

The Memorandum of Understanding (MOU) between the Centers for Medicare & Medicaid Services (CMS) and the State of Minnesota dated September 12, 2013 is amended by the following changes to the text:

In Appendix 4, Demonstration Parameters, Section V, Administration and Oversight, by adding the following subsection:

“d) Cost Plan Monitoring

CMS will require MSHO Plans that are a parent organization of, share a parent organization with, or are a subsidiary of a parent organization offering an 1876 reasonable cost contract to provide additional information on plan enrollment in order to ensure the waiver of regulations at 42 CFR §§422.503(b)(4)(vi)(G)(5)(i)-(ii) does not allow an entity to move an enrollee from an MSHO Plan to an 1876 reasonable cost contract based on financial or other reasons that may not be in the Enrollee’s best interest. On an annual basis, as applicable, MSHO Plans will report to CMS the number of beneficiaries who disenroll from an MSHO Plan and enroll in the same corporate parent or subsidiary company’s 1876 reasonable cost contract during a time that they are still eligible to enroll in MSHO. The report shall be delivered to CMS annually by July 15. If CMS identifies a pattern of disenrollment exceeding two percent of the plan’s total MSHO enrollment, from MSHO into a 1876 reasonable cost plan run by the same parent organization, CMS will notify the parent organization, further investigate enrollment patterns, and may require corrective actions. If such a pattern persists for an MSHO Plan, CMS may rescind the waiver of regulations at 42 CFR §§422.503(b)(4)(vi)(G)(5)(i)-(ii) for such MSHO Plan as outlined in this MOU. Upon such waiver termination, the reporting requirements for MSHO Plans operating under the same parent company with an 1876 reasonable cost contract would no longer be applicable.”

In Appendix 4, Demonstration Parameters, Section V, Administration and Oversight, by relabeling the subsection Unified Quality Metrics and Reporting as subsection “e.”

In Appendix 5, Demonstration Waiver Authorities, by adding the following language at the end:

- “Regulations at 42 CFR §§422.503(b)(4)(vi)(G)(5)(i)-(ii) (adopted pursuant to authority at § 1856(b) of the Act and effective July 22, 2014) only insofar as such provisions would prohibit the enrollment of new enrollees into section 1876 reasonable cost contracts offered by entities whose corporate affiliates also offer MSHO plans. We are waiving 42 CFR §§422.503(b)(4)(vi)(G)(5)(i)-(ii) for the purpose of allowing MSHO plans to operate a D-SNP while their corporate parent organization or a subsidiary concurrently accepts new enrollment in separate plans administered through section 1876 reasonable cost contracts. For each MSHO Plan, the waiver of CFR §§422.503(b)(4)(vi)(G)(5)(i)-(ii) is contingent on compliance with the cost plan monitoring requirements under Section III.V.d of Appendix 4 of this MOU, including any requirements under a corrective action plan.”

In Witness Whereof, CMS and the State of Minnesota have caused this amendment to this Agreement to be executed by their respective authorized officers:

**United States Department of Health and Human Services, Centers for Medicare & Medicaid Services:**

  
\_\_\_\_\_  
Marilyn Tavenner  
Administrator

1/21/15  
\_\_\_\_\_  
Date

**State of Minnesota, Department of Human Services:**

  
\_\_\_\_\_  
Lucinda Jesson  
Commissioner

12/17/2014  
\_\_\_\_\_  
Date