FIRST AMENDMENT TO
THE SECONDED AMENDED AND RESTATED
RISK ACCEPTING ENTITY PARTICIPATION AGREEMENT

This First Amendment (this "**1st Amendment to 2nd RAE Agreement**") to the Second Amended and Restated Risk Accepting Entity Participation Agreement (the "**RAE Agreement**") by and between Health Share of Oregon, f/k/a Tri-County Medicaid Collaborative, an Oregon nonprofit corporation ("**Health Share**"), and Multnomah County, a political subdivision of the State of Oregon, ("**RAE**"), is made and entered into as of July 1, 2014 ("**Effective Date**").

WHEREAS, Health Share entered into a Health Plan Services Contract, Coordinated Care Organization Contract ("**CCO Contract**") with the Oregon Health Authority ("**OHA**") to be a Coordinated Care Organization ("**CCO**") in the State of Oregon;

WHEREAS, effective July 1, 2014, Health Share and OHA have amended the CCO Contract (the "**July 2014 CCO Contract Amendment**");

WHEREAS, the parties now desire to amend the RAE Agreement to clarify and amend the service obligations assumed by the RAE as Health Share's subcontractor under the CCO Contract as amended pursuant to the Amendment;

NOW THEREFORE, in consideration of the mutual covenants and conditions hereinafter set forth and in exchange for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **The numbering convention on pages 1 through 4 under the heading "AGREEMENT" shall be changed to: Parts I. II. III., Sections A. B. C.**

2. **Part II of the RAE Agreement, Section D, is restated and amended as follows, with deleted language ~~struck through~~ and new language in <u>double underline</u>:**

The following optional services shall be included in the definition of Covered Services under this Agreement if indicated as such below:

| Included | Not Included | |
|---|---|---|
| X | | Benefits and Covered Services for MHO Members |
| X | | Dental Services |
| | X | Targeted Case Management |
| | <u>X</u> | <u>Non-Emergent Medical Transportation</u> |
| <u>X</u> | | <u>Children's System of Care Wraparound</u> |

3. **Part IX of the RAE Agreement ("Signatures") shall become the new Part X of the RAE Agreement. The following language shall be added in its entirety to the RAE Agreement as Part IX:**

**IX. Restricted Reserves**

For purposes of this Agreement, "Restricted Reserves" are defined as contractually determined levels of primary and secondary reserve funds held for the sole purpose of making payments to providers in the event of Health Share's insolvency. According to contractual requirements, RAE is required to maintain minimum primary and secondary Restricted Reserve levels. In the event of Health Share's insolvency, OHA may distribute Restricted Reserve funds for reasons including but not limited to: (i) the withholding of all monies due for Work and Work Products Health Share has failed to deliver under the CCO Contract; (ii) recovery of overpayments; and (iii) payment of Health Share's or any Subcontractor's debts or liabilities for health care services. To the extent that Restricted Reserves remain following OHA's distributions, Health Share shall distribute, release, pay or otherwise make available the remaining Restricted Reserve funds to RAE and other Risk Accepting Entities in amounts not to exceed the primary and secondary Restricted Reserve levels maintained by each such entity.

4. **The following definition of "Delegated to RAE" from Exhibit A shall be restated and amended as follows, with deleted language ~~struck through~~ and new language in <u>double underline:</u>**

"Delegated to RAE" means that, subject to RAE's Enrollment Limit and Service Area, Health Share shall delegate to RAE, and RAE shall assume, the performance of the duties and obligations as expressed in, and in accordance with, the designated Exhibits, Parts and Sections of the Core Contract, which Exhibits, Parts and Sections shall be incorporated into this Agreement by reference. In so doing, subject to RAE's Enrollment Limit and Service Area, RAE expressly assumes the duties, obligations, rights and privileges applicable to "Contractor" as described in the designated Exhibits, Parts and Sections of the Core Contract. <u>Any amendments, additions, deletions or revisions made to sections of the CCO Contract that the RAE Agreement indicates are "Delegated to RAE" shall be deemed delegated to RAE as of the effective date of such amendments, additions, or revisions to the CCO Contract.</u>

5. **Exhibit B, Part 1 shall be restated and amended with the following language added in its entirety as new Exhibit B, Part 1, Section 6:**

6. **Children's Wraparound Steering Committee.** RAE shall support Health Share's establishment of a Wraparound Steering Committee and development of Wraparound policies and procedures as reasonably requested by Health Share, and shall provide representatives to serve on the Wraparound Steering Committee as reasonably requested by Health Share.

