location and P.O. Boxes; and

(ii) Whether that person is related to another Person with an Ownership or Control Interest in the Contractor is related to another Person with an Ownership or Control Interest in the Contractor as a spouse, parent, child, or sibling.

(2) Each Person with an Ownership or Control Interest in a Subcontractor in which the Contractor has a five percent or more interest shall disclose:

(i) Identifying information that shall include the person's name, address, date of birth, Social Security Number (in the case of an individual) or other tax identification number (in the case of a corporation). An individual shall disclose the address of his or her primary residence. A corporate entity shall include (as applicable) the primary business address, every business location and P.O. Boxes; and

(ii) Whether that person is related to another Person with an Ownership or Control Interest in the Contractor as a spouse, parent, child, or sibling.

(3) Managing Employees shall disclose:

(i) Identifying information that shall include the name, address, date of birth, and Social Security Number of any Managing Employee of the Contractor.

(4) Persons with an Ownership Interest in the Contractor shall disclose:

(i) Identifying information that shall include the name of the individual; and

(ii) the name of any Other Disclosing Entity (or Fiscal Agent or Managed Care Entity) in which the person with an Ownership Interest in the Contractor is also a Person with an Ownership or Control Interest in the Other Disclosing Entity (or Fiscal Agent or Managed Care Entity).

(5) In the event that the Contractor Subcontracts with an entity to perform administrative functions for the Contractor's CHIP program, the Contractor shall require Persons with an Ownership or Control Interest in the Subcontractor to disclose the following information:

(i) Identifying information that shall include the person's name, address, date of birth, Social Security Number (in the case of an individual) or other tax identification number (in the case of a corporation). An individual shall disclose the address of his or her primary residence. A corporate entity shall include (as applicable) the primary business address, every business location and P.O. Boxes; and

(ii) Whether that person is related to another Person with an Ownership or Control Interest in the Contractor is related to another Person with an Ownership

or Control Interest in the Contractor as a spouse, parent, child, or sibling.

(6) In the event that the Contractor Subcontracts with an entity to perform administrative functions, for the Contractor's CHIP program, the Contractor shall require Managing Employees of the Subcontractor to disclose the following information:

(i) Identifying information that shall include the name, address, date of birth, and Social Security Number of any Managing Employee of the Contractor.

### **6.5.3 Reporting Timeframes**

(A) The Contractor shall electronically submit the Department's Managed Care Entity Disclosure Form at the following times:

- (1) Upon the Contractor submitting a proposal in accordance with State's procurement process.
- (2) Within 90 days of the Contractor executing the Contract with the Department.
- (3) Upon renewal or extension of the Contract.
- (4) Within 35 calendar days after any change in Persons with Ownership or Control Interest.
- (5) Within 35 calendar days after any change in Managing Employees.

### **6.5.4 Consequences for Failure to Provide Disclosures**

FFP is not available in payments made to the Contractor if the Contractor or its Subcontractor performing administrative functions fails to disclose ownership or control information as required by Article 6.5.

## **6.6 Disclosure of Provider Incentive Plans**

### **6.6.1 Generally**

The Contractor shall comply with the requirements set forth in 42 CFR 422.208 and 422.210.

### **6.6.2 Prohibition**

In accordance with 42 CFR 422.208, the Contractor may operate a Provider Incentive Plan only if the Contractor makes no specific payment, directly or indirectly, to a physician or physician group as an inducement to reduce or limit Medically Necessary services furnished to any particular Enrollee. Indirect payments may include offerings of monetary value (such as stock offerings or waivers of debt) measured in the present or future.

### **6.6.3 Reporting Requirements**

(A) The Contractor shall notify the Department if the Contractor plans to operate a Physician Incentive Plan.

(B) The Contractor shall report to the Department the following information in sufficient detail to determine whether the incentive plan complies with the regulatory requirements:

- (1) Whether services not furnished by the physician or physician group are covered by the incentive plan. No further disclosure is required if the Physician Incentive Plan does not cover services not furnished by the physician or physician group;
- (2) The type of incentive arrangement (e.g., withhold, bonus, capitation arrangement, etc.);
- (3) The percent of withhold or bonus, if applicable;
- (4) The panel size, and if Enrollees are pooled, the method used;
- (5) If the physician or physician group is at substantial financial risk, proof the physician/group has adequate stop-loss coverage, including the amount and type of stop-loss; and
- (6) If required to conduct Enrollee surveys, the survey results.

### **6.6.4 Substantial Financial Risk**

If the physician/group is put at substantial financial risk for services not provided by the physician/group, the Contractor shall ensure adequate stop-loss protection to individual physicians and conduct annual Enrollee surveys.

### **6.6.5 Information to Enrollees**

The Contractor shall provide information on its Physician Incentive Plan to any Enrollee upon request. If the Contractor is required to conduct Enrollee surveys, the Contractor shall disclose the survey results to Enrollees upon request.

## **Article 7: Authorization of Services, Notices of Action, Medical Necessity Denials**

### **7.1 Service Authorization and Notice of Action**

#### **7.1.1 Policies and Procedures for Service Authorization Requests**

(A) If requiring Service Authorizations, the Contractor shall establish and follow written policies and procedures for processing requests for initial and continuing authorization of

Covered Services.

(B) The Contractor shall implement mechanisms to ensure consistent application of review criteria for Service Authorization decisions and consult with the requesting Provider when appropriate.

(C) The Contractor shall ensure that any decision to deny a Service Authorization Request or to authorize a service in an amount, duration, or scope that is less than requested, be made by a health care professional who has appropriate clinical expertise in treating the Enrollee's condition or disease.

(D) The Contractor shall notify the requesting Provider, and give the Enrollee written notice of any decision to deny a Service Authorization request, or to authorize a service in an amount, duration, or scope that is less than requested. The notice to the Provider need not be in writing.

(E) The Contractor shall ensure compensation to individuals or entities that conduct utilization management activities is not structured so as to provide incentives for the individual or entity to deny, limit, or discontinue, Medically Necessary services to any Enrollee.

#### **7.1.2 Time Frames and Procedures for Standard Service Authorizations**

(A) When making Standard Service Authorization Approvals the Contractor shall make a decision and provide notice to the Enrollee and Provider as expeditiously as the Enrollee's health condition requires, but no later than 14 calendar days from the receipt of the request for Service Authorization.

(1) The Contractor may extend the time frame for making the decision by up to an additional 14 calendar days if:

(i) the Enrollee or the Provider requests an extension; or

(ii) the Contractor justifies (to the Department upon request) a need for additional information and how the extension is in the Enrollee's best interest.

(2) If the Contractor extends the time frame for making standard Service Authorization decisions the Contractor shall:

(i) Give the Enrollee written notice of the reason for the decision to extend the time frame;

(ii) Inform the Enrollee of his or her right to file a Grievance, and how to do so, if the Enrollee disagrees with the decision; and

(iii) Issue and carry out the determination as expeditiously as the Enrollee's health condition requires and no later than the date the extension expires.

### **7.1.3 Time Frames and Procedures for Denying All or Part of a Service Authorization**

(A) If the Contractor denies a Service Authorization Request, or authorizes a requested service in an amount, duration or scope that is less than requested, the Contractor shall make the decision and give a Notice of Action to the Enrollee as expeditiously as the Enrollee's health condition requires it, but no later than 14 calendar days from receipt of the request for Service Authorization. The Contractor shall also notify the requesting Provider, although the notice need not be in writing.

(1) The Contractor may extend the time frame for making the decision by up to an additional 14 calendar days if:

- (i) the Enrollee or the Provider requests an extension; or
- (ii) the Contractor justifies (to the Department upon request) a need for additional information and how the extension is in the Enrollee's best interest.

(2) If the Contractor extends the time frame for making standard Service Authorization decisions the Contractor shall:

- (i) Give the Enrollee written notice of the reason for the decision to extend the time frame;
- (ii) Inform the Enrollee of his or her right to file a Grievance, and how to do so, if the Enrollee disagrees with the decision; and
- (iii) Issue and carry out the determination as expeditiously as the Enrollee's health condition requires and no later than the date the extension expires.

### **7.1.4 Time Frames and Procedures for Expedited Service Authorization Decisions**

(A) For cases in which a Provider indicates, or the Contractor determines (on request from an Enrollee) that following the standard time frame could seriously jeopardize the Enrollee's life or health or ability to attain, maintain, or regain maximum function, the Contractor shall:

(1) Make an expedited Service Authorization decision and provide notice as expeditiously as the Enrollee's health condition requires, but no later than three working days after the receipt of the request for Service Authorization;

(i) The Contractor may extend the three working day time period by up to 14 calendar days if:

- (a) the Enrollee requests the extension; or
- (b) the Contractor justifies (to the Department upon request) a need for additional information and how the extension is in the Enrollee's interest.

(B) If the Contractor denies an expedited Service Authorization Request, or authorizes a requested service in an amount, duration or scope that is less than requested, the contractor shall follow the notification requirements found in Article 7.1.3.

#### **7.1.5 Service Authorization Decisions Not Reached Within Required Time Frames**

In the event that the Contractor fails to make a Service Authorization decision within the proscribed time frames, such failure shall constitute a denial of services and shall be considered an adverse Action. The Contractor is required send out a Notice of Action to the Enrollee on the day that the time frame expires.

#### **7.1.6 Decisions to Terminate, Suspend, or Reduce Previously Authorized Covered Services**

(A) If the Contractor terminates, suspends or reduces previously authorized Covered Services this constitutes an Action. The Contractor shall notify the requesting Provider and mail a Notice of Action to the Enrollee as expeditiously as the Enrollee's health condition requires and within the following time frames:

- (1) At least 10 days prior to the date of the Action; or
- (2) Five days before the date of the Action if the Contractor has facts indicating that the Action should be taken because of probable Fraud by the Enrollee, and the facts have been verified, if possible, through secondary sources; or
- (3) by the date of the Action if:
  - (i) the Contractor has factual information confirming the death of the Enrollee;
  - (ii) the Contractor receives a clear, written statement from the Enrollee that:
    - (a) the Enrollee no longer wants the services; or
    - (b) the Enrollee gives information that requires termination or reduction of services and indicates that he or she understands that this shall be the result of supplying that information;
- (4) the Enrollee has been admitted to an institution where he is ineligible for further services;
- (5) the Enrollee's whereabouts are unknown and the post office returns mail directed to him indicating no forwarding address. In this case any discontinued services shall be reinstated if his whereabouts become known during the time he is eligible for services;
- (6) the Enrollee has been accepted for CHIP services by another local jurisdiction; or

(7) the Enrollee's physician prescribes the change in the level of medical care.

## **7.2 Other Actions Requiring Notice of Action**

### **7.2.1 Action to Deny Payment in Whole or Part for a Service**

(A) The Contractor shall notify the requesting Provider of decisions to deny payment in whole or in part.

(B) The Contractor shall also mail the Enrollee a written Notice of Action at the time of the Action affecting a claim if the denial reason is that:

(1) the service was not authorized by the Contractor, and the Enrollee could be liable for payment if the Enrollee gave advance written consent that he or she would pay for the specific service; or

(2) the Enrollee requested continued services during an Appeal or State fair hearing and the Appeal or State fair hearing decision was adverse to the Enrollee.

(C) A Notice of Action to the Enrollee is not necessary under the following circumstances:

(1) the Provider billed the Contractor in error for a non-authorized service;

(2) the claim included a technical error (incorrect data including procedure code, diagnosis code, Enrollee name or CHIP identification number, date of service, etc.); or

(3) the Enrollee became eligible after the first of the month, but received a service during that month before becoming CHIP eligible.

### **7.2.2 Action Due to Failure to Resolve Appeals or Grievances Within Prescribed Timeframes**

(A) Failure of the Contractor to act within the prescribed timeframes provided for resolving and giving resolution notice for Appeals or Grievances constitutes an Action. The Contractor shall provide a Notice of Action to the Enrollee at the time the Contractor determines the time frame for resolving the Appeal or Grievance will not be met.

(B) If the Contractor does not resolve an Appeal within the required time frame, the Enrollee shall be considered as having completed the Contractor's Appeal process. The Contractor's failure to provide resolution of the Appeal within the required time frame is an Action and the Enrollee is allowed to file a request for a State fair hearing as the Enrollee has already exhausted the Contractor's internal appeals process. The Contractor may not require the Enrollee to go through the Contractor's internal appeals process again.

(C) When issuing a Notice of Action due to failure to resolve an Appeal within the required timeframe, the Contractor shall include in the Notice of Action information regarding the procedures and timeframes for filing a request for a State fair hearing rather than information on filing an Appeal. The Contractor shall also attach to the Notice of Action a copy of the request form for a State fair hearing that the Enrollee can submit to request a State fair hearing.

## **7.3 Required Content of Notice of Action**

### **7.3.1 Generally**

(A) The Contractor's Notice of Action to an Enrollee shall be in writing and meet the language and format requirements outlined in Article 3 to ensure ease of understanding.

(B) All written Notices of Action required by this Contract shall explain the following:

- (1) The Action the Contractor has taken or intends to take;
- (2) The reason for the Action;
- (3) The date the Action will become effective when the Action is to terminate, suspend, or reduce a previously authorized Covered Service;
- (4) The Enrollee's or Provider's right to file an Appeal of the Action with the Contractor;
- (5) The procedures for filing an Appeal;
- (6) The circumstances under which expedited resolution of the Appeal is available and how to request an expedited Appeal resolution;
- (7) The Enrollee's right to have disputed services continue, pending resolution of the Appeal of an Action to terminate, suspend or reduce a previously authorized course of treatment that was ordered by an authorized Provider;
- (8) How to request that the disputed services be continued, and the circumstances under which the Enrollee may be required to pay the cost of these services if the Appeal decision is adverse to the Enrollee, to the extent that they were furnished solely because of this Contract requirement in accordance with 42 CFR 438.420; 438.404(b)(7), and 431.230(b); and
- (9) The following timeframe for filing an Appeal, as applicable:
  - (i) If the Enrollee is not requesting continuation of disputed services pending resolution of an Appeal of an Action to terminate, suspend or reduce a previously authorized course of treatment that was ordered by an authorized Provider, and the original period covered by the original authorization has not expired, the Enrollee or the Provider, shall file the Appeal within 90 days from the date on the

Contractor's Notice of Action; or

(ii) If the Enrollee is requesting continuation of disputed services pending resolution of an Appeal of an Action to terminate, suspend or reduce a previously authorized course of treatment that was ordered by an authorized Provider, and the original period covered by the original authorization has not expired, the Enrollee or Provider shall file the Appeal on or before the later of the following:

- (a) within 10 days of the Contractor mailing the Notice of Action; or
- (b) by the intended effective date of the Contractor's proposed action.

### **7.3.2 Attachment to Notice of Action –Written Appeal Request Form**

(A) The Contractor shall develop and include as an attachment to the notice of Action an Appeal Request form that Enrollees may use as the written Appeal request for standard Appeals. The form may also be used for expedited Appeal requests if the Enrollee chooses to submit a written request for an expedited Appeals resolution, even though an oral request is all that is required. The form shall:

(1) Provide a prompt mechanism (through the use of check boxes or other means) for Enrollees to:

(i) request expedited Appeal resolution if they chose to submit a written request for an expedited Appeal resolution; and

(ii) request continuation of disputed services, if applicable;

(2) Provide a statement that if continuation of disputed services is requested when a previously authorized service is terminated, suspended or reduced, that the Enrollee agrees that the Contractor may recover from the Enrollee the cost of the services furnished while the Appeal is pending if the Appeal decision is adverse to the Enrollee, to the extent that the services were furnished solely because of the requirements of this Contract that are based on federal regulation in 42 CFR 438.420;

(3) Summarize the assistance available to the Enrollee may request to complete the Appeal Request form and how to request the assistance; and

(4) Include a reminder that if the Enrollee is not requesting an expedited Appeal resolution and the Enrollee files an Appeal orally, that the oral Appeal shall be followed by a written Appeal request within five working days from the date of the oral filing.

