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STATE OF NEW MEXICO
HEALTH CARE AUTHORITY
PROFESSIONAL SERVICES CONTRACT
AMENDMENT No. 3

THIS AMENDMENT No. 3 to Professional Services Contract (PSC) 23-630-8000-0002 is made and entered into by and between the State of New Mexico **Heath Care Authority**, hereinafter referred to as the "HCA," and the **Island Peer Review Organization, Inc., d/b/a IPRO**, hereinafter referred to as the "Contractor".

The purpose of this Amendment is to change Human Services Department (HSD) to Health Care Authority (HCA) which was pursuant to SB16 in the 2023 legislative session and will be effective July 1, 2024. Also to extend the term and compensation of the current External Quality Review Organization (EQRO) contract to align with Turquoise Care and amend the Scope of Work in its entirety to cover required EQR activities through FY29.

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 FOLLOWING PROVISIONS OF THAT AGREEMENT ARE AMENDED AS FOLLOWS:

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

2. Compensation.

A. The HCA shall pay to the Contractor in full payment for services satisfactorily performed pursuant to Exhibit A, Amended Scope of Work, compensation not to exceed six million thirty-five thousand one hundred fifty-seven dollars and forty-nine cents ($6,035,157.49) 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 HCA 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 HCA shall pay to the Contractor in full payment for services satisfactorily performed compensation not to exceed seven hundred twenty-four thousand eight hundred thirty-three dollars and nineteen cents ($724,833.19) including gross receipts tax, if applicable, for FY23.

The HCA shall pay to the Contractor in full payment for services satisfactorily performed compensation not to exceed seven hundred ninety-four thousand four hundred seventy-four dollars and nineteen cents ($794,474.19) including gross receipts tax, if applicable, for FY24.

The HCA shall pay to the Contractor in full payment for services satisfactorily performed compensation not to exceed eight hundred fifty-five thousand five hundred forty-four dollars and thirty-nine cents ($855,544.39) including gross receipts tax, if applicable, for FY25.

The HCA shall pay to the Contractor in full payment for services satisfactorily performed compensation not to exceed eight hundred seventy-four thousand nine hundred twelve dollars and six cents ($874,912.06) including gross receipts tax, if applicable, for FY26.

The HCA shall pay to the Contractor in full payment for services satisfactorily performed compensation not to exceed nine hundred and one thousand one hundred fifty-nine dollars and forty-two cents ($901,159.42) including gross receipts tax, if applicable, for FY27.

The HCA shall pay to the Contractor in full payment for services satisfactorily performed compensation not to exceed nine hundred twenty-eight thousand one hundred ninety-four dollars and twenty-one cents ($928,194.21) including gross receipts tax, if applicable, for FY28.

The HCA shall pay to the Contractor in full payment for services satisfactorily performed compensation not to exceed nine hundred fifty-six thousand and forty dollars and three cents ($956,040.03) including gross receipts tax, if applicable, for FY29.

Section 3, Term, is amended to read as follows:

3. <u>Term.</u>

THIS AGREEMENT SHALL NOT BECOME EFFECTIVE UNTIL APPROVED BY THE HCA and shall terminate on June 30, 2029, unless terminated pursuant to paragraph 4 (Termination), or paragraph 5 (Appropriations). The agency reserves the right to renew the contract on an annual basis, thereafter. In accordance with NMSA 1978, § 13-1-150, no contract term for a professional services contract, including extensions and renewals, shall exceed four (4) years, except as set forth in NMSA 1978, § 13-1-150.

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

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IN WITNESS WHEREOF, the parties have executed this Agreement as of the date of signature by the Health Care Authority.

DocuSigned by:
By: Kari Armijo Date: 5/30/2024
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HCA Cabinet Secretary

DocuSigned by:
By: Mark Reynolds Date: 5/30/2024
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HCA Office of General Counsel

DocuSigned by:
By: Carolee A. Graham Date: 5/30/2024
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HCA Chief Financial Officer

DocuSigned by:
By: Clare Bradley, MD Date: 5/29/2024
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Contractor

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: **03-655765-00-0**

DocuSigned by:
By: AnnMarie Lucero Date: 5/30/2024
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Taxation and Revenue Department

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Exhibit A

A. DETAILED SCOPE OF WORK

The Social Security Act (SSA) requires States that operate Medicaid managed care programs to provide for an external independent quality review (EQR) of their contracted MCOs. Centers for Medicare and Medicaid Services (CMS) provide States with matching Federal funds for review expenditures. The External Quality Review Organization (EQRO) will conduct the EQR activities in accordance with the CMS EQR protocol to ensure HCA 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 an MCO or their contractors furnish to Medicaid beneficiaries.

Pursuant to CFR 42 § 438.350 each state that contracts with an MCO must ensure that:

1. A qualified EQRO performs an annual EQR for each contracting MCO;

2. The EQRO has sufficient information to use in performing a 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 §438.364 (a)(2)(i) through (iv);

5. The information provided to the EQRO in accordance with paragraph (b) of this section is obtained through methods consistent with the protocols established by the Secretary in accordance with §438.352 and specifies:

    a. The data to be gathered;

    b. The source 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 method or methods for validly analyzing and interpreting the data once

       obtained; and

    e. Instructions, guidelines, worksheets and other documents or tools necessary for implementing the protocol.

6. The results of the reviews are made available as specified in §438.364.

Workplan and Scoring Tools

The EQRO will initiate each EQR review or validation activity and will develop measurement and scoring tools, review criteria and work plan methodology in accordance with the CMS EQR protocol. The EQRO will submit a detailed workplan for each EQR activity, including a timeline with key milestones to HCA for approval prior to initiating the activity.