6. **Exhibit B, Part 4, Section 2 shall be restated and amended as follows, with new language in double underline:**

2. Access to Care.

a. Exhibit B, Part 4, Section 2 shall be Delegated to RAE. However, the duties and obligations of Exhibit B, Part 4, Section 2 shall apply to Health Share and RAE only to the extent that RAE is licensed to perform, and does actually provide the applicable category or type of Covered Services to Members. If RAE does not provide the applicable category or type of Covered Services to Members, such duties and obligations shall not apply to Health Share or RAE.

b. Consistent with OAR 410-141-3220, RAE shall have an access plan that establishes standards for access, outlines how capacity is determined and establishes procedures for monthly monitoring of capacity and access, and for improving access and managing risk in times of reduced participating provider capacity. The access plan shall also identify populations in need of interpreter services and populations in need of accommodation under the Americans with Disabilities Act.

7. **Exhibit B, Part 9, Section 2 shall be restated and amended as follows with new language in double underline:**

2. **Quality Assurance and Performance Improvement Program Requirements.** RAE shall assist and cooperate with Health Share in the development and implementation of a Quality Assurance and Performance Improvement Program. RAE shall implement the quality assurance and performance improvement measures that are developed by Health Share as part of Health Share's Quality Assurance and Performance Improvement Program. In addition, RAE shall have its own quality assurance and performance improvement program, which is reviewed by RAE annually and, which contains measures for demonstrating the methods and means by with RAE carries out the performance improvement measures that are developed by Health Share's Quality Assurance and Performance Improvement Program.

8. **Exhibit B, Part 9, Section 5 shall be restated and amended as follows, with deleted language ~~struck through~~ and new language in double underline:**

5. **Performance Improvement Projects.** RAE shall assist, ~~and~~ cooperate and participate with Health Share in the development and implementation of ongoing performance improvement projects (PIP) that Health Share designs to achieve, through ongoing measurements and intervention, significant improvement, sustained over time, in clinical and non-clinical areas that are expected to have favorable effect on health outcomes and Member satisfaction.

9. **The language in Exhibit B, Part 9, Section 8 shall be struck in its entirety and replaced with the following:**

8. **Monitoring and Compliance Review**. RAE and Health Share intend to work together to monitor RAEs progress. Monitoring and oversight will be aligned with review of progress on the Quality Assurance and Performance Improvement Program and Annual Quality Work Plan, as well as overall performance of Agreement deliverables. On identification of performance issues, indications that quality, access or expenditure management goals are being compromised, deficiencies, or issues that affect Member rights or health, Health Share shall address those issues based on its policies and procedures governing performance improvement.

10. **Exhibit B, Part 9, Section 9 shall be restated and amended as follows, with deleted language ~~struck through~~ and new language in double underline:**

9. **Quality Pool**. OHA has implemented a Quality Pool to be a payment mechanism that rewards CCOs that demonstrate quality of care provided to their Members as measured by their performance or improvement on the outcome and quality measures established by OHA. RAE shall collaborate with Health Share to address outcome and quality measures, as applicable to RAE, and work towards sustained improvement in order to assist Health Share in meeting or exceeding its performance targets as set by OHA. If earned, Health Share shall distribute monetary incentive payments from the Quality Pool to the RAE based on Health Share's policies and procedures governing quality pool funds.

11. **Exhibit C is hereby amended to add a new Section 11 as follows:**

11. **Medical Loss Ratio.** This Section 11 is effective only upon CMS's approval of Exhibit C, Section 11 of the CCO Contract.

**a. Definitions.** For purposes of the Medical Loss Ratio methodology and calculations, the definitions set forth in Exhibit C, Section 11.c of the CCO Contract shall apply.

**b. MLR Standard.** During each Reporting Period, RAE shall maintain a Medical Loss Ratio of at least 80% for the Expansion Population. For each Reporting Period, if RAE's Medical Loss Ratio for the Expansion Population is below 80%, RAE shall pay to Health Share the dollar amount which, if added to RAE's Total Incurred Medical Related Costs, would result in a Medical Loss Ratio equal to 80%. Health Share shall confirm with RAE the amount of any payment due to RAE pursuant to this Section.