(B) When the Contractor is required to inform Enrollees or Providers of their State Fair Hearing rights, the Contractor shall not attach its own Appeal Request form but shall, instead, attach the State's request form for a Medicaid/CHIP State fair hearing.

## **Article 8 Grievance and Appeals Systems**

### **8.1 Overall System**

#### **8.1.1 General Requirements**

- (A) The Contractor shall have a Grievance and Appeals System for Enrollees that includes:
- (1) a Grievance process whereby an Enrollee, or Provider acting on behalf of an Enrollee, may communicate a Grievance;
  - (2) an Appeals process whereby an Enrollee, or Provider acting on behalf of the Enrollee with the Enrollee's written consent, may file an Appeal of an Action, and
  - (3) procedures for an Enrollee, or a Provider acting on behalf of an Enrollee, to access the State's fair hearing system.
- (B) The Contractor shall incorporate all of the Grievance and Appeals requirements found in this Contract into its policies and procedures for Grievances and Appeals.

### **8.2 Appeal Requirements**

#### **8.2.1 Special Requirements for Appeals**

- (A) The Contractor's process for Appeals shall:
- (1) Provide that oral inquiries seeking to appeal an Action are treated as an Appeal, to establish the earliest possible filing date for the Appeal;
  - (2) Ensure that the Enrollee or Provider understands that the oral Appeal shall be confirmed in writing, no later than five working days from the date of the oral filing, unless the Enrollee or the Provider requests an expedited resolution to the Appeal. These requests do not require a follow-up written request;
  - (3) Provide the Enrollee reasonable opportunity to present evidence and allegations of fact or law, in person as well as in writing. The Contractor shall inform the Enrollee of the limited time available for this in the case of an expedited Appeal resolution; and
  - (4) Provide the Enrollee and his or her authorized representative the opportunity, before and during the appeals process, to examine the Enrollee's case file, including medical records and any other documents and records considered during the appeals process; and
  - (5) Include as parties to the Appeal:
    - (i) the Enrollee and his or her representative, or

- (ii) the legal representative of a deceased Enrollee's Estate.

### **8.3 Standard Appeals Process**

#### **8.3.1 Authority to File**

- (A) An Enrollee or the Enrollee's legally authorized representative may file an Appeal; or
- (B) A Provider may file an Appeal.

#### **8.3.2 Timing**

- (A) The Enrollee or Provider may file an Appeal of an Action within 90 calendar days from the date on the Contractor's Written Notice of Action; or
- (B) If the Action being appealed is to terminate, suspend or reduce a previously authorized course of treatment, the services were ordered by an authorized Provider and the original period covered by the original authorization has not expired, and the Enrollee wants disputed services to continue during the Appeal process, then the Enrollee or Provider shall file the Appeal on or before the later of the following:
  - (1) within 10 days of the Contractor mailing the Notice of Action; or
  - (2) the intended effective date of the Contractor's proposed Action.

#### **8.3.3 Procedures**

- (A) The Enrollee or the Provider may file an Appeal either orally or in writing.
- (B) Unless the Enrollee or a Provider requests an expedited resolution of the Appeal (which does not require a written follow-up request), the oral Appeal shall be followed with a written, signed Appeal. The written, signed Appeal must be received within five working days from the date of the oral Appeal. If the Enrollee does not follow-up with a written, signed Appeal the Contractor has no further obligation to take action on the Enrollee's Appeal.
- (C) A Provider may file the written, signed Appeal on behalf of the Enrollee and shall include the Enrollee's signed written consent.
- (D) If an Enrollee or Provider requests an Appeal orally, the Contractor shall immediately inform the Enrollee or Provider that the oral filing of an Appeal must be followed with a written, signed appeal within five working days from the date of the oral Appeal.
- (E) The Contractor shall give Enrollees any reasonable assistance in completing required forms for submitting a written Appeal or taking other procedural steps. Reasonable assistance includes, but is not limited to, providing interpreter services and toll-free numbers that have adequate TTY/TTD and interpreter capacity.

(F) The Contractor shall acknowledge receipt of the Appeal either orally or in writing and explain to the Enrollee the process that must be followed to resolve the Appeal.

(G) The Contractor shall provide the Enrollee reasonable opportunity to present evidence, allegations of facts or law, in person as well as in writing. The Contractor shall inform the Enrollee of the limited time available for this in the case of an expedited Appeal resolution.

(H) The Contractors shall provide the Enrollee and the Enrollee's authorized representative the opportunity, before and during the appeals process, to examine the Enrollee's case file, including medical records, and any other documents and records considered during the appeals process.

(I) The Contractor shall include as parties to the appeal the Enrollee and the Enrollee's representative or the legal representative of a deceased Enrollee's estate.

(J) The Contractor shall ensure that the individuals who make the decision on an Appeal are individuals who:

(1) were not involved in any previous level of review or decision-making; and

(2) if deciding any of the following, are health care professionals who have the appropriate clinical expertise, as determined by the Department, in treating the Enrollee's condition or disease:

(i) an Appeal of a denial that is based on lack of Medical Necessity; or

(ii) an Appeal that involves clinical issues.

#### **8.3.4 Time Frames for Appeal Resolution and Notification**

(A) The Contractor shall resolve each Appeal and provide notice of resolution to affected parties as expeditiously as the Enrollee's health condition requires but no later than 30 calendar days from the day the Contractor receives the written, signed Appeal.

(B) The Contractor may extend the time frame for resolving the Appeal and providing notice by up to 14 calendar days if:

(1) the Enrollee requests the extension; or

(2) the Contractor shows that (to the satisfaction of the Department, upon its request) there is no need for additional information and how the delay is in the Enrollee's interest.

(C) If the Contractor extends the time frame, and the extension was not requested by the Enrollee, the Contractor shall give the Enrollee written notice of the reason for the delay.

#### **8.3.5 Format and Content of Notice of Appeal Resolution**

(A) The Contractor shall provide written Notice of Appeal Resolution to the affected parties. The written Notice of Appeal Resolution shall include the following:

- (1) the results of the Appeal resolution process and the date it was completed; and
- (2) for Appeals not resolved wholly in favor of the Enrollee, the Contractor shall include the following in the written Notice of Appeal Resolution:
  - (i) the right to request a State fair hearing and how to do so;
  - (ii) the right to request continuation of disputed services if the Appeal decision is to terminate, suspend or reduce a previously authorized course of treatment that was ordered by an authorized Provider and the original period covered by the original authorization has not expired;
- (3) how to request continuation of disputed services;
- (4) a statement that the Enrollee may be liable for the cost of disputed services provided if the State fair hearing decision upholds the Contractor's Action;
- (5) the time frame for requesting a State fair hearing when continuation of disputed services is not requested and when continuation of disputed services is requested; and
- (6) as applicable, a copy of either:
  - (i) the standard request form for a State fair hearing; or
  - (ii) the request form for an expedited State fair hearing that the Enrollee must complete and submit to the Department to request a State fair hearing and continuation of disputed services; or
  - (iii) the standard request form for an expedited State fair hearing if the Enrollee has an expedited Appeal.

## **8.4 Process for Expedited Resolution of Appeals**

### **8.4.1 General Requirements**

(A) The Contractor shall establish and maintain an expedited review process when:

- (1) The Contractor determines, based either upon a request from an Enrollee or in the Contractor's own judgment, that the standard timeframe for Appeal could seriously jeopardize the Enrollee's life or health or ability to attain, maintain or regain maximum function; or

- (2) A Provider indicates that the standard timeframe for Appeal could seriously jeopardize the Enrollee's life or health or ability to attain, maintain or regain maximum function.

#### **8.4.2 Authority to File**

The Enrollee or a Provider may file an expedited Appeal request either orally or in writing. Oral requests for expedited Appeal do not require a follow-up written request.

#### **8.4.3 Timing**

(A) The Enrollee or Provider may file an Appeal of an Action within 90 days from the date on the Contractor's Notice of Action;

(B) If the Action being appealed is to terminate, suspend or reduce a previously authorized course of treatment, the services were ordered by an authorized Provider and the original period covered by the original authorization has not expired, and the Enrollee wants disputed services to continue during the Appeal process, then the Enrollee shall file the Appeal on or before the later of the following:

- (1) within 10 days of the Notice of Action; or
- (2) by the intended effective date of the Contractor's proposed Action.

#### **8.4.4 Procedures for an Expedited Appeal**

(A) When an Enrollee or Provider requests an expedited resolution of an Appeal, the Contractor shall inform the Enrollee or Provider of the limited time available for the Enrollee to present evidence and allegations of fact or law in person and in writing.

(B) The Contractor shall ensure that punitive action is not taken against a Provider who either requests an expedited resolution to an Appeal or supports an Enrollee's Appeal.

(C) The Contractor shall give Enrollees any reasonable assistance in making an expedited appeal. Reasonable assistance includes, but is not limited to, providing interpreter services and toll-free numbers that have adequate TTY/TTD and interpreter capability.

(D) The Contractor shall acknowledge receipt of the request for expedited Appeal resolution either orally or in writing and explain to the Enrollee the process that must be followed to resolve the Appeal.

(E) The Contractor shall ensure that the individuals who make the decision on an Appeal are individuals who:

- (1) were not involved in any previous level of review or decision-making; and

(2) if deciding any of the following, are health care professionals who have appropriate clinical expertise, as determined by the Department, in treating the Enrollee's condition or disease:

- (i) an Appeal of a denial that is based on lack of Medical Necessity; or
- (ii) an Appeal that involved clinical issues.

#### **8.4.5 Denial of a Request for Expedited Appeal Resolution**

(A) If the Contractor denies a request for an expedited resolution of an Appeal, the Contractor shall:

- (1) Adjudicate the Appeal using the standard time frame of no longer than 30 calendar days from the day the Contractor receives the Appeal, with a possible 14 calendar day extension for resolving the Appeal and Providing Notice of Appeal resolution to affected parties;
- (2) Make reasonable effort to give the Enrollee prompt oral notice of the denial; and
- (3) Mail written notice within two calendar days explaining the denial, specifying the standard time frame that must be followed, and informing the affected parties that the Enrollee may file a Grievance regarding the denial of expedited resolution of an Appeal.

#### **8.4.6 Time Frame for Expedited Appeal Resolution and Notification**

(A) The Contractor shall resolve each expedited Appeal and provide notice to affected parties as expeditiously as the Enrollee's health condition requires, but no later than three working days after the Contractor receives the expedited Appeal request.

(B) The Contractor may extend the time frame for resolving the Appeal and providing notice by up to 14 calendar days if:

- (1) the Enrollee requests the extension; or
- (2) the Contractor shows that there is need for additional information and how the delay is in the Enrollee's interest (upon Department request).

(C) If the Contractor extends the timeframe and the extension was not requested by the Enrollee the Contractor shall give the Enrollee written notice of the reason for the delay.

#### **8.4.7 Format and Content of Expedited Appeal Resolution Notice**

(A) The Contractor shall make reasonable effort to provide oral notice of the expedited resolution in addition to providing a written Notice of Appeal Resolution.

(B) The Contractor shall provide a written notice of Appeal Resolution that meets the same format and content requirements found in Article 8.3.5 of this Contract.

#### **8.4.8 Continuation of Disputed Services During the Expedited Appeals Process**

(A) The Contractor shall continue the Enrollee's disputed services during the expedited Appeal process if:

- (1) the Action being appealed is to terminate, suspend or reduce a previously authorized course of treatment;
- (2) the services were ordered by an authorized Provider;
- (3) the original period covered by the original authorization has not expired;
- (4) the Enrollee or Provider files the Appeal timely, which means filing the Appeal on or before the later of the following:
  - (i) within 10 days of the Contractor mailing the Notice of Action; or
  - (ii) by the intended effective date of the Contractor's proposed Action; and
- (5) the Enrollee requests continuation of disputed services in the Appeal request.

#### **8.4.9 Duration of Continued Disputed Services and Enrollee Responsibility**

(A) If the Contractor continues the Enrollee's disputed services, the Contractors shall continue the disputed services until one of the following occurs:

- (1) the Enrollee withdraws the Appeal;
- (2) ten days pass after the Contractor mails written Notice of Appeal Resolution that is adverse to the Enrollee and within that 10 day time period, and the Enrollee does not request a State fair hearing with continuation of disputed services until a State fair hearing decision is reached;
- (3) a State fair hearing officer issues a hearing decision adverse to the Enrollee; or
- (4) the time period of service limits of a previously authorized service has been met.

(B) If the final resolution of the Appeal or State fair hearing is adverse to the Enrollee, that is, the decision upholds the Contractor's Action, the Contractor may recover the cost of the disputed service furnished to the Enrollee while the Appeal or State fair hearing was pending to the extent they were furnished solely because they were furnished according to the requirements found in Article 8.4.8 of this Contract and in accordance with 42 CFR 431.230(b).

#### **8.4.10 Reversed Appeal Resolutions**

(A) If the Contractor or State fair hearing officer reverses an action to deny, limit, or delay services that were not furnished while the Appeal was pending, the Contractor shall authorize or provide the disputed services promptly and as expeditiously as the Enrollee's health condition requires.

(B) If the Contractor or the State fair hearing officer reverses a decision to deny authorization of services and the Enrollee received the disputed services while the Appeal was pending, the Contractor shall pay for those services in accordance with State policy and regulations.

### **8.5 State Fair Hearings**

#### **8.5.1 General Procedures**

(A) When the Enrollee or a Provider has exhausted the Contractor's Appeal process and a final decision has been made, the Contractor shall provide written notification to the party or parties who initiated the Appeal of the outcome and explain in clear terms a detailed reason for the denial.

(B) The Contractor shall provide notification to Enrollees and Providers that the final decision of the Contractor may be appealed to the Department and shall give to the Enrollee and Provider the Department's form to request a State fair hearing. The Contractor shall inform the Enrollee and Provider the time frame for requesting a State fair hearing as follows:

(1) The Department permits the Enrollee (or the Enrollee's legal guardian or representative), consistent with Utah Administrative Code R410-14-1, *et seq.*, to request a state fair hearing within 30 days from the date of the Contractor's Notice of Appeal Resolution.

(2) If the Enrollee chooses to continue disputed services (when a previously authorized course of treatment has been terminated, suspended or reduced) pending the outcome of the State fair hearing and the services were ordered by an authorized Provider and the original period covered by the original authorization has not expired, the request for a State fair hearing and continuation of disputed services shall be submitted within 10 days after the Contractor mails the Notice of Appeals Resolution.

(C) As allowed by law, the parties to the State fair hearing include the Contractor as well as the Enrollee and his or her representative who may include legal counsel, a relative, a friend or other spokesman, or the representatives of a deceased Enrollee's estate.

(D) The parties to a State fair hearing shall be given an opportunity to examine at a reasonable time before the date of the hearing and during the hearing, the content of the Enrollee's case file and all documents and records to be used by the Contractor at the hearing.

(E) The parties to the State fair hearing shall be given the opportunity to:

- (1) bring witnesses;
- (2) establish all pertinent facts and circumstances;
- (3) present an argument without undue interference; and
- (4) question or refute any testimony or evidence, including opportunity to confront and cross-examine adverse witnesses.

(F) The State fair hearing with the Department is a de novo hearing. If the Enrollee or Provider requests a State fair hearing with the Department, all parties to the hearing are bound by the Department's decision until any judicial reviews are completed. Any decision made by the Department pursuant to the hearing shall be subject to appeal rights as allowed by State and Federal laws.

(G) The Enrollee shall be notified in writing of the State fair hearing decision and any appeal rights as provided by State and Federal law.

