

STATE OF NEW MEXICO  
**HUMAN SERVICES DEPARTMENT**  
PROFESSIONAL SERVICES CONTRACT  
AMENDMENT No. 1

THIS AMENDMENT No. 1 to Professional Services Contract (PSC) 19-630-8000-0013 is made and entered into by and between the State of New Mexico **Human Services Department**, hereinafter referred to as the "HSD," and the **Island Peer Review Organization, Inc., d/b/a IPRO**, hereinafter referred to as the "Contractor".

The purpose of this Amendment is to remove deliverable 5 from Section B. of the Amended Scope of Work, and decrease compensation for SFY21.

**UNLESS OTHERWISE SET OUT BELOW, ALL OTHER PROVISIONS OF THE ABOVE REFERENCED AGREEMENT REMAIN IN FULL EFFECT AND IT IS MUTUALLY AGREED BETWEEN THE PARTIES THAT THE FOLOWING PROVIIONS OF THAT AGREEMENT ARE AMENDED AS FOLLOWS:**

Section 1, Scope of Work, is amended to read as follows:

**1. Scope of Work.**

The Contractor shall perform all services detailed in Exhibit A, Amended Scope of Work, attached hereto, and referenced herein.

Section 2, Compensation, Paragraph A, is amended to read as follows:

**2. Compensation.**

A. The HSD shall pay to the Contractor in full payment for services satisfactorily performed pursuant to Exhibit A, Scope of Work, compensation not to exceed three million thirty three thousand six hundred five dollars and fifty two cents (\$3,033,605.52) including gross receipts tax if applicable. This amount is a maximum and not a guarantee that the work assigned to be performed by Contractor under this Agreement shall equal the amount stated herein. The New Mexico gross receipts tax, if applicable, levied on the amounts payable under this PSC shall be paid by the Contractor. The parties do not intend for the Contractor to continue to provide services without compensation when the total compensation amount is reached. The Contractor is responsible for notifying the HSD when the services provided under this Agreement reach the total compensation amount. In no event will the Contractor be paid for services provided in excess of the total compensation amount without this Agreement being amended in writing prior to those services in excess of the total compensation amount being provided.

The HSD shall pay to the Contractor in full payment for services satisfactorily performed compensation not to exceed seven hundred fifty five thousand one hundred thirty three dollars (\$755,133) including gross receipts tax, if applicable, for FY19.

The HSD shall pay to the Contractor in full payment for services satisfactorily performed compensation not to exceed seven hundred thirty nine thousand six hundred sixty two dollars (\$739,662) including gross receipts tax, if applicable, for FY20.

The HSD shall pay to the Contractor in full payment for services satisfactorily performed compensation not to exceed seven hundred fifty nine thousand three hundred ten dollars and fifty two cents (\$759,310.52) including gross receipts tax, if applicable, for FY21.

The HSD shall pay to the Contractor in full payment for services satisfactorily performed compensation not to exceed seven hundred seventy nine thousand five hundred dollars (\$779,500) including gross receipts tax, if applicable, for FY22.

Exhibit A, Amended Scope of Work, is replaced in its entirety, attached hereto and referenced herein.

**The remainder of this page intentionally left blank.**

**IN WITNESS WHEREOF, the parties have executed this Agreement as of the date of signature by the Human Services Department.**

By: <sup>DocuSigned by:</sup> David Scrase Date: 5/13/2020  
HSD Cabinet Secretary

By: <sup>DocuSigned by:</sup> Paul Kitzma Date: 5/13/2020  
HSD Office of General Counsel

By: <sup>DocuSigned by:</sup> Danny Sandoval Date: 5/12/2020  
HSD Chief Financial Officer

By: Alan Woghin Date: May 6, 2020  
Alan Woghin (May 6, 2020)  
Contractor: Alan Woghin, CPA - IPRO Chief Financial Officer  
Sr Vice President for Finance & Administrative Svcs

The records of the Taxation and Revenue Department reflect that the Contractor is registered with the Taxation and Revenue Department of the State of New Mexico to pay gross receipts and compensating taxes.