**c. MLR Report.** Within one hundred and twenty (120) calendar days after the conclusion of each Reporting Period, RAE shall report its Medical Loss Ratio to Health Share utilizing the Medical Loss Ratio Rebate Calculation Template (Excel Workbook) and following the Medical Loss Ratio Rebate Calculation Instructions to be provided by Health Share. When the Medical Loss Ratio Reporting Rebate Calculation Instructions do not resolve an issue, the CMS Instructions shall control, except where inconsistent with

this Section 11. All information reported by RAE on the Medical Loss Ratio Rebate Calculation Template must be for revenues and expenses related to this Agreement and must be for the Expansion Population only.

12. **Exhibit C, Attachment 1 is hereby amended to replace rate sheets and the rate type table. The foregoing rate sheets are attached to this Amendment as Appendix A and hereby incorporated into the Amendment by this reference.**

13. **Exhibit D, Section 20, Subsection (b) shall be restated and amended as follows, with deleted language ~~struck through~~:**

**b. Notice Amendments.** Upon any amendment made to the Core Contract pursuant to Exhibit D, Section 20, Health Share may unilaterally amend this Agreement to the extent it is required to do so to remain in compliance with the terms of the Core Contract by providing sixty (60) calendar days written notice to RAE of the amendment to the Agreement ("Notice Amendment"). RAE may reject Notice Amendments by terminating this Agreement in accordance with Exhibit D, Section 10.d of the Agreement. If no notice of termination is received by Health Share, Notice Amendments shall be binding upon RAE and its Participating Providers at the end of the sixty (60) calendar-day period, and this Agreement shall be deemed amended as of that date, or as of the date specified in the Notice Amendment, even if not signed by the RAE.

The notice period for Notice Amendments required due to the following conditions shall be thirty (30) calendar days:

(1) If Health Share is required to amend this Agreement due to changes in federal or State statute or regulations, or due to changes in Covered Services and CCO Payments under ORS 414.735, and if failure to amend this Agreement to execute those changes in the time and manner proposed in the amendment may place Health Share at risk of non-compliance with federal or State statute or regulations or the requirements of the Legislature or Legislative Emergency Board.

(2) To address budgetary constraints, including those arising from changes in OHA's funding, appropriations, limitations, allotments, or other expenditure authority limitations.

(3) If OHA's actuary recalculates ~~Standard population~~ CCO Payment Rates under Exhibit C, Section 2.

(4) If the Core Contract is amended to reduce or expand Health Share's Service Area, reduce or expand the Health Share's Enrollment Limit, or both, and a CCO Payment Rate change is made.

**14. Exhibit L, Section B, Subsection 4(b) shall be deleted in its entirety.**

**15. Except as modified hereby, the Agreement shall remain in full force and effect.**

*(Signature Page Follows)*

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the day and year first above written.