(H) In accordance with 42 CFR 431.244(f):

(1) The State fair hearing shall take final administrative action within 90 days of the earlier of:

(i) the date the Enrollee filed an appeal with the Contractor, not including the number of days the Enrollee took to subsequently file for a State fair hearing; or

(ii) where permitted, the date the Enrollee filed for direct access to a State fair hearing;

(2) The State fair hearing shall take final administrative action as expeditiously as the Enrollee's health condition requires, but no later than 3 working days after the Department receives from the Contractor the case file and information for any appeal of denial of a service that, as indicated by the Contractor:

(i) Meets the criteria for expedited resolution as set forth in 42 CFR 438.410(a), but was not resolved within the timeframe for expedited resolution; or

(ii) Was resolved within the timeframe for expedited resolution, but reached a decision wholly or partially adverse to the Enrollee.

## **8.6 Grievances**

### **8.6.1 Authority to File a Grievance**

(A) An Enrollee may file a Grievance; or

(B) A Provider may file a grievance.

### **8.6.2 Procedures**

(A) The Enrollee or the Provider may file a Grievance orally or in writing.

(B) The Contractor shall give Enrollees any reasonable assistance in completing required forms for submitting a written Grievance or taking other procedural steps. Reasonable assistance includes, but is not limited to providing interpreter services and toll-free numbers that have adequate TTY/TTD and interpreter capability.

(C) The Contractor shall acknowledge receipt of the Grievance either orally or in writing.

(D) The Contractor shall ensure that the individuals who make the decision on a Grievance are individuals who:

(1) were not involved in any previous level of review of decision-making involving the Grievance; and

(2) if deciding any of the following, are health care professionals who have the appropriate clinical expertise, as determined by the Department, in treating the Enrollee's condition or disease:

(i) a Grievance regarding denial of a request for an expedited resolution of an Appeal; or

(ii) a Grievance that involves clinical issues.

### **8.6.3 Timeframes for Grievance Disposition and Notification**

(A) The Contractor shall dispose of each Grievance and provide notice to the affected parties as expeditiously as the Enrollee's health condition requires, but not to exceed 45 calendar days from the day the Contractor receives the Grievance.

(B) For written Grievances, the Contractor shall notify the affected parties in writing of the disposition of the Grievance. For Grievances received orally, the Contractor shall notify the affected parties of the disposition either orally or in writing.

(C) If the Enrollee or a Provider files a Grievance with the Department, the Department shall apprise the Enrollee or the Provider, of his or her right to file the Grievance with the Contractor and how to do so.

(1) If the Enrollee or Provider prefers, the Department shall promptly notify the Contractor of the Enrollee's Grievance.

(2) If the Contractor receives the Grievance from the Department, the Contractor shall follow the procedures and time frames outlined above for Grievances.

(3) If the Contractor receives the Grievance from the Department, the Contractor shall notify the affected parties and the Department, in writing, of the disposition of the Grievance.

(D) The Contractor may extend the timeframe for disposing of the Grievance and providing notice by up to 14 calendar days if:

(1) the Enrollee requests the extension; or

(2) the Contractor shows that there is need for additional information and how the delay is in the Enrollee's interest (upon Department request).

(E) If the Contractor extends the time frame, and the extension was not requested by the Enrollee, the Contractor shall give the Enrollee written notice of the reason for the delay.

## **8.7 Dispute Resolution, Reporting and Documentation**

### **8.7.1 Reporting Requirements**

(A) The Contractor shall maintain complete records of all Appeals and grievances and submit semi-annual reports summarizing Appeals and Grievances using Department specified reporting templates.

(B) The Contractor shall provide to the Department a summary of information on the number of Appeals and indicate the number of Appeals and Grievances that have been resolved. The Contractor shall include an analysis of the type and number of Appeals and Grievances.

### **8.7.2 Document Maintenance, Appeals**

(A) The Contractor shall maintain all documentation relating to Appeals which includes, but is not limited to the following:

(1) written Notices of Action;

(2) a log of all oral Appeals and oral requests for expedited resolution of Appeals including:

(i) date of the oral requests;

(ii) date of acknowledgement of oral requests for expedited resolution of Appeals and method of acknowledgment (orally or in writing);

(iii) date of denials of requests for expedited Appeals resolution; and

- (3) copies of written standard Appeal requests;
- (4) copies of written notices of denial of requests for expedited Appeal resolution;
- (5) date of acknowledgement of written standard Appeal requests and method of acknowledgment (orally or in writing);
- (6) copies of written notices when extending the time frame for adjudicating standard or expedited Appeals when the Contractor initiates the extension;
- (7) copies of written Notice of Appeal Resolution; and
- (8) any other pertinent documentation needed to maintain a complete record of all Appeals and to demonstrate that the Appeals were adjudicated according to the Contract provision governing Appeals.

### **8.7.3 Document Maintenance, Grievances**

(A) Using its previously established verbal complaint logging and tracking system, the Contractor shall log all oral Grievances and include the following:

- (1) date the Grievance was received;
- (2) date and method of acknowledgement (orally or in writing);
- (3) name of the person taking the Grievance;
- (4) date of resolution and summary of the resolution;
- (5) name of person resolving the Grievance; and
- (6) date the Enrollee was notified of the resolution and how the Enrollee was notified (either orally or in writing). If the Enrollee was notified of the disposition in writing, the Contractor shall maintain a copy of the written notification.

(B) The Contractor shall maintain all written Grievances and copies of the written notices of resolution to the affected parties.

## **Article 9 – Enrollee Rights and Protections**

### **9.1 Written Information on Enrollee Rights and Protections**

#### **9.1.1 General Requirements**

(A) The Contractor shall develop and maintain written policies regarding Enrollee rights and

protections.

(B) The Contractors shall comply with any applicable Federal and State laws that pertain to Enrollee rights and ensure that its staff and Participating Providers take those rights into accounts when furnishing services to Enrollees.

(C) The Contractor shall ensure information on Enrollee rights and protections is provided to all Enrollees by including its Patient Rights statement in its member handbook.

(D) The Contractor and the Department shall ensure Enrollees are free to exercise their rights, and that the exercise of those rights shall not adversely affect the way the Contractor and its Participating Providers treat Enrollees.

### **9.1.2 Specific Enrollee Rights and Protections**

(A) The Contractor shall include all of the following Enrollee rights and protections in its written Patient Rights statement:

- (1) the right to receive information about Contractor's Dental Plan;
- (2) the right to be treated with respect and with due consideration for his or her dignity and privacy;
- (3) the right to receive information on available treatment options and alternatives, presented in a manner appropriate to the Enrollee's condition and ability to understand;
- (4) the right to participate in treatment decisions regarding his or her dental care, including the right to refuse treatment;
- (5) the right to be free from any form of restraint or seclusion used as a means of coercion, discipline, convenience, or retaliation, as specified in other Federal regulations on the use of restraints and seclusion;
- (6) if the privacy rule, as set forth in 45 CFR parts 160 and 164 subparts A and E, applies, the right to request and receive a copy of his or her medical records, and to request that they be amended or corrected, as specified in 45 CFR 164.524 and 45 CFR 164.526;
- (7) the right to be furnished dental care services in accordance with access and quality standards; and
- (8) the right to be free to exercise all rights and that by exercising those rights, the Enrollee shall not be adversely treated by the Department, the Contractor, and its Participating Providers.

## **9.2 Participating Provider-Enrollee Communications**

### **9.2.1 General Requirements**

(A) The Contractor shall communicate with its dental care professionals that when acting within the lawful scope of their practice, they shall not be prohibited from advising or advocating on behalf of the Enrollee for the following:

- (1) the Enrollee's health status, dental care, or treatment options, including any alternative treatment that may be self-administered;
- (2) any information the Enrollee needs in order to decide among all relevant treatment options;
- (3) the risks, benefits, and consequences of treatment or non-treatment; and
- (4) the Enrollee's right to participate in decisions regarding his or her dental care, including the right to refuse treatment, and to express preferences about future treatment decisions.

## **9.3 Objection to Services on Moral or Religious Grounds**

### **9.3.1 Generally**

(A) Subject to the information requirements of Article 9.3.1(A)(1) and (2) of this Contract, if the Contractor that would be otherwise required to provide, reimburse for, or provide coverage of, a counseling or referral service because of the requirements in Article 9.2.1 of this Contract, is not required to do so if the Contractor objects to the service on moral or religious grounds. If the Contractor elects this option, the Contractor shall:

- (1) furnish information to the Department about the services it does not cover prior to signing this Contract or whenever it adopts the policy during the term of the Contract; and
- (2) furnish the information to Potential Enrollees, before and during enrollment and to Enrollees, within 90 days after adopting the policy with respect to any service.

## **Article 10 – Contractor Assurances**

### **10.1 General Assurances**

#### **10.1.1 Nondiscrimination**

(A) The Contractor shall designate a nondiscrimination coordinator who shall:

- (1) ensure the Contractor complies with Federal Laws and Regulations regarding nondiscrimination; and

(2) take Grievances from Enrollees alleging nondiscrimination violations based on race, color, national origin, disability, or age.

(B) The nondiscrimination coordinator may also handle Grievances regarding the violation of other civil rights (sex and religion) as other Federal laws and regulations protect against these forms of discrimination.

(C) The Contractor shall develop and implement a written method of administration to assure that the Contractor's programs, activities, services and benefits are equally available to all persons without regard to race, color, national origin, disability, or age.

### **10.1.2 General Standards**

(A) The Contractor must have sufficient operating staff to comply with the terms of this Contract. At minimum, the Contractor must be able to identify qualified staff in the following areas:

- (1) Executive management with clear oversight authority for all other functions;
- (2) Medical Director's Office;
- (3) Accounting and Budgeting function
- (4) Member Services Function
- (5) Provider Services Function
- (6) Medical Management function, including quality assurance and utilization review;
- (7) Enrollee and Provider complaint and grievance resolution function;
- (8) Management of Contractor's information system.

(B) The Contractor shall plan for increased workload during periods of increased CHIP marketing and outreach.

### **10.1.2 Member Services Function**

(A) The Contractor shall operate a Member Services function during regular business hours.

(B) As necessary, the Contractor shall provide ongoing training to ensure that the Member Services staff is conversant in the Contractor's policies and procedures as they relate to Enrollees.

(C) At minimum, Member Services staff shall be responsible for the following:

- (1) explaining the Contractor's rules for obtaining services;

(2) assisting Enrollees to select or change Providers; and

(3) fielding and responding to Enrollee questions including questions regarding Grievances.

(D) The Contractor shall conduct ongoing assessment of its orientation staff to determine staff members' understanding of the Dental Plan and its CHIP managed care policies and provide training, as needed

### **10.1.3 Provider Services Function**

(A) The Contractor shall operate Provider Services function during regular business hours.

(B) At a minimum, Provider Services staff shall be responsible for the following:

(1) training, including ongoing training, of the Contractor's Providers on CHIP rules and regulations that shall enable Providers to appropriately render services to Enrollees;

(2) assisting Providers to verify whether an individual is enrolled with the Dental Plan;

(3) assisting Providers with prior authorizations and referral protocols;

(4) assisting Providers with claims payment procedures; and

(5) Fielding and responding to Provider questions and the Grievance and Appeals System.

### **10.1.4 Contractor Licensure**

Contractor shall be licensed with the Utah Department of Insurance. The Contractor shall maintain such licensure through the duration of the Contract and shall immediately notify the Department in the event that its license is invalidated.

### **10.1.5 Enrollee Liability**

(A) The Contractor shall not hold an Enrollee liable for the following:

(1) The debts of the Contractor if it should become insolvent.

(2) Payment for services provided by the Contractor if the Contractor received payment from the Department for the services or if a Participating Provider fails to receive payment from the Contractor.

(3) The payments to Providers that furnish Covered Services under a contract or other agreement with the Contractor that are in excess of the amount that normally would be

paid by the Enrollee if service had been received directly from the Contractor.

## **10.2 Contractor Assurances Regarding Access**

### **10.2.1 Documentation Requirements**

(A) The Contractor shall provide the Department adequate assurances and supporting documentation that demonstrates the Contractor has the capacity to serve the expected enrollment in its Service Area with the Department's standards for access to care.

(B) The Contractor shall provide the Department documentation, in a format specified by the Department, that the Contractor offers an appropriate range of preventive, Primary Care and specialty services that is adequate for the anticipated number of Enrollees for the Service Area, maintains a network of Participating Providers that is sufficient in number, mix and geographic distribution to meet the anticipated number of Enrollees in the Service Area.

(C) The Contractor shall submit to the Department the documentation assuring adequate capacity and services in the Department specified format no less frequently than:

(1) at the time it enters into a contract with the Department;

(2) at any time there has been a significant change (as defined by the Department) in the Contractor's operations that would affect adequate capacity and services including changes in services, benefits, geographic Service Area or payments, or enrollment of a new population in the Dental Plan.

### **10.2.2 Elimination of Access Problems Caused by Geographic, Cultural and Language Barriers and Physical Disability**

(A) The Contractor shall minimize, with a goal to eliminate, the Enrollee's access problems due to geographic, cultural and language barriers, and physical disabilities.

(B) The Contractor shall provide assistance to Enrollees who have communications impediments or impairments to facilitate proper diagnosis and treatment.

(C) The Contractor shall guarantee equal access to services and benefits for all Enrollees by making available interpreters, Telecommunication Devices for the Deaf (TDD), and other auxiliary aids to all Enrollees as needed.

(D) The Contractor shall accommodate Enrollees with physical and other disabilities in accordance with the American Disabilities Act of 1990, as amended.

(E) If the Contractor's facilities are not accessible to Enrollees with physical disabilities, the Contractor shall provide services in other accessible locations.

### **10.2.3 Interpretive Services**

(A) The Contractor shall provide oral interpretive services available free of charge for all non-English languages, not just those the Department identifies as prevalent, on an as-needed basis. These requirements shall extend to telephone communications to ensure that Enrollees are able to communicate with the Contractor and the Contractor's Participating Providers and receive Covered Services.

(B) Professional interpreters shall be used when needed where technical, medical, or treatment information is to be discussed, or where use of a family member or friend as interpreter is inappropriate. A family member or friend may be used as an interpreter if this method is requested by the patient, and the use of such a person would not compromise the effectiveness of services or violate the patient's confidentiality, and the patient is advised that a free interpreter is available.

(C) The Contractor shall ensure that its Participating Providers have interpretative services available.

(D) Nothing in this Article shall be construed to relieve Providers of their obligations to provide interpretive services under federal law.

#### **10.2.4 Cultural Competence Requirements**

(A) The Contractor shall ensure the delivery of services in a culturally competent manner to all Enrollees, including those with limited English proficiency and diverse cultural and ethnic backgrounds.

(B) The Contractor shall incorporate in its policies, administration, and delivery of services the values of honoring Enrollee's beliefs; being sensitive to cultural diversity; and promoting attitudes and interpersonal communication styles with staff and Participating Providers which respect Enrollees' cultural backgrounds.

(C) The Contractor shall foster cultural competency among its Participating Providers. Culturally competent care is care given by a Participating Provider who can communicate with the Enrollee and provide care with sensitivity, understanding, and respect for the Enrollee's culture, background and beliefs.

(D) The Contractor shall strive to ensure its Participating Providers provide culturally sensitive services to Enrollees. These services shall include but are not limited to providing training to Participating Providers regarding how to promote the benefits of dental care services as well as training about dental care attitudes, beliefs, and practices that affect access to dental care services.

#### **10.2.5 No Restriction on Provider's Ability to Advise and Counsel**

(A) The Contractor may not restrict a Provider's ability to advise and counsel Enrollees about Medically Necessary treatment options.

(B) All Providers acting within his or her scope of practice, shall be permitted to freely advise an Enrollee about his or her health status and discuss appropriate dental care or treatment for that condition or disease regardless of whether the care or treatment is a Covered Service.

#### **10.2.6 Waiting Time Benchmarks**

(A) The Contractor shall adopt benchmarks for waiting times for dental appointments as follows:

(1) Benchmarks for Waiting Times for Appointments with a Dental Provider:

(i) within 21 days for a routine, non-urgent appointments

(ii) same day for urgent care that can be treated in provider's office.

(B) The Contractor shall establish mechanisms to ensure that its Participating Providers are complying with the timely access requirements, and shall monitor its Participating Providers regularly to determine compliance by Participating Providers. If there is failure to comply, the Contractor shall take corrective action.

