

**FIRST AMENDMENT TO MENTAL HEALTH AND
SUBSTANCE USE DISORDERS SERVICES
DELEGATION AGREEMENT**

THIS FIRST AMENDMENT TO MENTAL HEALTH AND SUBSTANCE USE DISORDERS SERVICES DELEGATION AGREEMENT (this "*First Amendment*") dated this first day of January 2016, is entered into by and between Yamhill County Care Organization, Inc., an Oregon nonprofit public benefit corporation dba Yamhill Community Care Organization ("*Yamhill CCO*" or "*YCCO*"), and Yamhill County, a political subdivision of the State of Oregon, acting by and through Yamhill County Health and Human Services Department ("*YCHHS*" or "*HHS*").

RECITALS

A. Yamhill CCO and YCHHS entered into a Mental Health and Substance Use Disorders Services Delegation Agreement dated January 1, 2015 ("2015 Agreement").

B. The purpose of this First Amendment is to amend the term of the 2015 Agreement to extend through December 31, 2017 and to further amend the Agreement with respect to certain changes which are retroactive to January 1, 2015, and with respect to 2016 rates and certain provisions which are applicable to the 2016 contract year, and in some cases for the 2017 contract year.

C. Capitalized terms used in this First Amendment, but not otherwise defined in this First Amendment shall have the same meaning as those in the 2015 Agreement, and the CCO Contract, in that order of priority.

NOW THEREFORE, for good and valuable consideration, the parties agree as follows:

1. Effective Date. The effective date of this First Amendment shall be January 1, 2016.

2. Amendment to Section 6.1. Section 6.1 of the Agreement is hereby amended to extend the termination date of the Agreement from July 1, 2017 to December 31, 2017.

3. Amendments to Exhibit E of the 2015 Agreement. Exhibit E (Compensation) of the 2015 Agreement set forth the Compensation provisions for the 2015 contract year. This First Amendment hereby amends Exhibit E of the 2015 Agreement as provided on Attachment 1 to this First Amendment, which Attachment 1 is incorporated herein by this reference. It should be noted that Section 1a of Attachment 1 contains amendments to Exhibit E which are retroactive to January 1, 2015.

4. Ratification. Except as expressly amended by this First Amendment, the 2015 Agreement shall remain in full force and effect according to its terms.

The parties hereto have caused this First Amendment to be duly executed by their duly authorized officers as of the date set forth above.

YAMHILL COUNTY CARE ORGANIZATION, INC.

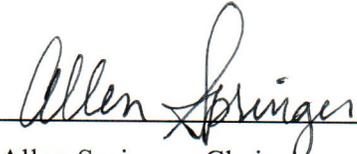
By: 

Name: James D. Carlough, Jr.

Title: Chief Executive Officer

Date: DECEMBER 10, 2015

YAMHILL COUNTY BOARD OF COMMISSIONERS

By: 
Allen Springer, Chair

Date: 12-14-15

APPROVED AS TO FORM

By: 
Christian Boenisch
County Counsel

Date: 12/10/15


Silas Halloran-Steiner, Director
Department of Health and
Human Services

Date: 12/10/15

Accepted by Yamhill County
Board of Commissioners on
12-10-15 by Board Order
15-501

Attachment 1 to First Amendment

Behavioral Health Contracting Changes for 2015-17

(Reference Section 3 of First Amendment)

1) **Payment Rates:**

- a) 2015 Retroactive Amendment: HHS will be paid at the revised 2015 OHA Rates as prepared by CareOregon on 11/15/2015. The adjustment shall be retroactive to 1/1/2015 with the following changes:
 - i) The original 6% withhold will be reduced to 2.25% retroactive to January 1, 2015. The original 6% withhold is the “CCO Withhold %” as a percentage of the global budget (total risk based capitation and case rate payments) which was determined by the YCCO Board of Directors. The 6% withhold was intended to be used by YCCO as risk reserves for physical health and behavioral health.
 - ii) The Admin Share will be reset from 44.75% for HHS to 100% to HHS retroactive to January 1, 2015. The 44.75% for 2015 was in Exhibit E of the 2015 Agreement at page 57 in Section 1 under the heading “Distribution of Behavioral Health Administration Capitation”. YCCO will receive 0%.
 - iii) No Change to the 6.28% held by YCCO for Mental Health Adult IP/IPA for 2015, which is found on page 56 of Section 1a on Exhibit E of the 2015 Agreement.
- b) 2016 & 2017 Rates
 - i) The 2016 rates are based on a blended 2015 PMPM for ACA and Plus categories for YCCO a,b and YCCO e,g. and are adjusted as listed below:
 - (1) A trend (i.e., increase) of **2.4%** on the 2015 Rate is used for 2016
 - (2) A trend (i.e., increase) of **2.4%** on the 2016 rate is used for 2017
 - (3) Admin share remains 100% to HHS For both 2016 and 2017.