Deliverables

The EQRO will review and report the following EQR activities in accordance with the 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 Validation of each MCOs Performance Improvement Projects (PIPs) required in accordance with CFR 42 § 438.358 (b)(1)(i). The EQRO will adhere to CMS Protocol 1, which defines the activities and tools used to determine whether a health care quality PIP was designed, conducted, and reported in a mythologically sound manner and to determine if the PIP improved the process 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 HCA/MAD a peer reviewed final written report, with an attestation, describing all activities including: the assessment methodology applied to the validation of each of the HCA/MAD directed PIPs during the review period; assessment of each MCOs 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.

2. The EQRO will design and conduct an annual Validation of each MCOs Performance Measures (PMs) in accordance with CFR 42 § 438.330 (b)(2). 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 A.

   The EQRO will provide findings and recommendations to each MCO to include

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opportunities for improvement or corrective actions steps, if indicated.

The EQRO will deliver to HCA/MAD a peer reviewed final written report, with a signed attestation from the project lead or contract manager, 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 MCO specific findings, recommendations, and corrective action steps, if applicable, directed by the EQRO. The EQRO will detail initiatives by each MCO to address findings, recommendations, and corrective action steps from the 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 Compliance Review with Medicaid Managed Care Regulations in accordance with CFR 42 § 438.358 (b)(iii) and CFR 42 § 438, Subpart D. The EQRO will adhere to CMS Protocol 3, which defines the tools and activities 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.

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

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 HCA/MAD a peer reviewed final written report, with a signed attestation from the project lead or contract manager, 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 from previous compliance reviews 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 MCOs Network Adequacy during the preceding 12 months to comply with the requirements set forth in the CFR 42 § 438.68(b). The EQRO will adhere to HCA/MAD standards and the network adequacy CMS EQR Protocol 4, which defines the tools and activities necessary to validate each MCOs network adequacy standards of maintaining provider networks that are sufficient to provide timely and accessible care.

HCA/MAD will select the network adequacy standards to be evaluated and provide direction to the EQRO.

The EQRO will validate each MCOs adherence to HCA/MAD standards for time and distance by the MCO in accordance with CMS Protocol 4.

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The EQRO will deliver to HCA/MAD a peer reviewed final written report, with a signed attestation from the project lead or contract manager, 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. The EQRO will submit to HCA/MAD an annual peer reviewed, with a signed attestation from the project lead or contract manager, detailed technical report that summarizes findings on access and quality of care in accordance with CFR 42 § 438.364 to include:

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.

The EQRO shall deliver the finalized annual technical report to HCA/MAD by the 15th day of February, following the end of each calendar year to ensure compliance with the April 30th deadline for submission to CMS.

6. 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. 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 MCO's 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

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e. Report findings of NF LOC activities in quarterly and annual reports to HCA/MAD.

7. The EQRO will design and conduct a monthly audit in accordance with the 1115 Demonstration Waiver STCs to ensure oversight of the integration of 1915 (c) waiver assurances and program requirements. The EQRO project deliverables will include the following:

a. Administrative Authority: Monitoring metrics must be developed and tracked to ensure oversight of MCOs delegated authority.

b. Qualified Providers: Monitoring metrics must be developed to track and ensure MCO oversight for the following:

1. Provider credentialing requirements in 42 CFR 438.214 must apply to all Community Benefit Providers.

2. To the extent that the MCO's credentialing policies and procedures do not address non-licensed non-certified providers, the MCO must create alternative mechanisms applicable to such providers to ensure the health and safety of enrollees.

3. Track that providers meet licensure/certification standards, that non-certified providers are monitored to assure adherence to waiver requirements, and to verify that training is given to providers in accordance with the waiver.

c. Define and develop a project workplan, audit tools and reporting templates for reviewing the adequacy of Service Plans for HCBS participants to include the following:

1. Choice of waiver services and providers.

2. Service plans address all assessed needs and personal goals.

3. Services are delivered in accordance with the service plans including the type, scope, amount, duration, and frequency specified in the service plan.

4. Ensure that children, youth, and adults are afforded linkage to protective services (e.g., Ombudsmen services, Protection and Advocacy, Division of Children Protection and Permanency) through all service entities, including the MCOs.

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d. Financial Accountability: Design and implement monitoring metrics to assess the MCOs systems adequacy for ensuring financial accountability of the HCBS program to include the following:

1. Verification that claims are coded and paid for in accordance with services rendered

2. Verification that rates remain consistent with the approved rate methodology during the life of the demonstration.

e. Report findings on a quarterly and annual basis to HCA/MAD.

Communications and Meetings

The EQRO is required to designate a qualified individual to serve as the dedicated EQRO Contract Manager (CM) for HCA. 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 HCA. The EQRO CM will be responsible for the following deliverables:

1. Coordinate all EQR activities with the designated HCA 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 HCA either via phone, video conference or on site at HCA. The purpose of these regular meetings is to maintain communication with the HCA EQRO CM to discuss progress, barriers and any other related issues relevant to the EQR activities.

3. Designate appropriate staff to meet with HCA and MCO staff to provide clarification or direction is relation to EQR projects;

4. Facilitate and prepare oral presentation of EQR findings, recommendations, corrective action plans and technical assistance to HCA and/or MCO staff;

5. Facilitate meetings to include the following; providing an agenda, minute taking and creation and distribution of informational materials;

6. Ensure all final technical reports and other deliverables are timely, well written accurate and complete with appropriate attestation;

7. Assist HCA 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 the designated HCA EQRO CM.