### **10.3 Coordination and Continuity of Care**

#### **10.3.1 In General**

(A) If applicable, the Contractor shall ensure access to a coordinated, comprehensive and continuous array of needed services through coordination with other appropriate entities.

(B) If applicable, the Contractor shall implement procedures to coordinate the services the Contractor furnishes to the Enrollee with the services the Enrollee receives from any other MCO, PAHP or Fee-For-Service Medicaid.

(C) If applicable, the Contractor shall ensure that in the process of coordinating care, each Enrollee's privacy is protected in accordance with the privacy requirements in 45 CFR parts 160 and 164, subparts A and E, to the extent that they are applicable.

### **10.4 Billing Enrollees**

#### **10.4.1 Enrollee Billing, Generally**

(A) No claim for payment, except for co-payments, deductibles, and co-insurance will be made by the Contractor or Provider from the Enrollee for Covered Services.

#### **10.4.2 Circumstances in Which an Enrollee May Be Billed**

(A) A Provider may bill an Enrollee for non-Covered Services only as outlined in this Contract.

(B) A non-Covered Service is a service that is not covered under this Contract.

(C) The Department shall specify to the Contractor the extent of Covered Service and items under the Contract.

(D) An Enrollee may be billed for a non-Covered Service when all of the following conditions are met:

(1) The Provider has an established policy for billing all patients for services not covered by a third party (i.e., the charge cannot be billed only to Enrollees);

(2) The Provider has informed the Enrollee of its policy for billing patients for non-covered services;

(3) The Provider has advised the Enrollee prior to rendering the non-covered service that the Enrollee shall be responsible for making payment; and

(4) An agreement, in writing, is made between the Provider and the Enrollee that details the service and the amount to be paid by the Enrollee.

(E) The Provider may bill the Enrollee for disputed services continued during the Appeal process if the requirements of Article 8.4.9(B) of this Contract and 42 CFR 431.230(b) are met.

#### **10.4.3 Prohibition on Holding Enrollee's CHIP Card**

The Contractor or its Participating Providers shall not hold the Enrollee's CHIP card as guarantee of payment by the Enrollee, nor may any other restrictions be placed on the Enrollee.

#### **10.4.4 Criminal Penalties**

Criminal penalties shall be imposed on Providers as authorized under Section 1128B(d)(1) of the Social Security Act if the Provider knowingly and willfully charges an Enrollee at a rate other than those allowed under this Contract.

### **10.5 Survey Required**

#### **10.5.1 General Requirements**

(A) Surveys shall be conducted of Contractor's Enrollees that shall include questions about Enrollee's perceptions of access to and the quality of care received through the Contractor. The survey process, including the survey instrument, shall be standardized and developed by the Department.

(B) The Department shall analyze and publish the results of the surveys.

(C) The Contractor shall review the results of the surveys, identify areas needing improvement, outline action steps, and execute those actions.

## **Article 11 Measurement and Improvement Standards**

### **11.1 Participating Provider Practice Guidelines**

#### **11.1.1 Participating Provider Practice Guidelines, General Standards**

(A) The Contractor and its Participating Providers shall develop or adopt practice guidelines consistent with current standards of care as recommended by professional groups such as the American Academy of Pediatric Dentistry and the U.S. Preventative Services Task Force. The practice guidelines shall meet the following requirements:

(1) Guidelines shall be based on valid and reliable clinical evidence or a consensus of dental care professionals in the particular field;

(2) Guidelines shall consider the needs of the Contractor's Dental Plan Enrollees;

(3) Guidelines shall be adopted in consultation with contracting dental care professionals; and

(4) Guidelines shall be reviewed and updated periodically as appropriate.

(B) The Contractor shall disseminate the practice guidelines to all affected Participating Providers and, upon request, to Enrollees and Potential Enrollees.

(C) The Contractor shall ensure that decisions for utilization management, Enrollee education, coverage of services, and other areas to which the guidelines apply are consistent with the practice guidelines.

### **11.2 Quality Assessment**

#### **11.2.1 Quality Assessment, Generally**

(A) The Quality Assessment shall include a policymaking body which oversees the Quality Assessment, a designated senior official responsible for administration of the program, an interdisciplinary quality assessment committee that has the authority to report its findings and recommendations for improvement to the Contractor's executive director, and a mechanism for ongoing communication and collaboration among the executive director, the policymaking body and other functional areas of the organization.

(B) The Contractor shall establish an ongoing quality assessment for the services it furnished to enrollees. CMS, in consultation with States and other stakeholders, may specify performance measures and topics for Performance Improvement Projects (PIPs) that would be required for the Contractor to implement; provided that the Parties agree to negotiate in good faith increased compensation hereunder to Contractor to the extent that any such PIPs increase costs to Contractor.

#### **11.2.2 Basic Elements of Quality Assessment**

(A) At minimum, the Contractor shall comply with the following requirements:

- (1) Have in effect mechanisms to detect both underutilization and overutilization of services; and
- (2) Have in effect a process for evaluating the impact and effectiveness of the quality assessment program.

#### **11.2.3 Performance Measurement**

(A) Annually, the Contractor shall:

- (1) Measure and report to the Department its performance, using standard measures required by the Department and/or CMS;
- (2) Submit to the Department data specified by the Department that enables the Department to measure the Contractor's performance; or
- (3) Perform a combination of the above activities.

#### **11.2.4 HEDIS and Consumer Satisfaction Surveys**

(A) Audited Healthcare Effectiveness Data and Information Set (HEDIS) and Consumer Assessment of Healthcare Providers and Systems (CAHPS) performance measures shall be reported as set forth in Utah Administrative Code R428-12-1, *et seq.*, and R428-13-1, *et seq.*

(B) The Contractor shall assign a staff member to attend an annual HMO Advisory Committee meeting as convened by the Office of Health Care Statistics to discuss the HEDIS reviews and consumer satisfaction survey results.

(C) For purposes of HEDIS measures and consumer satisfaction surveys, the calculations and results shall include CHIP Enrollees.

(D) In the event that the Contractor experiences a 10 percentile decline in its HEDIS or CAHPS measures from the previous year compared to the NCQA Quality Compass for Medicaid, the Department will require the Contractor to develop and implement a corrective action plan.

### **11.2.5 Future Performance Measures**

The Contractor and the Department agree to work collaboratively to develop future performance measures. The Parties agree to negotiate, in good faith, a performance measures amendment to this Contract, provided that Parties also agree to negotiate in good faith increased compensation hereunder to Contractor to the extent that any such amendments increase costs to Contractor.

## **Article 12 Payments**

### **12.1 General Payment Provisions**

#### **12.1.1 Risk Contract**

This Contract is a risk Contract.

#### **12.1.2 Payment Methodology**

(A) On or before the 10<sup>th</sup> day of each month, the Department shall pay to the Contractor the premiums due for each category shown for Enrollees in the Dental Plan for that month as determined by the Department from the Enrollment and reinstatement transmissions.

(B) The premium amounts will be those rates agreed upon by the Contractor and the Department and are found in Attachment D.

(C) The Contractor shall receive premium payments for Enrollees beginning the earlier of:

- (1) the month of the Enrollee's application was submitted; or
- (2) the month in which the Four Day Grace period is approved.

#### **12.1.3 Contract Maximum**

In no event shall the aggregate amount of payments to the Contractor exceed the Contract maximum amount. If payments to the Contractor approach or exceed the Contract amount before the renewal date of the Contract, the Department shall make a good faith effort to execute a Contract amendment to increase the Contract amount within 30 calendar days of the date the Contract amount is exceeded.

#### **12.1.4 Payment Recoupment**

(A) The Department shall recoup any payment paid to the Contractor which was paid in error. Such error may include human or mechanical error on either part of the Contractor or the Department. Errors can include, but are not limited to, lack of eligibility, Enrollee eligibility for CHIP, or computer error.

(B) The Contractor shall refund any overpayments to the Department within 30 calendar days of discovering an overpayment or being notified by the Department that overpayments are due. If the Contractor fails to refund an overpayment within 30 days, the Department shall deduct the overpayment from the Department's next payment(s) to the Contractor. If the Contractor disagrees with the Department's determination that an overpayment has been made, the Contractor may request a State fair hearing within 30 days of the Department's recoupment of the overpayment.

### **12.2.3 Prohibition on Balance Billing**

The Contractor shall contractually require that its Participating Providers will not balance bill the Enrollee. The Contractor shall ensure that its Provider consider the reimbursement from the Contractor, plus co-payments, deductibles and/or co-insurance as payment in full.

### **12.2.4 Department Retraction of Premiums**

(A) The Department may retract a premium payment from the Contractor in the event that:

- (1) the Enrollee changes Dental Plans;
- (2) the Enrollee becomes eligible for Medicaid; or
- (3) an error made by the Department has resulted in an inappropriate Premium being paid to the Contractor.

## **12.5 Contractor's Payment Responsibilities**

### **12.5.1 Covered Services Delivered by Non-Participating Providers but Paid by the Contractor**

(A) The Contractor shall not be required to pay for Covered Services when the Enrollee receives the services from Non-Participating Providers, not arranged for and not authorized by the Contractor except as follows:

- (1) Emergency Dental Services;
- (2) Court ordered services that are Covered Services defined in Attachment C;
- (3) Cases where the Enrollee demonstrates that such services are Medically Necessary Covered Services and were unavailable from the Contractor's Participating Providers;
- (4) Covered Services received between the Enrollee's effective date of eligibility but before the Enrollee reasonably could have known which Providers were Participating

Providers.

(B) The Contractor shall use reasonable efforts to ensure that (i) Non-Participating Providers coordinate with the Contractor with respect to payment and (ii) the cost to the Enrollee is no greater than it would be if the services were furnished within the network.

#### **12.5.2 Payment to Non-Participating Providers**

(A) Payment by the Contractor to a Non-Participating Provider for Emergency Services for services that are approved for payment by the Contractor shall not exceed the lower of the following rates applicable at the time the services were rendered to an Enrollee, unless there is a negotiated arrangement:

- (1) The usual charges made to the general public by the Provider; or
- (2) The rate agreed to by the Contractor and the Provider.

#### **12.5.3 Covered Services which are Not the Contractor's Responsibility**

(A) The Contractor shall not be required to provide, arrange for, or pay for Covered Services to Enrollees whose illness or injury results directly from a catastrophic occurrence or disaster, including, but not limited to earthquakes or acts of war. The effective date of excluding such Covered Services shall be the date specified by the Federal Government or the State of Utah that a Federal or State emergency exists or disaster has occurred.

### **12.6 Enrollee Transition Between Dental Plans**

(A) When CHIP Enrollees are transferred between Dental Plans, the relinquishing Dental Plan shall submit, upon request of the new Dental Plan, any critical medical information about the transferred Enrollee prior to the transition. If prior authorization has been given for a procedure and an Enrollee transfers enrollment between Dental Plans prior to the procedure, the receiving Dental Plan shall be bound by the relinquishing Dental Plan's prior authorization until the receiving Dental Plan has evaluated the medical necessity of the service, and a new plan of care is established with the Dental Plan.

(B) For Covered Services, if authorization has been given for a Covered Service and an Enrollee transitions between Contractors prior to the delivery of such Covered Services, the receiving Contractor shall be bound by the relinquishing Dental Plan's prior authorization for 90 days.

## **Article 13 Additional Recordkeeping and Reporting Requirements**

### **13.1 Recordkeeping Requirements**

#### **13.1.1 Health Information Systems, General Requirements**

The Contractor shall maintain a health information system that collects, analyzes, integrates and reports data. The system shall provide information on areas including but not limited to, utilization, Grievances and Appeals, and disenrollments for reasons other than loss of CHIP eligibility.

#### **13.1.2 Accuracy of Data**

(A) The Contractor shall ensure that the data received from Providers is accurate and complete by:

- (1) verifying the accuracy of the reported data;
- (2) screening the data for completeness, logic, and consistency; and
- (3) collecting service information in standardized formats to the extent feasible and appropriate.

(B) The Contractor shall make all collected data available to the Department, the federal government, independent quality review examiners, and other Utah state agencies as allowed by law.

#### **13.1.3 Dental Records**

The Contractor shall require its Participating Providers to maintain a dental record keeping system that complies with state and federal law.

#### **13.1.4 Record Retention Requirements, Generally**

(A) Unless otherwise specified by this Contract or by state or federal law, the Contractor shall keep all documents and reports required by this Contract for a period of 6 years. Such documents include, but are not limited to, the attestation forms required by Article 6.3.2, Contractor's policies and procedures, Contractor's member handbooks, and copies of reports required by the Department.

(B) The Contractor shall comply with the record retention and record access requirements for award recipients found in 45 CFR 74.53 which requires the Contractor to maintain financial records, supporting documents, statistical records, and all other records pertaining to an award to be retained for a period of three years from the date of submission of the final expenditure report or, for awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report. The three year retention requirement does not apply:

- (1) If any litigation, claim, financial management review or audit is started before the expiration of the 3 year period, the records shall be retained until all litigation, claims, or audit findings involving the records have been resolved and final action apply;

- (2) To records for real property and equipment acquired with Federal funds which shall be retained for 3 years after final disposition;
- (3) When records are transferred to or maintained by the HHS awarding agency, the 3 year retention is not applicable to the recipient; and
- (4) To indirect cost rate computations or proposals, cost allocation plans and any similar computations of the rate at which a particular group of costs is chargeable (such as computer usage chargeback rates or composite fringe benefit rates).

## **13.2 Additional Reporting Requirements**

### **13.2.1 Enrollment, Cost and Utilization Reports**

(A) The Contractor shall submit Enrollment, Cost and utilization reports in an electronic format designated by the Department. The reports shall be in Excel, and the Contractor shall utilize the Excel template provided by the Department. The Contractor is not allowed to customize or change the format of this report. The template of the report can be found in Attachment E of this Contract. The Department may amend Attachment E at its discretion.

(B) The Contractor shall certify, in writing, the accuracy and completeness, to the best of its knowledge, of all cost and utilization data provided to the Department on Attachment E.

(C) Two Attachment E reports shall be submitted covering the dates of service for each Contract year. The reports shall be submitted as follows:

- (1) Attachment E is due May 1 for the preceding six month reporting period (July through December).

- (2) Attachment E is due November 1 for the preceding 12 month reporting period (July through June).

(D) The Contractor may request, in writing, an extension of the due date up to 30 days beyond the required due date. The Department shall approve or deny the extension request within seven calendar days of receiving the request.

(E) The Contractor shall make available upon request from the Department, claims detail supporting their Attachment E data.

### **13.2.2 Reports**

(A) The following reports are due, by the Contractor, on a monthly basis (or more frequently):

- (1) Encounter data must be submitted to the Department on a monthly basis or more frequently in the 837 format (as described in Section 13.3 below).

(2) Income statements for the prior month, including, but not limited to the following: enrollment totals, revenue, and paid dental costs. The due date for this report is the last day of the month. For example February's income statement will be due March 31.

(3) A report describing the time it takes for Enrollees to be sent their ID cards. The report will detail the number of ID cards sent within the following time periods calculated in calendar days: 0-21 days; over 21 days; and not yet sent. It will also detail the overall average number of days. The number of days will be calculated starting the day the Contractor receives enrollment information from the Department and ending the day the Contractor sends the ID card. Reporting will occur in the second month after the Contractor receives the enrollment information. For example, the report for enrollees whose enrollment information was received by the Contractor in January would be reported in March to the Department. The due date for this report is the last day of the month.

(B) The following semi-annual reports are due May 1 for the preceding six month reporting period ending December 31 (July through December) and are due November 1 for the preceding six month period ending June 30 (January through June):

(1) A summary of complaints and formal Grievances, by type of complaint or Grievance, received by the Contractor under this Contract and actions taken to resolve such complaints and Grievances.