	2016	
	YCCO a,b	YCCO e,g
Plus	\$ 41.67	\$ 87.72
ACA	\$ 62.13	\$ 42.44

	2017	
	YCCO a,b	YCCO e,g
Plus	\$ 42.67	\$ 89.82
ACA	\$ 63.62	\$ 43.46

- ii) For clarity, “a,b” means rate categories in which the Members have all services (physical health, behavioral health, and dental health), and “e” means just mental health only and “g” means mental health and dental health only.
 - c) The 6.28% Mental Health Adult IP/IPA is retained by YCCO for 2015 and is not changed for 2015. For 2016 and 2017 the 6.28% will be paid to HHS and is included in the PMPM rates listed above. The 6.28% is on page 56 of Exhibit E of the 2015 Agreement.
- 2) [Intentionally omitted].
- 3) Flex funding: YCCO will pay HHS in the amounts listed in this section for flex services for the respective years below. HHS will assume the administrative, contracting, monitoring and reporting responsibilities for these services. For year 2017, flex funding will apply the actual YCCO blended Global trend percentage for 2017 to the 2016 flex fund amount (after

adjusting for discontinued or new service lines). YCCO will make regular prorated monthly payments to HHS for flex services.

a) 2015 = \$675,563

b) 2016 = \$866,548

c) 2017 = \$887,345 (estimate only and both parties agree to meet in September 2016 and review current expense projections in 2017 and formalize the amount)

Additional Provisions:

- 4) HHS will be the primary contact and will be named as the lead responsible party in the contract between Performance Health Technology, Ltd. (“PHT”) and YCCO for YCCO Behavioral Health (BH) claims processing. YCCO is working with PHT to have certain rights and obligations of YCCO under the PHT contract assigned or delegated by YCCO to HHS, or to have a direct contract between PHT and HHS. HHS will be responsible for payment, and the cost of payment, for claims processing of behavioral health with PHT.
- 5) Effective 1/1/2016 (or as soon thereafter as possible) HHS and YCCO will discontinue claw-back (the “claw-back” appears in paragraph 3 on the top of page 57 of Exhibit E to the 2015 Agreement), and HHS will make the payments for all Behavioral Health inpatient and Out of Plan authorized providers via PHT. Once a final effective date has been determined, a final reconciliation will be prepared by HHS and submitted to YCCO showing a YTD total for 2015 and 2016 supporting the requirement that payments that are the responsibility of HHS, and paid by YCCO, resulted in a reduction to HHS’s sub capitation payment. The final reconciliation prepared by HHS shall be subject to review and approval by YCCO.
- 6) Effective 1/1/2016 (or as soon thereafter as possible) HHS will establish a HHS trust account with PHT for the purpose of making payment on behalf of YCCO for behavioral health claims.
- 7) Under this First Amendment, HHS and YCCO will maintain for the remainder of this Agreement the existing contract language for 75/25 risk sharing as well as language defining what the targets will be, which are on page 58 of Exhibit B to the 2015 Agreement.
- 8) BH RAE Reserves. In its capacity as a CCO Risk Accepting Entity, HHS is expected to build and maintain a minimum risk reserve fund equal to at least 90 days of operation. HHS will report the estimated reserve amount to YCCO quarterly, and provide an annual report within 120 days after the end of HHS’s fiscal year. HHS will continue to provide quarterly reporting to YCCO once HHS achieves the reserve target. In the event that HHS later drops below the 90 day reserve, HHS will promptly inform YCCO in writing and will promptly develop and submit to YCCO a Corrective Action Plan for achieving the 90 day minimum within 12 months.

Pay for Performance (P4P):

- 9) HHS will participate in distributions of payments by OHA to YCCO with respect to Behavioral Health programs for achieving P4P (pay for performance) metrics. 2016 P4P payment will be calculated based upon prior year performance measures for calendar year 2015, and will be awarded in 2016 in the same manner as the calendar years 2013, 2014, 2015 subject to final YCCO Board of Director approval. P4P was awarded in previous years and established as a percentage of capitated payments calculated between Physical Health and Mental Health and Substance Use Disorders Services and the ratio applied for the payment once the total pool was calculated by OHA and made available to YCCO. The methodology for calendar year 2017

payment will be based upon performance measures and contract metrics for calendar year 2016 mutually established by YCCO and HHS together, and approved by the YCCO Board of Directors prior to April 1, 2016 to give HHS time to implement any clinical or operational changes.