ID Number: **02-350083-00-2**

By: <sup>DocuSigned by:</sup> Ann Marie Lucero Date: 5/13/2020  
Taxation and Revenue Department

## Exhibit A

### Amended Scope of Work

The Social Security Act (SSA) requires States that operate Medicaid managed care programs to provide for an external, independent review of their contracted MCOs. CMS provides States with matching Federal funds for review expenditures. The EQRO will conduct the EQR activities in accordance with the CMS EQR protocol to ensure HSD/MAD compliance with SSA mandates.

An EQR is the analysis and evaluation by an EQRO, of aggregated information on quality, timeliness, and access to the health care services that a MCO or their contractors furnish to Medicaid beneficiaries.

Pursuant to CFR 42 §438.350, each State that contracts with MCOs must ensure:

1. A qualified EQRO performs an annual EQR for each contracting MCO;
2. The EQRO has sufficient information to use in performing the review;
3. The information used to carry out the review must be obtained from the EQR-related activities described in CFR 42 §438.358;
4. For each EQR-related activity, the information gathered for use in the EQR must include the elements described in CFR 42 §438.364(a)(1)(i) through (iv); and
5. The information provided to the EQRO is obtained through methods consistent with the CMS EQR protocols established by the Secretary of Health and Human Services (HHS) and specifies:
  - a. The data to be gathered;
  - b. The sources of the data;
  - c. The activities and steps to be followed in collecting the data to promote its accuracy, validity, and reliability;
  - d. The proposed methods or methods for validity analyzing and interpreting the data once obtained; and
  - e. Instructions, guidelines, worksheets, and other documents or tools necessary for implementing the protocol.

#### **A. Notice of Direction (NOD)**

HSD/MAD will initiate each EQR review or validation activity through a notice of direction (NOD) provided to the EQRO. In response to the NOD, the EQRO will develop measurement

and scoring tools, review criteria and work plan methodology in accordance with CMS EQR protocol.

## **B. Deliverables**

The EQRO will review and report the following EQR activities in accordance with Federal EQR regulations and standards detailed in CFR 42 § 438; New Mexico Administrative Code (NMAC) 8.308.21.14; 1115 Demonstration Waiver Special Terms and Conditions (STCs); MCO contracts; and the Managed Care Policy Manual.

1. The EQRO will design and conduct an annual Compliance Review to determine each MCO's compliance with the Federal Managed Care Regulations set forth in CFR 42 § 438, Subpart D. The EQRO will adhere to CMS EQR Protocol 1, which defines the activities and tools necessary to review program documents and conduct interviews with each MCO's personnel to efficiently collect the information necessary to analyze and determine compliance with Federal and State standards.

HSD/MAD will select the standards (i.e., access, structure and operations, or measurement and improvement) to be evaluated and provide direction to the EQRO through a NOD.

The EQRO will provide findings and recommendations to each MCO to include opportunities for improvement or corrective action steps if indicated.

The EQRO will deliver to HSD/MAD a peer reviewed final written report describing all activities of the Compliance Review. The report will contain a comprehensive, aggregated summary of all MCO findings and will document components of the review and final compliance determinations for each regulatory provision. The report will also include a year-to-year comparison of MCO specific findings, recommendations, and corrective action steps, if applicable, directed by the EQRO. The EQRO will detail the initiatives taken by each MCO to address findings, recommendations, and corrective action steps from previous compliance reviews to determine if such actions reflected positively or continued corrective action is required.

2. The EQRO will design and conduct an annual Validation of Performance Measures (PMs) in accordance with CFR 42 § 438.330(b)(1). The EQRO will adhere to CMS EQR Protocol 2, which defines the activities and tools necessary to assess the accuracy of PMs reported by each MCO.

In addition, the EQRO will assess the integrity of each MCO's information system by conducting an Information Systems Capability Assessment (ISCA) in accordance with CMS EQR Protocol Appendix V.

The EQRO will provide findings and recommendations to each MCO to include opportunities for improvement or corrective action steps if indicated.