(2) Summary information of corrective actions taken on Participating Providers who have been identified by the Contractor as exhibiting aberrant behavior, and the names of Providers who have been removed from the Contractor's network due to quality concerns

(3) Cost and Utilization Report (as described in 13.2.1 above)

(4) Claims detail supporting cost report figures.

(5) The Contractor shall submit a report describing the number of claims processed. The report will include the number of claims submitted, the number of clean claims submitted, the number of clean claims paid within 30 days, and the number of clean claims paid within 90 days. The report will also provide the percentage of clean claims paid within 30 days and the percentage of clean claims paid within 90 days.

(C) The following reports are due annually:

(1) Cost and Utilization Report (as described in 13.2.1. above).

(2) Appointment and Waiting Time benchmarks, due October 1. The report shall show where the benchmarks were not met for the year ended June 30 (as described in Section 10.2.6 above).

(3) A report identifying the Contractor's internal quality assurance activities, results thereof, and corrective actions taken during the previous state fiscal year (July through June). This is due November 1.

### **13.2.3 Provider Network Reports**

The Contractor shall submit a monthly electronic file of its Participating Provider network that meets the Department's provider file specifications and data element requirements to the Department.

### **13.2.4 Insure Kids Now**

The Contractor shall submit to the Department a quarterly file of its Participating Provider network that meets the specifications of the CMS Insure Kids Now website and as directed by the Department.

### **13.2.5 Additional Reporting Requirements**

(A) The Contractor shall submit the following reports on the dates listed. If the due date falls on a weekend or on a state holiday, the report shall be due the following business day:

(1) Upon request, the Contractor shall provide, to the Department its list of CHIP covered codes within two weeks of the request.

(2) The Contractor shall report quality measures as required by CMS and those developed by the Contractor and Department through the Quality Improvement Council and agreed to, in writing, by the Parties.

### **13.2.6 Development of New Reports**

The Department may request other reports deemed necessary to the Department to assess areas including, but not limited to, access and timeliness or quality of care. The Contractor agrees to submit any report requested by the Department within the time frames specified by the Department.

## **13.3 Encounter Data**

### **13.3.1 Encounter Data, General Requirements**

(A) In accordance with Section 1903(m)(2)(A)(xi) of the Social Security Act, the Contractor agrees to maintain sufficient patient Encounter Data to identify the Provider who delivers Covered Services to Enrollees.

(B) The Contractor shall transmit data to the Department using the HIPAA Transaction Standards for Health Care Claim data found in 45 CFR 162.1101 and 162.1102.

(C) The Contractor shall transmit and submit all Encounter data to the Department in accordance with the Department's Encounter Records 837 Companion Guide and the 837 Professional Companion Guide, as amended and as applicable.

(D) The Contractor shall submit Encounter Data at least once per calendar month. The Encounter Data shall represent all Encounter Claim types received and adjudicated by the Contractor the previous month.

(E) The Department will edit Encounter Data in accordance with the 837 companion guide. Encounters with incomplete data or incorrect codes will be rejected.

(F) The Department will notify the Contractor of the status of rejected Encounter Data by sending a 277 Health Care Claim Status Response Transaction to the Contractor. The Contractor shall be responsible for reviewing 277 transactions and taking appropriate action when necessary.

(G) The Contractor shall submit corrections to all rejected encounters within 90 days of the date the Department sends notice that the Encounter is rejected. The Contractor shall submit corrected Encounter Data for all Encounters it discovers are incorrect within 90 days from the date of discovery.

(H) The Contractor shall submit Encounter Data for all services rendered to CHIP Enrollees under this Contract, including Encounters where the Contractor determined no liability exists. The Contractor shall submit Encounter Data even if the Contractor did not make any payment for a Claim, including Claims for services to CHIP enrollees provided under a Subcontract, capitation or special arrangement with another facility or program.

(I) If the Contractor discovers that services and/or costs of Excluded Providers have been included in the Encounter Data, the Contractor shall immediately notify the Department and correct the Encounter Data.

### **13.3.2 Encounter Data Certification**

(A) By electronically submitting its Encounter Data to the Department, the Contractor is certifying that the Encounter Data in accordance with 42 CFR 438.606.

(B) By electronically submitting its Encounter Data to the Department, the Contractor ensures that the data has been certified by one of the following:

(1) the Contractor's Chief Executive Officer;

(2) the Contractor's Chief Financial Officer; or

(3) an individual who has delegated authority to sign for, and who reports directly to the Contractor's Chief Executive Officer or Chief Financial Officer.

(C) By electronically submitting the Encounter Data to the Department the Contractor ensures that the person certifying the encounter data attests to the completeness and truthfulness of the data and documents based on the person's best knowledge, information, and belief.

## **13.4 Disallowance of Claims**

### **13.4.1 Procedures for Incorrectly Paid Claims**

(A) The Contractor shall take reasonable action to collect any incorrectly paid claim from the Provider within 12 months of the date of discovery of the incorrectly paid claim. Incorrectly paid claims include but are not limited to claims which were duplicative, overpaid, or disallowed.

(B) The Contractor shall reverse the Encounter(s) for incorrectly paid claims or the claims within sixty (60) days of the date of the earlier of (1) the date of discovery of an incorrectly paid claim or (2) the date of the notice of disallowance of the incorrectly paid claim. The Contractor shall correct any Encounter(s) for any incorrectly paid claim regardless of whether the Contractor is successful in collecting the payment from the provider.

(C) Failure to properly reverse or adjust Encounter(s) will result in sanctions allowed by Article 15.

## **Article 14 Compliance and Monitoring**

### **14.1 Audits**

#### **14.1.1 Inspection and Audit of Financial Records**

(A) The Department and the federal government may inspect and audit any books and/or records of the Contractor or its Participating Providers that pertain to:

- (1) the ability of the Contractor to bear the risk of potential financial losses, or
- (2) to services performed or determinations of amounts payable under the Contract, or
- (3) for any other audit allowed by state or federal law.

(B) The Contractor shall make available to the Department, the federal government, independent quality review examiners, and other Utah state agencies as allowed by law any of the Contractor's records that may reasonably be requested to conduct the audit.

(C) The Contractor shall, in accordance with 45 CFR 74.48, allow the HHS awarding agency, the U.S. Comptroller General, or any of their duly authorized representatives, to access to any books, documents, papers, and records of the Contractor which are directly pertinent to a specific

program for the purpose of making audits, examinations, excerpts, and transcriptions.

#### **14.1.2 Additional Inspections and Audits**

(A) The Contractor shall place no restrictions on the right of the Department, the federal government, independent quality review examiners, and other Utah state agencies as allowed by law to conduct whatever inspections and audits that are necessary to assure contract compliance, quality, appropriateness, timeliness and accessibility of services and reasonableness of Contractor's costs.

(B) Inspection and audit methods include, but are not limited to, inspection of facilities, review of dental records and other client data, or review of written policies and procedures and other documents.

#### **14.1.3 Management and Utilization Audits**

(A) The Contractor shall allow the Department, the federal government, independent quality review examiners, and other Utah state agencies as allowed by law, to perform audits for identification and collection of management data, including Enrollee satisfaction data, quality of care data, Fraud-related data, Abuse-related data, patient outcome data, and cost utilization data, which shall include patient profiles, exception reports, etc.

(B) The Contractor shall provide all data required by the Department, the federal government, independent quality review examiners, and other Utah state agencies allowed to conduct such audits.

### **14.2 Department and Contractor Quality Control**

#### **14.2.1 Quality Improvement Reports**

(A) Annually, the Contractor shall submit to the Department the following documents:

- (1) the Contractor's quality improvement program description for the current State Fiscal Year or calendar year,
- (2) the Contractor's quality improvement work plan for the current State Fiscal Year or calendar year, and
- (3) the Contractor's quality improvement work plan evaluation for the previous State Fiscal Year or calendar year.

(B) These reports shall be in a format developed by the Department and be signed by the Contractor.

(C) The reports listed in Article 14.2.1 shall be due on August 31 of each year.

### **14.2.2 Quality Monitoring by the Department**

(A) The Department shall review, at least annually, the impact and effectiveness of the Contractor's quality assessment program. At least 60 days prior to the Department's review, the Contractor shall provide to the Department:

- (1) the Contractor's most current written quality improvement program description;
  - (2) the Contractor's most current annual quality improvement work plan;
  - (3) the Contractor's most current quality improvement work plan evaluation.
- (B) All documents submitted to the Department pursuant to Article 14.2.2 shall provide evidence of a well-defined, organized program designed to improve member care.

## **14.3 External Quality Review**

### **14.3.1 External Quality Review Generally**

(A) Pursuant to 42 CFR Part 438, Subpart E, the Department shall arrange for EQRs to assess Contractor's management of quality, timeliness, and access to Covered Services.

(B) The Contractor shall maintain, and make available to the EQRs, all clinical and administrative records for use in EQRs.

(C) The Contractor shall support any additional quality assurance reviews, focused studies, or other projects that the Department may require as part of EQRs.

### **14.3.2 Contractor Staffing Requirements**

(A) The Contractor shall designate an individual to serve as a liaison for the EQRs.

(B) The Contractor shall designate representatives, as needed, including but not limited to a quality improvement representative and a data representative to assist with EQRs.

### **14.3.3 Copies and On-Site Access**

(A) The Contractor shall be responsible for making all EQR-requested documentation, including Enrollee information, available prior to EQR activities and during an on-site review.

(B) Document copying costs are the responsibility of the Contractor.

(C) Enrollee information includes, but is not limited to, dental records, administrative data, encounter data, and claims data, maintained by the Contractor or its Participating Providers.

(D) On-Site EQRs shall be performed during hours agreed upon by the Department and the Contractor.

(E) The Contractor shall assure adequate work space, access to a telephone, and a copy machine for individuals conducting on-site EQRs.

(F) The Contractor shall assign appropriate staff to assist during on-site EQRs.

(G) The Department and EQRs agree to accept electronic versions of documents where reasonable and work cooperatively with the Contractor to reduce administrative costs.

#### **14.3.4 Timeframe for Providing Information**

(A) The Contractor shall provide requested EQR data and documentation necessary to conduct EQR activities within the timeframes required, and communicated to Contractor in advance, by the Department.

(B) The Department shall review requests from the Contractor for extensions of these timeframes and shall approve or disapprove the request.

### **Article 15 Corrective Action and Sanctions**

#### **15.1 Corrective Action Plans**

##### **15.1.1 Corrective Action Plans, Generally**

(A) In the event that the Contractor fails to comply with its obligations under this Contract, the Department may impose a corrective action plan to cure the Contractor's non-compliance.

(B) At the Department's discretion, the corrective action plan may be developed by the Department or the Contractor.

##### **15.1.2 Department-Issued Corrective Action Plan**

(A) The Department may develop a corrective action plan which the Department shall provide to the Contractor, in writing.

(B) The Contractor agrees to comply with the terms of a Department-issued corrective action plan and to complete all required actions within the required timeframes. The Department shall provide the Contractor with a reasonable amount of time to complete the corrective action plan. If the Contractor fails to satisfactorily complete the Department's corrective action plan, the Department may assess liquidated damages in accordance with Article 15.3 of this Contract. Notwithstanding the foregoing, Department may not assess any liquidated damages for any given month in an amount greater than ten percent (10%) of the Capitation Payment for that month ("Cap").

(C) If the Contractor disagrees with the Department's corrective action plan, the Contractor may file a Request for a State fair hearing within 30 days of receipt of the Department's corrective

action plan.

### **15.1.3 Contractor Generated Corrective Action Plan**

(A) The Department may require the Contractor to create its own corrective action plan. In such instances, the Department shall send a written notice to the Contractor detailing the Contractor's non-compliance. The notice shall require the Contractor to develop a corrective action plan.

(B) Unless otherwise specified in the notice from the Department, the Contractor shall have 20 business days from the date the Department's notice was mailed to submit a corrective action plan to the Department for its approval.

(C) The Department shall notify the Contractor of its approval of the Contractor's corrective action plan within 20 days of receipt. In the event that the Department determines that the Contractor's corrective action plan needs to be revised, the Department shall provide instructions to the Contractor on how the plan needs to be revised. The corrective action plan submitted by the Contractor shall be deemed approved by the Department if the Department fails to respond to the Contractor within 20 days of receipt of the Contractor's corrective action plan.

(D) The Contractor agrees to comply with the terms of a Department approved corrective action plan and to complete all required actions within the required timeframes. If the Contractor fails to satisfactorily complete the Department's corrective Action Plan, the Department may assess liquidated damages in accordance with Article 15.3 of this Contract.

### **15.1.4 Notice of Non-Compliance**

(A) In the event that the Contractor fails to comply with its obligations under this Contract, the Department shall provide to the Contractor written notice of the deficiency, request or impose a corrective action plan and/or explain the manner and time frame in which the Contractor's non-compliance must be cured. If the Department decides to explain the manner in which the Contractor's non-compliance must be cured and decides not to impose a corrective action plan, the Department shall provide the Contractor at least 30 days to cure its non-compliance. However, the Department may shorten the 30 day time period in the event that a delay would endanger an Enrollee's health or the timeframe must be shortened in order for the Department and the Contractor to meet federal guidelines.

(B) If the Contractor fails to cure the non-compliance as ordered by the Department and within the timeframes designated by the Department, the Department may, at its discretion, subject to paragraph (C) of this Section 15.1.4, and subject to the Cap, impose any or all of the following sanctions:

- (1) Suspension of the Contractor's Capitation Payment, subject to Section 15.2;
- (2) Assessment of Liquidated Damages, subject to Section 15.2;
- (3) Assessment of Civil Monetary Penalties; and/or

(4) Imposition of any other sanction allowed by federal and state law.

(C) The Department agrees that it shall not, for an individual event of the Contractor's non-compliance, impose both liquidated damages and the suspension of the Contractor's Capitation Payment. The Department may choose to either suspend the capitation payment or impose liquidated damages.

(D) The Department's imposition of any of the Sanctions described in 15.1.4(B) is not intended to be an exclusive remedy available to the Department. The assessment of any of the sanctions listed in 15.1.4(B) in no way limits additional remedies, at law or at equity, available to the Department due to the Contractor's Breach of this Contract.

## **15.2 Capitation Payment Suspension**

### **15.2.1 Capitation Payment Suspension, Generally**

(A) The Department may, subject to paragraph (C) of Section 15.1.4. and this Section 15.2, suspend Contractor's Capitation Payment in the event that the Contractor fails to substantially comply with any material provision of this Contract.

(B) The Department may, subject to paragraph (C) of this Section 15.1.4 and this Section 15.2, suspend the Contractor's Capitation Payment for any failure to submit or comply with a corrective action plan within the timeframes required by the Department.

### **15.2.2 Procedure for Capitation Payment Suspension**

(A) The Department shall notify the Contractor, in writing, of any suspension of a Capitation Payment and the reason for that suspension. The Department shall inform the Contractor in such written notice what action needs to be taken by the Contractor to receive payment and the timeframe in which the Contractor must take action in order to avoid suspension of the Capitation Payment. Such notice of suspension shall be provided at least 70 days prior to the effective date of such suspension. If the Contractor fails to cure the deficiency, the Department may continue the suspension of Capitation Payments until the Contractor comes into compliance. Once the Contractor comes into compliance, all suspended Capitation Payments will be paid to the Contractor within 14 days.

(B) If the Contractor disagrees with the reason for the suspension of the Capitation Payments, the Contractor may request a State fair hearing within 30 days of receipt of the Department's notice of intent to suspend the Capitation Payments. The Department may continue to withhold Capitation Payments through the duration of the State fair hearing, unless ordered by the State fair hearing officer to release the Capitation Payments.

## **15.3 Liquidated Damages**

### **15.3.1 Liquidated Damages, Generally**

(A) If the Contractor fails to perform or does not perform in a timely manner provisions under this Contract, damages to the Department may result. The Parties agree that the damages from breach of this Contract may be incapable or very difficult of accurate estimation.