Reporting:

- 10) HHS will provide to YCCO and OHA Reports for: OHA Quarterly L Report; the newly proposed MMLR (Minimum Medical Loss Ratio Report) once finalized, and other OHA required reports that may emerge, based on the behavioral health medical loss ratio, to be distinguished from physical health, and consistent with the definitions in the OHA 2016 CCO Contract.
- 11) HHS will provide to YCCO Quarterly Administrative Reports including: Flexible Services Report; Shared Risk Report; Risk Reserve Report; a MBR Report (Member Benefit Ratio) using a definition of MBR agreed to between YCCO CEO and HHS Director (or their designees), which definition shall be with respect to behavioral health similar to the definitions in the OHA 2016 CCO Contract with respect to calculation of the Medical Loss Ratio. HHS will deploy a methodology to routinely forecast IBNR (Incurred But Not Reported claims) beginning no later than with the Quarter 1 2016 reports. It is expected the IBNR reporting will be used in OHA, YCCO and other reports as needed.
- 12) HHS will capture the following Outcome Measures and will promptly report such outcome measures to YCCO:
 - a) 1. SBIRT – at intake/initial screening: 1. AUDIT 2. DAST
 - b) 2. PHQ-9: at intake and service conclusion, and as clinically indicated
 - c) 3. GAD-7: at intake and service conclusion, and as clinically indicated
 - d) 4. DLA-20: 2nd or 3rd session post-intake, quarterly, service conclusion, and as clinically indicated:
 - e) DLA-20 correlates to both GAF/CGAS and ICD-10 4th digit modifier
 - f) 4th digit modifier – level of severity
 - g) 5. BCN Satisfaction Survey: Annually
 - h) 6. MOTS - Employment, Education, Housing and Substance Use Data"
- 13) 2016 -HHS has been implementing a new Electronic Medical Record in 2015 and anticipates collecting relevant outcome data in Q1 or Q2 of 2016. HHS will report pertinent data to YCCO as it becomes available from these measures. HHS plans to implement this internally at HHS as well as with its "in-panel" contracted providers in 2016.
 - a) In 2017, HHS will begin to collect pertinent outcome measures for 12) a-c from Independent Practitioners. Relevant outcome measures for 2016 will be reported by May 1, 2017 to YCCO.
 - b) HHS will provide required monitoring and data reporting to YCCO for OHA CCO metric reporting. This includes Foster Care, Hospital follow up, ED Visits and future requirements that may be required

Compliance Functions. Subject to Exhibit B, Part 4 Section 10a(2) of the CCO Contract, which provides that YCCO cannot subcontract (1) oversight and monitoring of Quality Improvement Activities; and (2) adjudication of final appeals in a Member Grievance and Appeal process:

- 14) HHS will take primary responsibility for compliance, documentation and policy development for YCCO Behavioral Health provider requirements

HHS will take a secondary role to YCCO is assisting with compliance requirements that apply to BH and other service lines. General YCCO compliance activities, policies, reviews and other requirements are the responsibility of YCCO. Both parties understand the YCCO Compliance Officer for all lines of business is not an employee of HHS.

15) HHS will participate in regular compliance planning and review meetings with YCCO where issues relevant to Behavioral Health are addressed.

Additional Contract Details; Further Provisions:

16) **PMPM Methodology**: The PMPM “HHS Rate” set forth in Section 1b of this First Amendment was calculated as a blended rate for (1) ACA, and (2) Plus (non ACA) categories based on the 2015 revised OHA rates for YCCO Behavioral health and using the actual member months from the October 2015 820 file. The “HHS Rate” includes CAF children’s wraparound in the PMPM for BH and includes an allocated % (percentage) of the “Administrative Allowance” for Behavioral Health equal to other non BH service lines. It excludes hospital or provider taxes or other pass-through funds such as HRA Administrative Allowance or Health Insurers Fee. Any re-computation of the HHS Rate will result in an analogous or normalized computation by adjusting out any new (or discontinued) add on or basic service. Examples: future plans for Applied Behavioral Analyses or Mental Health Residential.

17) **New or Discontinued OHA Service Lines**: If new Behavioral Health or Substance Use Disorders (SUD) services are added (or deleted) as basic services or as add on services, YCCO and HHS agree to meet and assess the PMPM and to adjust the PMPM if needed, using the same or similar methodology.

18) **Opportunities to Re-Open Rates**: In the interest of establishing a predictable funding basis for Behavioral Health, YCCO and HHS agree to use the “HHS Rates” set forth in this First Amendment, but have outlined the circumstances where the HHS Rate is subject to being re-opened.

a) **Rate Group Change**: In the event there is a member month shift in a single rate group of more than + or – 5% as measured in a quarterly YTD report for a given calendar year, AND is forecasted to result in a fiscal impact of +/- 1% of the Behavioral Health annual budget revenue, YCCO and HHS agree to meet and assess the need to re-calculate the PMPM using the same or similar methodology.

b) **MBR Reports**: In the event that the Quarterly YTD forecasted MBR for Behavioral Health deviates by +/- 7% or more from a target 92% MBR, YCCO and HHS agree to meet and assess the need to develop a corrective action plan. HHS will prepare quarterly reports forecasting the MBR using a method consistent with OHA’s definition for MMLR and which also reflects the requirement that HHS build adequate reserves. For clarity, the reference to MBR means Medical Loss Ratio (MLR).