**"HEALTH SHARE"**

**HEALTH SHARE OF OREGON**

By: _____

Name: Janet L. Meyer

Title: CEO

**"RAE"**

**MULTNOMAH COUNTY**

By: Deborah Kafoury by KJC

Name: Deborah Kafoury by Karin Johnson

Title: County Chair / Interim DCHS Director

## Exhibit C – Consideration – Attachment 1 – Payment Rates
## Effective July 1, 2014

CCO - A

| Eligibility | Behavioral Health Risk Premium | HRA Admin | Gross Premium | Risk Adj | Risk Adj PMPM | Total Health Share Withholds | Net Risk Premium Payable |
|---|---|---|---|---|---|---|---|
| TANF | 31.58 | 0.02 | 31.60 | 0.9806 | 30.99 | (0.62) | 30.37 |
| PLMA | 20.23 | 0.01 | 20.24 | 1.0222 | 20.69 | (0.41) | 20.28 |
| CHILD 00-01 | 0.02 | - | 0.02 | 1.0000 | 0.02 | - | 0.02 |
| CHILD 01-05 | 4.16 | - | 4.16 | 0.9092 | 3.78 | (0.08) | 3.70 |
| CHILD 06-18 | 24.27 | 0.01 | 24.28 | 0.9553 | 23.20 | (0.46) | 22.74 |
| ABAD-MED | 87.11 | 0.04 | 87.15 | 1.0555 | 91.98 | (1.84) | 90.14 |
| ABAD | 144.30 | 0.25 | 144.55 | 1.0001 | 144.57 | (2.89) | 141.68 |
| OAA-MED | 10.02 | - | 10.02 | 1.1784 | 11.81 | (0.24) | 11.57 |
| OAA | 132.13 | 0.25 | 132.38 | 0.9998 | 132.35 | (2.65) | 129.70 |
| CAF | 283.28 | 0.08 | 283.36 | 1.0726 | 303.92 | (6.08) | 297.84 |
| ACA FAM | 15.22 | 0.01 | 15.23 | 0.9762 | 14.87 | (0.30) | 14.57 |
| ACA A&C | 52.72 | 0.08 | 52.80 | 1.0321 | 54.49 | (1.09) | 53.40 |
| SNRG | 95.82 | - | 95.82 | 1.0000 | 95.82 | (1.92) | 93.90 |

CCO - B

| Eligibility | Behavioral Health Risk Premium | HRA Admin | Gross Premium | Risk Adj | Risk Adj PMPM | Total Health Share Withholds | Net Risk Premium Payable |
|---|---|---|---|---|---|---|---|
| TANF | 31.58 | 0.02 | 31.60 | 0.9806 | 30.99 | (0.62) | 30.37 |
| PLMA | 20.23 | 0.01 | 20.24 | 1.0222 | 20.69 | (0.41) | 20.28 |
| CHILD 00-01 | 0.02 | - | 0.02 | 1.0000 | 0.02 | - | 0.02 |
| CHILD 01-05 | 4.16 | - | 4.16 | 0.9092 | 3.78 | (0.08) | 3.70 |
| CHILD 06-18 | 24.27 | 0.01 | 24.28 | 0.9553 | 23.20 | (0.46) | 22.74 |
| ABAD-MED | 87.11 | 0.04 | 87.15 | 1.0555 | 91.98 | (1.84) | 90.14 |
| ABAD | 144.30 | 0.25 | 144.55 | 1.0001 | 144.57 | (2.89) | 141.68 |
| OAA-MED | 10.02 | - | 10.02 | 1.1784 | 11.81 | (0.24) | 11.57 |
| OAA | 132.13 | 0.25 | 132.38 | 0.9998 | 132.35 | (2.65) | 129.70 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| CAF | 283.28 | 0.08 | 283.36 | 1.0726 | 303.92 | (6.08) | 297.84 |
| ACA FAM | 15.22 | 0.01 | 15.23 | 0.9762 | 14.87 | (0.30) | 14.57 |
| ACA A&C | 52.72 | 0.08 | 52.80 | 1.0321 | 54.49 | (1.09) | 53.40 |
| SNRG | 95.82 | - | 95.82 | 1.0000 | 95.82 | (1.92) | 93.90 |

CCO - E

| Eligibility | Behavioral Health Risk Premium | HRA Admin | Gross Premium | Risk Adj | Risk Adj PMPM | Total Health Share Withholds | Net Risk Premium Payable |
|---|---|---|---|---|---|---|---|
| TANF | 24.05 | 0.02 | 24.07 | 0.9806 | 23.60 | (0.47) | 23.13 |
| PLMA | 9.77 | 0.01 | 9.78 | 1.0222 | 10.00 | (0.20) | 9.80 |
| CHILD 00-01 | 0.03 | - | 0.03 | 1.0000 | 0.03 | - | 0.03 |
| CHILD 01-05 | 4.16 | - | 4.16 | 0.9092 | 3.78 | (0.08) | 3.70 |
| CHILD 06-18 | 23.80 | 0.01 | 23.81 | 0.9553 | 22.75 | (0.46) | 22.29 |
| ABAD-MED | 86.96 | 0.04 | 87.00 | 1.0555 | 91.82 | (1.84) | 89.98 |
| ABAD | 142.77 | 0.26 | 143.03 | 1.0001 | 143.05 | (2.86) | 140.19 |
| OAA-MED | 10.03 | - | 10.03 | 1.1784 | 11.82 | (0.24) | 11.58 |
| OAA | 132.14 | 0.26 | 132.40 | 0.9998 | 132.37 | (2.65) | 129.72 |
| CAF | 272.98 | 0.08 | 273.06 | 1.0726 | 292.87 | (5.86) | 287.01 |
| ACA FAM | 14.21 | 0.01 | 14.22 | 0.9762 | 13.88 | (0.28) | 13.60 |
| ACA A&C | 44.56 | 0.08 | 44.64 | 1.0321 | 46.07 | (0.92) | 45.15 |