(B) Should the Department chose to impose liquidated damages, the Parties agree that the following damages provisions represent a reasonable estimation of the damages that would be suffered by the Department due to the Contractor's failure to perform. Such damages to the Department would include additional costs of inspection and oversight incurred by the Department due to Contractor's non-performance or late performance of any provision of this Contract.

(C) At its discretion, the Department may withhold liquidated damages from the Department's Capitation Payment to the Contractor.

(D) If the Department chooses to impose liquidated damages, the Department shall provide the Contractor with written notice of its intent to impose liquidated damages.

(E) If the Contractor disagrees with the reason for the imposition of liquidated damages, the Contractor may request a State fair hearing within 30 days of receipt of the Department's notice of intent to impose liquidated damages. The Department may impose liquidated damages through the duration of the State fair hearing unless the State fair hearing officer orders that the imposition of liquidated damages should be discontinued throughout the State fair hearing process.

(F) Each category of liquidated damages found in Article 15.3.2 and Article 15.3.3 is exclusive, meaning that for any individual event of non-compliance by the Contractor the Department may only assert one category of liquidated damages. For example, if the Department imposes liquidated damages of \$500 per calendar day for failure to comply with a corrective action plan, it may not also impose for the same event liquidated damages of \$300 per calendar day for failure to submit documents to the Department. Furthermore, each imposition of liquidated damages must be based on actual failure of the Contractor to comply with the terms of this Contract, and no event of noncompliance may be extrapolated to other unsubstantiated claims of noncompliance.

(G) In no event will the Contractor's cumulative liability under Article 15.3 be more than the Cap per calendar year.

(H) The Department's ability to assess liquidated damages under this Section 15.3 is limited to the Contractor. In no event will liquidated damages under this Article 15.3 be assessed against the Contractor's parent company or any other affiliate of the Contractor.

(I) In no event may liquidated damages be retroactively assessed against the Contractor for failures to comply with the terms of this Contract that occurred more than one year prior to the discovery of the failures except in cases involving fraud, waste, and abuse.

### **15.3.2 Liquidated Damages, Per Day Amounts**

(A) The Department may assess the following damages against the Contractor for each date beyond the deadline that the Contractor was required to take the following actions:

- (1) \$300 per calendar day that the Contractor fails to submit documents to the Department as required under this Contract;
- (2) \$400 per calendar day the Contractor fails to submit required reports to the Department as required under this Contract;
- (3) \$1000 per calendar day the Contractor fails to submit Encounter Data (as required by Article 13.3) or the Post Adjudication Pharmacy file (as required by Article 4.14.8);
- (4) \$1000 per calendar day the Contractor fails to submit accurate or complete Encounter Data (as required by Article 13.3) or Post Adjudication History file (as required under Article 4.14.8);
- (5) \$2500 per calendar day the Contractor fails to submit CAHPS results in the time frames established under Article 11.2.5.
- (6) \$500 per calendar day the Contractor fails to submit or comply with corrective action plan;
- (7) \$500 per calendar day that the Contractor fails to provide audit access as required by Article 14.1;
- (8) \$1000 per calendar day for each day that the Contractor does not comply with the fraud and abuse provision found in Article 6 and such failure requires Department intervention;
- (9) \$5,000 per calendar day that the Contractor fails to maintain a complaint and Appeal system as required by this Contract and such failure requires Department intervention;
- (10) \$500 per calendar day for other violation of 42 CFR 438 which requires Department intervention or supervision.

### **15.3.3 Additional Liquidated Damages**

(A) The Department may assess the following liquidated damages:

- (1) \$1,000 per each occurrence that the Contractor fails to properly credential a Participating Provider as required by Article 5.3 of this Contract (including a failure to search the LEIE database, or has Provider agreements that do not meet the requirements of Article 5.3) and such failure to credential requires Department intervention or supervision.

(2) \$1,000 per each occurrence where the Contractor fails to Provide an Enrollee access to Covered Services as required by this Contract and such failure requires Department intervention or supervision.

## **15.4 Sanctions Allowed by Federal Law**

### **15.4.1 Reasons for Imposition of Intermediate Sanctions**

(A) In accordance with 42 CFR 438.700, the Department may impose intermediate sanctions when the Contractor acts or fails to act as follows:

- (1) Fails substantially to provide Medically Necessary services that the Contractor is required to provide, under law or under this Contract with the Department, to an Enrollee covered under this Contract;
- (2) Imposes on Enrollees premiums or charges that are in excess of the premiums or charges permitted under the CHIP program;
- (3) Acts to discriminate among Enrollees on the basis of their health status or need for dental care services. This includes termination of enrollment or refusal to reenroll a client, except as permitted under the CHIP program, or any practice that would reasonably be expected to discourage enrollment by clients whose medical condition or history indicates probable need for substantial future dental services;
- (4) Misrepresents or falsifies information that it furnishes to CMS or the Department;
- (5) Misrepresents or falsifies information that it furnishes to an Enrollee, Potential Enrollee, or health care provider;
- (6) Fails to comply with the requirements for Provider Incentive Plans, as set forth in 42 CFR 422.208 and 422.210.
- (7) Has distributed directly or indirectly through any agent or independent contractor marketing materials that have not been approved by the Department or that contains false or misleading information.
- (8) Has violated any of the other applicable requirements of Section 1903(m) or Section 1932 of the Social Security Act and its Implementing Regulations.

(B) In the event that the Contractor fails to safeguard Enrollee Protected Health Information the Contractor shall be subject to sanctions imposed by CMS pursuant to HIPAA and HITECH.

### **15.4.2 Types of Intermediate Sanctions**

(A) The Department may impose any or all of the following intermediate sanctions:

- (1) Civil monetary penalties in the amounts specified in 42 CFR 438.704.
- (2) Appointment of temporary management of the Contractor as provided in 42 CFR 438.706 and this Contract.
- (3) Granting Enrollees the right to terminate enrollment without cause and notifying the affected Enrollees of their right to disenroll.
- (4) Suspension of all new enrollment, including default enrollment, after the effective date of sanction.
- (5) Suspension of payment for Enrollees 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.

#### **15.4.3 Notice of Sanction**

- (A) In accordance with 42 CFR 438.710, the Department shall provide the Contractor with timely written notice before imposing any of the intermediate sanctions specified in Article 15.4.2. The notice shall explain the basis and the nature of the sanction.
- (B) The Contractor has 30 days to provide a written response to the Department.
- (C) If the Contractor disagrees with the imposition of any of the sanctions specified in Article 15.4.2, the Contractor may request a State fair hearing. The Department may continue to impose the Sanction through the duration of the State fair hearing unless the hearing officer orders otherwise.

#### **15.4.4 Discretionary Imposition of Temporary Management**

- (A) Pursuant to 42 CFR 438.706, the Department may impose temporary management of the administration of the Contractor's CHIP operations only if it finds (through onsite survey, Enrollee complaints, financial audits, or any other means) that:
  - (1) There is continued egregious behavior by the Contractor, including but not limited to behavior that is described in 42 CFR 438.700 or that is contrary to any requirements of Section 1903(m) and Section 1932 of the Social Security Act;
  - (2) There is substantial risk to the Enrollee's health; or
  - (3) The sanction is necessary to ensure the health of the Contractor's Enrollees while improvements are made to remedy violations under 42 CFR 438.700 or until there is an orderly termination or reorganization of the Contractor.

#### **15.4.5 Required Imposition of Temporary Management**

(A) In accordance with 42 CFR 438.706, the Department shall impose temporary management of the administration of the Contractor's CHIP operations (regardless of any other sanction that may be imposed) if it finds that the Contractor has repeatedly failed to meet substantive requirements in Sections 1903(m) or 1932 of the Social Security Act.

(B) The Department shall grant Enrollees the right to terminate enrollment without cause and shall notify Enrollees of their right to terminate Enrollment.

#### **15.4.6 Hearing on Temporary Management**

The Department may not delay imposition of temporary management of the administration of the Contractor's CHIP operations to provide a hearing before imposing this sanction.

#### **15.4.7 Duration of Temporary Management**

The Department may not terminate temporary management of the administration of the Contractor's CHIP operations until it determines that the Contractor can ensure that the sanctioned behavior shall not recur.

#### **15.4.8 Sanctions Imposed by CMS: Denial of Payment**

The Department may recommend that CMS deny payments to new Enrollees in accordance with 42 CFR 438.730.

### **Article 16 Termination of the Contract**

#### **16.1 Automatic and Without Cause Termination**

##### **16.1.1 Automatic Termination**

This Contract shall automatically terminate on June 30, 2017.

##### **16.1.2 Termination Without Cause**

(A) The Contractor may terminate this Contract without cause by giving the Department written notice of termination at least 60 days prior to the termination date. The termination notice must be on the first working day of the month with the termination effective no later than the first day of the third month following the Contractor's written notice.

(B) The Department may terminate this Contract without cause upon 60 days written notice.

##### **16.1.3 Termination for Failure to Agree Upon Rates**

At least 60 days prior the end of each state fiscal year, or as otherwise determined by the

Department, the Parties shall meet and negotiate in good faith the rates (Attachment D) applicable to the upcoming year. If the Parties do not agree upon future rates by the end of the Contract year, either Party may terminate the contract for subsequent years by giving the other party written notice of termination and the termination will become effective 90 days after receipt of the written notice of termination.

#### **16.1.4 Effect of Automatic Termination or Termination Without Cause**

(A) The Contractor shall continue providing the Covered Services required by this Contract until midnight of the last calendar month in which the termination becomes effective.

(B) If the Contractor, one of its Participating Providers, or other subcontractor becomes insolvent or bankrupt, the Enrollees shall not be liable for the debts of the Contractor, the Participating Provider, or the Subcontractor.

(C) Upon any termination of this Contract, the Contractor must promptly supply to the Department all information necessary for the reimbursement of any claims not paid by the Contractor.

### **16.2 Termination of Contract With Cause**

#### **16.2.1 Termination of Contract With Cause, Generally**

(A) In accordance with 42 CFR 438.708, the Department may terminate this Contract and enroll the Contractor's Enrollees in other PAHP's or provide their CHIP benefits through other options included in the State Plan, if the Department determines that the Contractor has failed to:

- (1) Carry out the substantive terms of this Contract; or
- (2) Meet the requirements of Sections 1932, 1903(m), and 1905(t) of the Social Security Act.

#### **16.2.2 Pre-Termination Hearing**

(A) In accordance with 42 CFR 738.710, before terminating the Contract pursuant to Section 16.2.1 of this Contract, the Department must provide the Contractor with a pre-termination hearing. The Department shall:

- (1) Give the Contractor written notice of its intent to terminate, the reason for the termination, and the time and place of the hearing;
- (2) After the hearing, give the Contractor written notice of the decision affirming or reversing the proposed termination of the Contract and, for an affirming decision, the effective date of the termination; and
- (3) For an affirming decision, give Enrollees notice of termination and information

consistent with 42 CFR 438.10, on their options for receiving CHIP services following the effective date of the termination.

(B) In accordance with 42 CFR 438.722, after the Department notifies the Contractor that it intends to terminate the Contract, the Department may give Enrollees written notice of the Department's intent to terminate the Contract and may allow Enrollees to disenroll immediately, without cause.

### **16.2.3 CMS Direction to Terminate**

In the event that CMS directs the Department to terminate this Contract, the Department shall not be permitted to renew this Contract without CMS consent.

## **16.3 Close Out Provisions**

### **16.3.1 Close Out Provisions**

(A) Notwithstanding any provision found in Attachment A, in the event of termination of this Contract, the Contractor shall complete any and all duties required by this Contract including, but not limited to the following:

(1) processing and paying any Claims generated during the lifetime of this Contract including completing appeals by both Providers and/or Enrollees and any monetary reconciliations;

(2) providing the Department with complete and accurate Encounter Data for all Encounters generated during the lifetime of this Contract;

(3) providing the Department with reports as required by this Contract;

(4) complying with any audit requests.

(B) Failure of the Contractor to comply with the provisions found in this Article 16.3 shall be deemed a breach of Contract and the Department may exercise any remedy available under this Contract or by operation of law. The Department shall give the Contractor notice of any activities not completed after termination and shall give the Contractor an opportunity to cure any breaches prior to declaring a

breach of the Contract.

## **Article 17 Miscellaneous Provisions**

### **17.1 Additional Provisions**

#### **17.1.1 Integration**

This Contract and all attachments hereto, contain the entire agreement between the Parties with respect to the subject matter of this Contract. There are no representations, warranties, understandings, or agreements other than those expressly set forth herein. Previous contracts between the Parties hereto and conduct between the Parties which precedes the implementation of this Contract shall not be used as a guide to the interpretation or enforcement of this Contract or any provision hereof. Notwithstanding Attachment A, General Provisions, Article III, item 27, if there is a conflict between this Attachment B, Special Provisions, and the Attachment A, General Provisions, then this Attachment B shall control.

#### **17.1.2 Enrollees May Not Enforce Contract**

Although this Contract relates to the provision of benefits for Enrollees, no Enrollee is entitled to enforce any provision of this Contract against the Contractor and nor shall any provision of this Contract constitute a promise by the Contractor to an Enrollee or Potential Enrollee.

#### **17.1.3 Interpretation of Laws and Regulations Administration of the CHIP Program**

The Department shall be responsible for the interpretation of all Federal and State laws and regulations governing or in any way affecting the administration of the CHIP program. When interpretations are required, the Contractor shall submit a written request to the Department. The Department shall retain full authority and responsibility for the administration of the CHIP program in accordance with the requirements of Federal and State law. To the extent the Department relies on this Section 17.1.3 to assess liquidated damages, suspend or withhold payment, or impose any other monetary penalties or sanctions against Contractor, the Department shall comply with all notice and other applicable provisions under this Contract before taking any such actions.

#### **17.1.4 Severability**

If any provision of this Contract is found to be invalid, illegal, or otherwise unenforceable, the unenforceability of that provision will not affect the enforceability of any other provision contained in this Contract and the remaining portions of this Contract shall continue in full force and effect.

#### **17.1.5 Assignment**

(A) Subject to Attachment A Section VII, assignment of any or all rights or obligations under this Contract without the prior written consent of the Department is prohibited. Sale of all or part of the right or obligations under this Contract shall be deemed an assignment. Consent by the Department may be withheld in the Department's sole and absolute discretion.

(B) The Department hereby gives written permission to the Contractor rights of assignment to a Contractor Affiliate, DentaQuest LLC.

#### **17.1.6 Continuation of Services During Insolvency**

If the Contractor becomes insolvent, the Contractor shall continue to provide all Covered Services to Enrollees for the duration of the period for which the Department has paid monthly Capitation Payments to the Contractor.

#### **17.1.7 Surveys**

All surveys required under this Contract shall be funded by the Contractor unless another source agrees to fund the survey.

#### **17.1.8 Policy, Rules, and Regulations**

(A) The Contractor shall be aware of, comply with, and be bound by the State Plan and the Department's, Provider Manuals and Medicaid Information Bulletins, as applicable, in effect at the time when services are rendered. The Department shall inform the Contractor of any changes to the State Plan, Provider Manuals, and Medicaid Information Bulletins before the effective date of any changes that the Contractor is obligated to comply with pursuant to this paragraph.

(B) The Contractor shall comply with all appropriate and applicable state and federal rules and regulations.

#### **17.1.9 Solvency Standards**

Unless exempt, the Contractor agrees to meet the solvency standards required by 42 CFR 438.116(b)(1).

#### **17.1.10 Providers May Not Enforce Contract**

Although this Contract relates to the provision of benefits by Providers, no Provider is entitled to enforce any provision of this Contract against the Contractor and nor shall any provision of this Contract constitute a promise by the Contractor to a Provider.

#### **17.1.11 ACA Health Insurer Fee**

(A) The Contractor is responsible for paying the annual Health Insurer Fee.