The EQRO will deliver to HSD/MAD a peer reviewed final written report describing all activities of the PM validation including the assessment methodology and analysis of performance. The report will include an assessment of each MCO's Quality Management (QM)/Quality Improvement (QI) program and detail the findings of the ISCA. The report will include a MCO specific year-to-year comparison analysis, as well as a MCO-to-MCO comparison. The report will also include MCO specific findings, recommendations, and corrective action steps, if applicable, directed by the EQRO. The EQRO will detail the initiatives taken by each MCO to address findings, recommendations, and corrective action steps from previous review periods to determine if such actions reflected positively or if continued corrective action is required.

3. The EQRO will design and conduct an annual Validation of each MCO's Performance Improvement Projects (PIPs) required in accordance with CFR 42 § 438.330(b)(1). The EQRO will adhere to CMS EQR Protocol 3, which defines the activities and tools used to determine whether a health care quality PIP was designed, conducted, and reported in a methodologically sound manner and to determine if the PIP improved the processes and outcomes of health care provided by the MCO.

The EQRO will provide findings and recommendations to each MCO to include opportunities for improvement or corrective action steps if indicated.

The EQRO will deliver to HSD/MAD a peer reviewed final written report describing all activities including: the assessment methodology applied to the validation of each of the HSD/MAD directed PIPs current during the review period; assessment of each MCO's methodology for conducting the PIPs; verification of the PIP findings; and evaluation of validity and reliability of study results. The report will also include MCO specific findings, recommendations, and corrective action steps, if applicable, directed by the EQRO. The EQRO will detail the initiatives taken by each MCO to address findings, recommendations, and corrective action steps from previous review periods to determine if such actions reflected positively or if continued corrective action is required.

4. The EQRO will design and conduct an annual Validation of each MCO's Network Adequacy during the preceding 12 months to comply with the requirements set forth in CFR 42 § 438.68 and § 438.14(b)(1). The EQRO will adhere to HSD/MAD standards and the network adequacy CMS EQR Protocol upon CMS development.

The EQRO will validate each MCO's adherence to HSD/MAD standards for time and distance by the MCO for the following provider types:

- a. Primary care, adult and pediatric;
- b. OB/GYN;
- c. Behavioral health (mental health and substance use disorder, adult and pediatric);
- d. Specialist, adult and pediatric;

- e. Hospital;
- f. Pharmacy;
- g. Pediatric dental; and
- h. Long Term Services and Support.

The EQRO will include a detailed assessment of each MCO's Network Adequacy consistent with the following elements:

- a. The anticipated Medicaid enrollment;
- b. The expected utilization of services;
- c. The characteristics and health care needs of specific Medicaid populations covered by the MCO;
- d. The number and type of network providers;
- e. The number of network providers who are not accepting new Medicaid patients;
- f. The geographic location of network provider and Medicaid enrollees, considering the State's time and distance requirements detailed in the MCO contract;
- g. The ability of network providers to communicate with limited English proficient enrollees in their preferred language;
- h. The ability of network providers to ensure physical access, reasonable accommodations, culturally competent communications, and accessible equipment for Medicaid enrollees with physical or mental disabilities; and
- i. The availability of triage lines or screening systems, as well as the use of telemedicine, e-visits and/or other evolving and innovative technological solutions.

The EQRO will deliver to HSD/MAD a peer reviewed final written report detailing all activities of the Network Adequacy Validation project including the assessment methodology and analysis of performance. The report will include a year-to-year comparison of MCO specific findings, recommendations, and corrective action steps, if applicable, directed by the EQRO. The EQRO will detail the initiatives taken by each MCO to address findings, recommendations, and corrective action steps from previous review periods to determine if such actions reflected positively or if continued corrective action is required.

- 5. Deliverable 5 removed with PSC 19-630-8000-0013 A1.

6. The EQRO will submit to HSD/MAD an annual detailed technical report that summarizes findings on access and quality of care in accordance with CFR 42 § 438.364.