CCO - G

| Eligibility | Behavioral Health Risk Premium | HRA Admin | Gross Premium | Risk Adj | Risk Adj PMPM | Total Health Share Withholds | Net Risk Premium Payable |
|---|---|---|---|---|---|---|---|
| TANF | 24.06 | 0.02 | 24.08 | 0.9806 | 23.61 | (0.47) | 23.14 |
| PLMA | 9.77 | 0.01 | 9.78 | 1.0222 | 10.00 | (0.20) | 9.80 |
| CHILD 00-01 | 0.03 | - | 0.03 | 1.0000 | 0.03 | - | 0.03 |
| CHILD 01-05 | 4.16 | - | 4.16 | 0.9092 | 3.78 | (0.08) | 3.70 |
| CHILD 06-18 | 23.80 | 0.01 | 23.81 | 0.9553 | 22.75 | (0.46) | 22.29 |
| ABAD-MED | 86.96 | 0.04 | 87.00 | 1.0555 | 91.82 | (1.84) | 89.98 |
| ABAD | 142.77 | 0.26 | 143.03 | 1.0001 | 143.05 | (2.86) | 140.19 |
| OAA-MED | 10.03 | - | 10.03 | 1.1784 | 11.82 | (0.24) | 11.58 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| OAA | 132.14 | 0.26 | 132.40 | 0.9998 | 132.37 | (2.65) | 129.72 |
| CAF | 272.98 | 0.08 | 273.06 | 1.0726 | 292.87 | (5.86) | 287.01 |
| ACA FAM | 14.22 | 0.01 | 14.23 | 0.9762 | 13.89 | (0.28) | 13.61 |
| ACA A&C | 44.55 | 0.08 | 44.63 | 1.0321 | 46.06 | (0.92) | 45.14 |

Children's Wrap Only:

The Behavioral Health RAEs have agreed on a percentage of total available revenue allocation method that is based on delegated regional capacity within Children's Wraparound. Total combined RAE net risk premium revenues associated with Children's Wraparound are to be pooled then allocated by the designated percentages below. Those percentages are subject to change on mutual agreement between the Behavioral Health RAEs and Health Share.

CCO - A

| Eligibility | Behavioral Health Risk Premium | HRA Admin | Gross Premium | Risk Adj | Risk Adj PMPM | Total Health Share Withholds | Net Risk Premium Payable |
|---|---|---|---|---|---|---|---|
| CAF | 48.27 | - | 48.27 | 1.0000 | 48.27 | (0.97) | 47.30 |

CCO - B

| Eligibility | Behavioral Health Risk Premium | HRA Admin | Gross Premium | Risk Adj | Risk Adj PMPM | Total Health Share Withholds | Net Risk Premium Payable |
|---|---|---|---|---|---|---|---|
| CAF | 48.27 | - | 48.27 | 1.0000 | 48.27 | (0.97) | 47.30 |

CCO - E

| Eligibility | Behavioral Health Risk Premium | HRA Admin | Gross Premium | Risk Adj | Risk Adj PMPM | Total Health Share Withholds | Net Risk Premium Payable |
|---|---|---|---|---|---|---|---|
| CAF | 48.27 | - | 48.27 | 1.0000 | 48.27 | (0.97) | 47.30 |

CCO - G

| Eligibility | Behavioral Health Risk Premium | HRA Admin | Gross Premium | Risk Adj | Risk Adj PMPM | Total Health Share Withholds | Net Risk Premium Payable |
|---|---|---|---|---|---|---|---|
| CAF | 48.27 | - | 48.27 | 1.0000 | 48.27 | (0.97) | 47.30 |

| Child Wrap CCO Revenue Allocations | | |
|---|---|---|
| **MH RAE** | **Number of Slots** | **Percent of Revenue** |
| Clackamas Co. | 30 | 14.63% |
| Multnomah Co. | 100 | 48.78% |
| Washington Co. | 75 | 36.59% |