(B) The monthly Capitation Rates found in Attachment D include the Health Insurer Fee as well as any associated state and federal taxes directly arising out of the Health Insurer Fee. The Department shall incorporate funding for the Health Insurer Fee into the Capitation Rates on a prospective basis. The Capitation Rates shall be adjusted as needed each year to ensure actuarial soundness. During the Capitation Rate adjustment the Department shall reconcile the new Capitation Rate by the amounts of the Health Insurer Fee incorporated into the previous year's Capitation Rate which the Department has determined (through actuarial certification) has been overpaid or underpaid during the previous fiscal year.

(C) The Department shall fund the Health Insurer Fee up to the amount appropriated by the Utah state legislature. The Department may request an appropriation from the Utah legislature for additional funding in the event the Department determines through actuarial certification that the amount appropriated by the Utah legislature does not adequately cover incorporation of the Health Insurer Fee into the new Capitation Rates.

(D) By September 30 of each year, the Contractor shall provide to the Department its Health Insurer Fee invoice relating to the premiums paid to the Contractor under this contract. The Contractor shall also provide any additional supporting documentation relating to the Health Insurer Fee requested by the Department.

(E) The Contractor agrees not to pursue legal action whatsoever against the Department or its officers, employees, or agents with respect to the Health Insurer Fee.

## **17.2 Data Security Provisions**

### **17.2.1 Duty of Confidentiality**

The Contractor shall maintain the confidentiality of any Confidential Data that it receives from the Department or any other state or public office which has been disclosed to the Contractor for the purpose of performance under this Contract. This includes any information contained in any database maintained by the State of Utah. This duty of confidentiality shall be ongoing and shall survive the term of this Contract.

### **17.2.2 Network Security**

(A) For any network on which the Contractor stores or transmits Confidential Data, the Contractor shall at all times maintain network security that at minimum, includes network firewall provisioning, intrusion detection and regular third party penetration testing.

(B) For any network on which the Contractor stores or transmits Confidential Data, the Contractor shall maintain network security that conforms to one of the following:

(1) Those standards which the State of Utah applies to its own network as found at <http://www.dts.utah.gov>;

(2) Current standards set forth and maintained by the National Institute of Standards and Technology; or

(3) Any industry accepted standards that is comparable to those described in 17.2.2(B)(1) or (2).

### **17.2.3 Data Security**

(A) The Contractor shall protect and maintain the security of Confidential Data with protection that conforms to one of the following:

(1) Those standards which the State of Utah applies to its own network as found at <http://www.dts.utah.gov>;

(2) Current standards set forth and maintained by the National Institute of Standards and Technology; or

(3) Any industry accepted standards that is comparable to those described in 17.2.3(A)(1) or (2).

(B) The Contractor shall develop and use appropriate administrative, technical and physical security measures to preserve the confidentiality and integrity of all electronically maintained or transmitted Confidential Data. These security measures include, but are not limited to, maintaining up-to-date anti-virus software, maintaining systems with current security updates, and controlled access to the physical location of the hardware itself.

### **17.2.4 Data Transmission**

The Contractor shall ensure that any transmission or exchange of Confidential Data with the Department shall take place via secure means, such as HTTPS or FTPS.

### **17.2.5 Data Storage**

(A) The Contractor shall ensure that any Confidential Data will be stored, processed, and maintained solely on designated target servers and that no Confidential Data at any time will be processed on or transferred to any unencrypted portable or laptop computing device or any unencrypted portable storage medium.

(B) The Contractor shall ensure that any Confidential Data that is stored, processed, or maintained on a laptop, portable computing device, cell phone, or portable storage device shall be encrypted using no less than 128 bit key.

#### **17.2.6 Data Re-Use**

The Contractor shall ensure that any and all Confidential Data exchanged shall be used expressly and solely for the purposes of fulfilling this Contract and other purposes as required or permitted by law. Confidential Data shall not be distributed, repurposed or shaped across other applications, environments, or business units of the Contractor. The Parties acknowledge and agree that Contractor may use and exchange Confidential Information for purposes related to managing the healthcare needs of Enrollees, including quality improvement initiatives, health care operations, utilization management, and other Enrollee health management purposes.

#### **17.2.7 Notification of Confidential Data Breach**

The Contractor shall notify the Department when any Contractor system that may access, process, or store Confidential Data is subject to unintended access or disclosure. The Contractor shall notify the Department of such unintended access or disclosure within 48 hours of discovery of such access or disclosure.

#### **17.2.8 Confidentiality, Data Security, Subcontractors**

The Contractor shall extend the Duty of Confidentiality found in Article 17.2.1 and the Confidential Data requirements found in Articles 17.2.2 through 17.2.7 to all Subcontractors used by the Contractor.

#### **17.2.9 Access to State of Utah Databases**

(A) The Contractor shall maintain a log of all employees or Subcontractors who have access to any database maintained by the State of Utah or by the Department to whom the Department has given access.

(B) The Contractor shall notify the Department within two business days when an employee or subcontractor who has access to a database maintained by the Department or the State no longer requires access to the database.

(C) On a quarterly basis the Contractor shall provide to the Department a log of all employees who have access to a Department or State maintained database and in submitting that log to the Department, shall certify that the job duties of each employee named in the log requires that employee to have access to a Department-maintained database.

## Covered Services, Limitations, Exclusions and Co-Payment Requirements

### SECTION 1: Covered Services

The Contractor shall provide the following benefits to CHIP Enrollees in accordance with benefits as defined in the Utah Children's Health Insurance Program State Plan subject to the exclusions or limitations noted in this attachment. The Department reserves the right to interpret what is in the State Plan. CHIP covered services can only be limited through utilization criteria based on medical necessity. The Contractor shall provide at least the following benefits to CHIP Enrollees.

#### 1.1 Dental Services

<b>Diagnostic and Preventive Benefits:</b>	
Diagnostic	Procedures to assist the Provider in choosing required dental treatment
Preventive	Cleaning (periodontal cleaning in the presence of gingival inflammation is considered to be periodontal (a Basic Benefit) for payment purposes), topical application of fluoride solutions and space maintainers.
<b>Basic Benefits:</b>	
Oral Surgery	Extractions and other surgical procedures (including pre-and post-operative care.)
General Anesthesia or IV Sedation	When administered for covered oral surgery or selected endodontic and periodontal surgical procedures.
Endodontics	Treatment of the tooth pulp
Periodontics	Treatment of gums and bones and supporting teeth
Palliative	Treatment to relieve pain
Sealants	Topically applied acrylic, plastic or composite materials used to seal developmental grooves and pits in permanent molars for the purpose

	of preventing decay.
Restorative	Amalgam, synthetic porcelain, plastic fillings and prefabricated stainless steel restorations for treatment of carious lesions (visible destruction of hard tooth structure resulting from the process of decay).
Denture repairs	Repair to partial or complete dentures including rebase procedures and relining
<b>Major Benefits:</b>	
Crowns, Inlays/Onlays and Cast Restorations	Treatment of carious lesions (visible decay of the hard tooth structure) when teeth cannot be restored with amalgam, synthetic porcelain or plastic fillings.
Prosthodontics	Procedures for construction or of fixed bridges, partial or completed dentures and the repair of fixed bridges.

**Specifically, only the following dental services based on American Dental Association (ADA) codes are covered:**

D0120	D0474	D2530	D2933	D3352	D4341	D5720	D6604	D7140	D7530	D9930
D0140	D1110	D2542	D2934	D3353	D4342	D5721	D6605	D7210	D7540	D9940
D0145	D1120	D2543	D2940	D3410	D4355	D5730	D6606	D7220	D7550	D9951
D0150	D1206	D2544	D2950	D3421	D4910	D5731	D6607	D7230	D7560	D9952
D0160	D1208	D2710	D2951	D3425	D5110	D5740	D6610	D7240	D7960	
D0170	D1351	D2712	D2952	D3426	D5120	D5741	D6611	D7250	D7970	
D0180	D1352	D2720	D2953	D3430	D5130	D5750	D6612	D7260	D7971	
D0190	D1510	D2721	D2954	D3450	D5140	D5751	D6613	D7261	D8010	
D0191	D1515	D2722	D2957	D3460	D5211	D5760	D6614	D7270	D8020	
D0210	D1520	D2740	D2960	D3920	D5212	D5761	D6615	D7280	D8030	
D0220	D1525	D2750	D2961	D4210	D5213	D5820	D6624	D7283	D8040	
D0230	D1550	D2751	D2962	D4211	D5214	D5821	D6634	D7285	D8050	
D0240	D1555	D2752	D2981	D4212	D5225	D5850	D6720	D7286	D8060	
D0250	D2140	D2780	D2982	D4240	D5226	D5851	D6721	D7310	D8070	
D0260	D2150	D2781	D2983	D4241	D5281	D6210	D6722	D7311	D8080	

D0270	D2160	D2782	D3220	D4245	D5410	D6211	D6750	D7320	D8090	
D0272	D2161	D2783	D3221	D4249	D5411	D6212	D6751	D7321	D8210	
D0273	D2330	D2790	D3222	D4260	D5421	D6214	D6752	D7340	D8220	
D0274	D2331	D2791	D3230	D4261	D5422	D6240	D6780	D7350	D8660	
D0277	D2332	D2792	D3240	D4263	D5510	D6241	D6781	D7410	D8680	
D0290	D2335	D2794	D3310	D4264	D5520	D6242	D6782	D7411	D9110	
D0330	D2390	D2910	D3320	D4266	D5610	D6250	D6790	D7450	D9220	
D0340	D2391	D2915	D3330	D4267	D5630	D6251	D6791	D7451	D9221	
D0350	D2392	D2920	D3333	D4270	D5640	D6252	D6792	D7460	D9241	
D0460	D2393	D2929	D3346	D4273	D5650	D6545	D6794	D7461	D9242	
D0470	D2394	D2930	D3347	D4277	D5660	D6549	D6930	D7471	D9310	
D0472	D2510	D2931	D3348	D4278	D5710	D6602	D6940	D7510	D9430	
D0473	D2520	D2932	D3351	D4321	D5711	D6603	D7111	D7520	D9440	

Reference:

D0100-D0999 – Diagnostic

D1000-D1999 – Preventive

D2000-D2999 – Restorative

D3000-D3999 – Endodontics

D4000-D4999 – Periodontics

D5000-D5999 – Prosthodontics (Removable)

D6000-D6199 – Implant Services

D6200-D6999 – Prosthodontics, Fixed

D7000-D7999 – Oral and Maxillofacial Surgery

D8000-D8999 – Orthodontics

## D9000-D9999 – Adjunctive General Services

Eligible services under the dental plan are payable in an outpatient surgical facility for children five years of age and younger or a child who is at high risk due to other medical diagnosis.

### **Applicable Notes from Benchmark Plan Schedule of Allowances**

Procedures D3230 through D3920 include all test x-rays taken as part of the complete root canal procedure.

The following applies to D5000 – D5899 Prosthodontics (Removable). Dentures and partial dentures include relines. Allowances for dentures, partial dentures and relines include all adjustments for six-months. Fee for specialized techniques involving precision dentures, personalization or characterizations must be paid by the patient.

The following applies to D6200 – D6999 Prosthodontics, Fixed. Each retainer and each pontic constitutes a unit in a fixed partial denture.

The following applies to D7000 – D7999 oral and Maxillofacial Surgery. Extractions include local anesthesia, suturing, if needed, and routine postoperative care.

The following applies to D8000 – D8999 Orthodontics. Allowances include all appliances, adjustments, insertion, removal and post treatment stabilization (retention).

***Note on additional benefits during pregnancy*** – When an Enrollee is pregnant, CHIP will pay for additional services to help improve the oral health of the Enrollee during pregnancy. The additional services each contract year include: one (1) additional oral exam and either one (1) additional routine cleaning or one (1) additional periodontal scaling and root planing per quadrant. Written confirmation of the pregnancy must be provided by the Enrollee or her dentist when the claim is submitted.

## SECTION 2: Limitations and Exclusions

### 2.1 Limitations

#### A. Limitations on Diagnostic and Preventative Benefits:

- 1) Routine oral examinations and cleanings (including periodontal cleanings) are provided no more than twice in any Contract Year. Note that periodontal cleanings are covered as a Basic Benefit and routine cleanings are covered as a Diagnostic and Preventative Benefit. See note on additional benefits during pregnancy.
- 2) Full-mouth x-rays and panoramic x-rays are limited to once every five years
- 3) Bitewing x-rays are provided for enrollees twice each contract year.
- 4) Space maintainers are limited to the initial appliance only and to Enrollees under age 14.

#### B. Limitations on Basic Benefits:

- 1) Sealants are limited as follows:
  - Sealant Benefits are available only to Enrollees through age 15.
  - Sealants are limited to application to permanent molars with no caries (decay), without restorations and with the occlusal surface intact.
  - Sealant Benefits do not include the repair or replacement of a sealant on any tooth within two (2) years of its application.
- 2) CHIP will not pay to replace an amalgam, synthetic porcelain or plastic fillings or prefabricated stainless steel restorations within 24 months of treatment if the service is provided by the same Dentist.
- 3) CHIP limits payment for stainless steel crowns under this section to services on baby teeth. However, after consultant's review, CHIP may allow stainless steel crowns on permanent teeth as a Major Benefit.
- 4) Benefits for periodontal scaling and root planning in the same quadrant are limited to once in every 24-month period. See note on additional benefits during pregnancy.

#### C. Limitations on Major Benefits:

- 1) CHIP will not pay to replace any crowns, inlays/onlays or cast restorations which the Enrollee received in the previous five (5) years under any CHIP program or any program of the Contract holder.
- 2) Prosthodontic appliances that were provided under any CHIP program will be replaced only after five (5) years have passed, except when CHIP determines that there is such extensive loss of remaining teeth or change in supporting tissue that the existing fixed bridge or denture cannot be made satisfactory. Replacement of a prosthodontic appliance not provided under a CHIP program will be made if CHIP determines it is unsatisfactory and cannot be made satisfactory.
- 3) CHIP limits payment for dentures to a standard partial or denture (coinsurances apply). A standard denture means a removable appliance to replace missing natural, permanent teeth that is made from acceptable materials by conventional means.
- 4) CHIP will not pay for implants (artificial teeth implanted into or on bone or gums), their removal or other associated procedures, but CHIP will credit the cost of a crown or standard complete or partial denture toward the cost of the implant associated appliance, i.e. the implant supported crown or denture.

D. Limitations on Orthodontic Benefits:

- 1) Payment for orthodontics is provided for a proportion of the upfront costs and then monthly thereafter.
- 2) Orthodontic Benefits begin with the first payment due after the person becomes covered, if treatment has begun.
- 3) Benefits end with the loss of eligibility. Benefits end immediately if treatment stops or if the Contract is terminated, whichever occurs first.
- 4) Benefits are not paid to repair or replace any Orthodontic appliance furnished, in whole or in part, under this program.
- 5) X-rays or extractions are not subject to the Orthodontic maximum.
- 6) Surgical procedures are not subject to the Orthodontic maximum.
- 7) Orthodontic benefits can include, but are not limited to, services for children who have a handicapping malocclusion due to birth defects, accidents, disease, or abnormal growth patterns of such severity that it renders them unable to masticate, digest, or benefit from their diet. However, orthodontic benefits shall only be considered medically necessary and a covered service if the client scores 30 or greater on the Salzmann Index.
- 8) When assessing the handicap malocclusion, the Contractor shall utilize Department policy which requires a tooth to have a 30-degree or greater rotation in order to be scored on the Salzmann Index.
- 9) Orthodontic benefits must receive a prior authorization from the Contractor.

E. Limitations on All Benefits - Optional Services

Optional Services that are more expensive than the form of treatment customarily provided under accepted dental practice standards are called "Optional Services". Optional Services also include the use of specialized techniques instead of standard procedures. For example:

- 1) A crown where a filling would restore the tooth;
- 2) A precision denture/partial where a standard denture/partial could be used;
- 3) An inlay/onlay instead of an amalgam restoration; or
- 4) A composite restoration instead of an amalgam restoration on posterior teeth.

If an enrollee receives Optional Services, Benefits will be based on the lower cost of the customary service or standard practice instead of the higher cost of the Optional Service. The enrollee will be responsible for the difference between the higher cost of the Optional Service and the lower cost of the customary service or standard procedure.