The EQRO will deliver to HSD/MAD an annual peer reviewed detailed technical report that summarizes findings on access and quality of care, including:

- a. A description of the manner in which the data from all activities conducted in accordance with §438.358 were aggregated and analyzed, and conclusions were drawn as to the quality, timeliness, and access to the care furnished by each MCO;
- b. For each EQR-related activity conducted in accordance with § 438.358
  - (i) Objectives;
  - (ii) Technical methods of data collection and analysis;
  - (iii) Description of data obtained, including validated performance measurement data for each activity conducted in accordance with § 438.358(b)(1)(i) and (ii); and
  - (iv) Conclusions drawn from the data;
- c. An assessment of each MCO's strengths and weaknesses for the quality, timeliness, and access to health care services furnished to Medicaid beneficiaries;
- d. Recommendations for improving the quality of health care services furnished by each MCO including how the State can target goals and objectives in the quality strategy, under § 438.340, to better support improvement in the quality, timeliness, and access to health care services furnished to Medicaid beneficiaries;
- e. Methodologically appropriate, comparative information about all MCOs consistent guidance included in the EQR protocols issued in accordance with § 438.352(e); and
- f. An assessment of the degree to which each MCO has addressed effectively the recommendations for quality improvement made by the EQRO during the previous year's EQR.

The EQRO shall deliver the finalized annual technical report to HSD/MAD by 28<sup>th</sup> day of February, following the end of each calendar year to ensure compliance with the April 30<sup>th</sup> deadline for submission to CMS.

7. The EQRO will design and conduct a random monthly Nursing Facility Level of Care (NF LOC) determination audit in accordance with the 1115 Demonstration Waiver STCs to ensure that the NF LOC criteria are applied consistently and equitable across the New Mexico Medicaid program.



HSD/MAD will deliver a NOD to the EQRO defining the sampling criteria and sampling methodology to be applied during the development of the project plan NF LOC review. The EQRO project deliverables will include the following:

- a. Define and develop a project plan for conducting desk reviews of NF LOC ratings;
- b. Develop random sampling methodology to complete NF LOC determinations collected from each MCOs for the NF LOC rating determination. The audit shall consist of a random stratified sample and will include both approved and denied NF LOC determinations;
- c. Develop review tools for capturing data on accuracy, timeliness, physician review, and reasons for denial;
- d. Conduct random external monthly reviews of each MCO based on New Mexico Medicaid Nursing Facility (NF) Level of Care (LOC) Criteria and Instructions; and
- e. Report findings of NF LOC activities in quarterly, and annual reports to HSD/MAD.

**C. Communications and Meetings:**

The EQRO is required to designate a qualified individual to serve as the dedicated EQRO Contract Manager (CM) for HSD/MAD. The CM must hold a senior management position within the EQRO and be authorized to represent the EQRO in all matters pertaining to the EQRO contract with HSD/MAD. The EQRO CM will be responsible for the following deliverables:

1. Coordinate all EQR activities with the designated HSD/MAD EQRO CM throughout the design, development and finalization of all technical reports and other deliverables;
2. Participate in weekly meetings or as often as requested by HSD/MAD either via phone, video conference or on site at HSD/MAD. The purpose of these regular meetings is to maintain communication with the HSD/MAD designated EQRO CM to discuss progress, barriers, and any other related issues relevant to the EQR activities;
3. Designate appropriate staff to meet with HSD/MAD and MCO staff to provide clarification or direction in relation to EQR projects;
4. Facilitate meetings to include; providing an agenda, minute taking, and creation and distribution of informational materials;
5. Facilitate and prepare oral presentation of EQR findings, recommendations, corrective action plans, and technical assistance to HSD/MAD and/or MCO staff;
6. Ensure all final technical reports and other deliverables are timely, well written, accurate, and complete;

7. Assist HSD/MAD in responding to any questions from CMS or other stakeholders about any final technical reports or deliverables; and
8. Prepare and deliver monthly Contractor activity reports to HSD/MAD.






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Final Audit Report

2020-05-06

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