## **2.2 Exclusions**

### **CHIP does not pay Benefits for:**

- A. Treatment of injuries or illness covered under workers' compensation or employers' liability laws; services received without cost from any federal, state or local agency, unless this exclusion is prohibited by law.
- B. Cosmetic surgery or dentistry for purely cosmetic reasons.
- C. Services for congenital (hereditary) or developmental (following birth) malformations, including but not limited to cleft palate, upper and lower jaw malformations, enamel hypoplasia (lack of development), fluorosis (a type of discoloration of the teeth) and anodontia (congenitally missing teeth), except those services provided to newborn children for cleft lip or cleft palate.
- D. Treatment to restore tooth structure lost from wear, erosion or abrasion; treatment to rebuild or maintain chewing surfaces due to teeth out of alignment or occlusion; or treatment to stabilize the teeth. Examples include but are not limited to: equilibration, periodontal splinting or occlusal adjustment.
- E. Any Single Procedure started prior to the date the Enrollee became covered for such services under this program.
- F. Prescribed drugs, medication, pain killers or experimental procedures.
- G. Charges by any hospital or other surgical or treatment facility and any additional fees charged by the Dentist for treatment in any such facility.

- H. Charges for anesthesia, other than general anesthesia and IV sedation in connection with covered oral surgery or selected endodontic and periodontal surgical procedures.
- I. Extraoral grafts (grafting of tissues from outside the mouth to oral tissues).
- J. Treatment performed by someone other than a Dentist or a person who by law may work under a Dentist's direct supervision.
- K. Charges incurred for oral hygiene instruction, a plaque control program, dietary instruction, x-ray duplications, cancer screening or broken appointments.
- L. Services or supplies covered by any other dental plan of the enrollee.
- M. Treatment rendered by a person who ordinarily resides in your household or who is related to you (or to your spouse) by blood, marriage or legal adoption.
- N. Except as provided in Section 2.1 D, Services for Orthodontic treatment are excluded. This exclusion includes, but is not limited to:
  - i. Limited orthodontic and removable appliance therapies.
  - ii. Removable appliances in conjunction with fixed banded treatment.
  - iii. Habit control appliances.
  - iv. Orthodontic services for cosmetic or esthetic reasons.
- O. Services for any disturbances of the temporomandibular (jaw) joints.

### **SECTION3: Co-Insurance and Co-Payment Requirements for CHIP Enrollees from 134-150% of the Federal Poverty Level**

#### **(PLAN B)**

#### **3.1 Dental Services**

<b>Maximum Out-of-Pocket Expenses</b>	5% of family's annual gross income, included as part of medical out-of-pocket
<b>Deductibles</b>	None
<b>Diagnostic and Preventive Services:</b>	Plan pays 100%
Routine exams, cleanings (2 per year), topical fluoride, space maintainers, x-rays	

**Basic Services:**

Plan pays 95%

Oral Surgery, General Anesthesia or IV  
Sedation, Endodontics, Periodontics, Palliative,  
Sealants, Restorative, Denture Repairs

**Major:**

Plan pays 95%

Crowns, Inlays/Onlays, Cast Restorations,  
Prosthodontics

**Orthodontics**

Plan pays 95%

Lifetime Maximum: \$1,000  
Limited to clients scoring 30 or more on  
Salzmann Index

**Maximum Dental Benefit:**

\$1,000 per year

Preventive, basic, and major services per  
person per contract year

Orthodontic services are not included in the  
annual maximum benefit.

**Specialists:**

Plan pays 95%

Endodontists, Periodontists, Prosthodontists,  
Oral surgeons

**3.2 Pre-existing Condition Waiting Period**

No waiting period

### **3.3 Out-of-Pocket Maximum**

The maximum out-of-pocket expense for a family is 5% of the family's annual gross income.

If the out-of-pocket expenses for a family exceed 5% of the family's annual gross income, the family should contact the DEPARTMENT. Upon request, the Contractor will provide the DEPARTMENT with a record of co-insurance and co-payments that make up the family's out-of-pocket expenses. Upon notification from the DEPARTMENT, the Contractor will switch the family to a no out-of-pocket payment (exempt) option, will ensure the network provider reimburses the family for any excess amount paid above 5%, and will mail new identification cards to the family. CHIP Enrollees with zero income will also be exempt from copays and deductibles as their out-of-pocket will be \$0.

**NOTE:** The allowed amount is (1) the contract rate that the Contractor has with providers or (2) the lesser of billed charge less 25% or other negotiated rate for non-contracted providers.

## **SECTION4: Co-Insurance and Co-Payment Requirements for CHIP Enrollees 151% to 200% of the Federal Poverty Level**

### **(PLAN C)**

#### **4.1 Dental Services**

##### **Maximum Out-of-Pocket Expenses**

5% of family's annual gross income, included as part of medical out-of-pocket

##### **Deductibles**

\$50 per individual per contract year

\$150 per family per contract year

##### **Diagnostic and Preventive Services:**

Plan pays 100%

Routine exams, cleanings (2 per year), topical fluoride, space maintainers, x-rays

##### **Basic Services:**

Plan pays 80%, after deductible

Oral Surgery, General Anesthesia or IV Sedation, Endodontics, Periodontics, Palliative, Sealants, Restorative, Denture Repairs

##### **Major:**

Plan pays 50%, after deductible

Crowns, Inlays/Onlays, Cast Restorations, Prosthodontics

##### **Orthodontics**

Plan pays 50%

Lifetime Maximum: \$1,000

Limited to clients scoring 30 or more on

Salzmann Index

**Maximum Dental Benefit:**

\$1,000 per year

Preventive, basic, and major services per person per contract year

Orthodontic services are not included in the annual maximum benefit.

**Specialists:**

Endodontists, Periodontists, Prosthodontists, Oral surgeons

1. Plan pays according to the plan's general dentists schedule of fees.

2. Member is responsible for the difference between plan payment and negotiated specialist fee.

**4.2 Pre-existing Condition Waiting Period**

No waiting period

**4.3 Out-of-Pocket Maximum**

The maximum out-of-pocket expense for a family is 5% of the family's annual gross income.

If the out-of-pocket expenses for a family exceed 5% of the family's annual gross income, the family should contact the DEPARTMENT. Upon request, the Contractor will provide the DEPARTMENT with a record of co-insurance and co-payments that make up the family's out-of-pocket expenses. Upon notification from the DEPARTMENT, the Contractor will switch the family to a no out-of-pocket payment (exempt) option, will ensure the network provider reimburses the family for any excess amount paid above 5%, and will mail new identification cards to the family. CHIP Enrollees with zero income will also be exempt from copays and deductibles as their out-of-pocket will be \$0.

**NOTE:** The allowed amount is (1) the contract rate that the Contractor has with providers or (2) the lesser of billed charge less 25% or other negotiated rate for non-contracted providers.

## **SECTION5: Requirements for CHIP Native American Policy**

### **5.1 Dental Services:**

#### **Maximum Out-of-Pocket Expenses**

Not applicable. There are not out-of-pocket expenses for Native Americans.

#### **Deductibles**

None

#### **Diagnostic and Preventive Services:**

Plan pays 100%

Routine exams, cleanings (2 per year), topical fluoride, space maintainers, x-rays

#### **Basic Services:**

Plan pays 100%

Oral Surgery, General Anesthesia or IV Sedation, Endodontics, Periodontics, Palliative, Sealants, Restorative, Denture Repairs

#### **Major:**

Plan pays 100%

Crowns, Inlays/Onlays, Cast Restorations, Prosthodontics

#### **Orthodontics**

Plan pays 100%

Lifetime Maximum: \$1,000

Limited to clients scoring 30 or more on Salzmann Index

#### **Maximum Dental Benefit:**

\$1,000 per year

Preventive, basic, and major services per person per contract year

Orthodontic services are not included in the annual maximum benefit.

**Specialists:**

Plan pays 100%

Endodontists, Periodontists, Prosthodontists,  
Oral surgeons

## **5.2 Pre-existing Condition Waiting Period**

No waiting period

## **5.3 Out-of-Pocket Maximum**

Not applicable. There are not out-of-pocket expenses for Native Americans.

**NOTE:** The allowed amount is (1) the contract rate that the Contractor has with providers or (2) the lesser of billed charge less 25% or other negotiated rate for non-contracted providers.

## **SECTION6: Balance Billing**

### **6.1 Balance Billing**

No claim for payment, except for co-payments, deductibles, and co-insurance, will be made by the Contractor or Provider from the Enrollee for a service covered under this CHIP contract.

The Contractor and Provider will not balance bill the Enrollee for dental costs covered under the CHIP contract. The Provider will consider the reimbursement from the Contractor plus co-payments, deductibles, and/or co-insurance as payment in full for dental costs.

For costs in excess of the \$1,000 benefit limit, Providers shall continue to bill clients at the contracted rate according to the restrictions set forth in Attachment B, section 10.4.2. Clients will have the responsibility to pay those costs only if the requirements of Attachment B, section 10.4.2 are followed.

## **SECTION 7: Orthodontic Benefit**

### **7.1 Loss of CHIP Eligibility Prior to Treatment Completion**

If a CHIP enrollee loses eligibility before the orthodontic treatment has been completed, the Provider shall not increase the total amount owed for the service. The Contractor shall contractually obligate its providers to follow this requirement.

## **SECTION8: Contract Year Basis for Benefits**

### **8.1 Benefits – Contract Year Basis**

Benefits are administered on a contract year basis. The Contractor is not responsible to administer run-in claims from a prior Contractor. The 5% out-of-pocket maximum is

calculated based on the date the Enrollees eligibility begins and the 5% maximum starts over at each recertification.

## **RATES AND RELATED PROVISIONS**

### **1. Premium Rates**

The premium rates for the time periods set out in Section 2 of this Attachment D is \$12.62 PMPM.

**2. Contract Year**

(1)

The contract year will be October 1, 2015 to June 30, 2017

(2)

(3) Rates may be renegotiated for subsequent contract years. The premium rates listed in section 1 are effective October 1, 2015 and will continue until changed by contract amendment with a new effective date.

(4)

**3. 100 % Risk Contract**

This contract is a 100% risk contract with no stop loss or savings/ loss sharing provisions. The Dental Plan will bear complete responsibility and risk for all expenditures related to this contract, including but not limited to costs for covered services and costs for administration. Accordingly, all savings or losses that result from the difference between premium reimbursements and expenditures will be retained by the Dental Plan.

# **COST AND UTILIZATION REPORTING FORMS AND DEFINITIONS**

## Contents

	<u>Page</u>
(5) Table 1 - CHIP Enrollment	2
(6) Table 2 - Revenue & Cost Data	3
(7) Revenue Definitions for Table 2	4
(8)	
(9)	
(10) Dental Service Cost Definitions for Table 2	4
(11)	
(12)	
(13) Administration Cost Definitions for Table 2	4
(14) Table 3 - Utilization Data	5
(15) Dental Services Utilization Definitions for Table 3	6

Note: FPL means Federal Poverty Level

Table 1  
CHIP Enrollment

DENTAL PLAN NAME:

PERIOD COVERED:

PERIOD PAID:

	134-150%	151-200%	
	<u>FPL</u>	<u>FPL</u>	<u>TOTAL</u>
July			
August			
September			
October			
November			
December			
January			
February			
March			
April			

May

June

TOTAL CHIP ENROLLEES FY \_\_\_\_\_

Table 2

Revenue & Cost Data

(Round to nearest dollar except for cost per Enrollee month)

Dental Plan Name: \_\_\_\_\_

Reporting Period: \_\_\_\_\_

Period Paid (Cut-off Date): \_\_\_\_\_

			134-150% FPL	151-200% FPL	CHIP TOTALS
<b>REVENUES</b>					
1		Premiums	\$	\$	\$
2	=1	TOTAL REVENUES	\$	\$	\$

DENTAL COSTS					
		Dental Services			
3		Preventative	\$	\$	\$
4		Basic			
5		Major			
		Orthodontic Services			
6		Orthodontia	\$	\$	\$
7		IBNR	\$	\$	\$
8	3 thru 7	TOTAL DENTAL COSTS	\$	\$	\$

<b>ADMINISTRATION COSTS</b>					
9		Administrative Costs	\$	\$	\$
10		Utilization Costs			
11	9 thru 10	TOTAL ADMIN. COSTS	\$	\$	\$

12	2 - 8 - 11	NET INCOME (LOSS)	\$	\$	\$
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13		ENROLLEE MONTHS	#	#	#
14	<b>8 ÷ 13</b>	<b>DENTAL COST/ ENROLLEE MO.</b>	\$	\$	\$

MEDICAL SERVICES REVENUE AND COST DEFINITIONS  
FOR TABLE 2

**I. REVENUES** (Report all revenues paid or payable at the cut-off date indicated on the form.)

- A. Premiums. Report premium payments paid or payable by the DEPARTMENT.  
(16)
- B. Total Revenue. Total line 1.

**II. DENTAL COSTS**

**Dental costs will include all dental costs incurred during the period being reported and paid any time before the cutoff date.**

- C. Preventative. Costs incurred in providing routine exams, cleanings (2 per year), topical fluoride, x-rays, etc. to Enrollees.  
(17)
- D. Basic Services. Costs incurred in providing fillings, extractions, oral surgery, endodontics and periodontics to Enrollees.  
(18)
- E. Major Services. Costs incurred in providing crowns, bridges, and dentures to Enrollees.  
(19)
- F. Orthodontia. All costs related to orthodontic services.  
(20)
- G. IBNR. An actuarially certified estimate of costs incurred but not reported during the current period.  
(21)
- H. TOTAL DENTAL COSTS. Total lines 3 through 7.

**III. ADMINISTRATION**

Report payroll costs, any capitation and/or contract payments, non-payroll costs and occupancy overhead costs for accounting services, claims processing services, dental plan services, data processing services, purchasing, personnel, CHIP marketing and regional administration.

Report the administration cost under two categories: administration and utilization costs.

- (22) I. Administration. Report all administrative costs not associated with utilization costs.
- (23) J. Utilization. Payroll cost and any capitation and/or contract payments for utilization staff and other non-payroll costs directly associated with controlling and monitoring dental referrals and services.
- (24) K. TOTAL ADMINISTRATION COSTS. Total lines 9 through 10.
- (25) (26) IV. **NET INCOME**
- (27) L. NET INCOME (LOSS). Item 2 minus item 8 minus item 11.
- (28) (29) V. **OTHER**
- (30) M. Enrollee Months. Total Enrollee months for period of time being reported.
- (31) N. DENTAL COST PER ENROLLEE MONTH. Item 8 divided by item 13
- (32)

TABLE 3  
Utilization Data

Dental Plan Name: \_\_\_\_\_

Reporting Period: \_\_\_\_\_

Period Paid (Cut-off Date): \_\_\_\_\_

		134 - 150%	151 - 200%	CHIP
		FPL	FPL	TOTAL
<b>DENTAL SERVICES</b>				
	Preventive and Basic Services			
1	Preventive Visits			
2	Fillings			
3	Other Basic Visits			
	Major Services			
4	Porcelain Crowns			
5	All Other Crowns			
6	All Other Major Services			
	Orthodontic Services			

7	Orthodontic Services			
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DENTAL SERVICES UTILIZATION DEFINITIONS  
FOR TABLE 3

DENTAL SERVICES

1. Preventative Visits. Record the total number of preventative service visits.
2. Fillings. Record the total number of services and procedures performed to replace, repair, or complete a filling.
3. Other Basic Visits. Record the total number of basic services and procedures that do not involve replacing, repairing, or completing a filling.
4. Porcelain Crowns. Record total number of services and procedures related to porcelain crowns.
5. All Other Crowns. Record total number of services and procedures related to crowns other than porcelain crowns.
6. All Other Major Services. Number of major services and procedures not associated with a crown.
7. Orthodontic Services. Number of orthodontic services and procedures performed.