



JOINT LEGISLATIVE COMMITTEE ON THE BUDGET

STATE CAPITOL
P.O. BOX 44294, CAPITOL STATION
BATON ROUGE, LOUISIANA 70804
(225) 342-7244

REPRESENTATIVE CAMERON HENRY
CHAIRMAN

SENATOR ERIC LAFLEUR
VICE-CHAIRMAN

AGENDA - REVISED (Added Agenda Item Number 9)

Thursday, June 20, 2019
1:30 p.m.
House Committee Room 5

I. CALL TO ORDER

II. ROLL CALL

III. BUSINESS

1. Fiscal Status Statement and Five-Year Base-Line Budget
2. Facility Planning and Control - Capital Outlay Change Orders
3. Review of Managed Care Incentives Payments
4. Review and approval of a contract between the Office of Group Benefits and Access Health Louisiana, Inc., for a capitated primary care network, in accordance with the provisions of R.S. 42:802
5. Review and approval of a contract amendment to extend the duration of the contract between the Department of Transportation and Development and Kapsch TrafficCom USA, Inc., associated with traffic management centers in accordance with R.S. 39:1615(J)
6. Consideration of a Cooperative Endeavor Agreement, Facility Lease, and Lease of the Certificate of Need between the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College, and the Louisiana Children's Medical Center, through its wholly owned subsidiary Autobahn Retirement Village, Inc., regarding the operation and management of the John J. Hainkel, Jr., Home and Rehabilitation Center, in accordance with R.S. 39:366.11
7. Review of a cooperative endeavor agreement between the State of Louisiana through the Division of Administration and LA Energy Partners, LLC, in accordance with R.S. 39:366.11
8. Review of a contract amendment to extend the duration of the contract between the Office of Aging and Adult Services and Conduent State Healthcare, LLC, in accordance with R.S. 39:1615(J)
9. **Discussion of the Casino Support Services contract (Added)**

IV. CONSIDERATION OF ANY OTHER BUSINESS THAT MAY COME BEFORE THE COMMITTEE

V. ADJOURNMENT

THIS NOTICE CONTAINS A TENTATIVE AGENDA AND MAY BE REVISED PRIOR TO THE MEETING.

Representative Cameron Henry, Chairman

**JOINT LEGISLATIVE COMMITTEE ON THE BUDGET
GENERAL FUND FISCAL STATUS STATEMENT
FISCAL YEAR 2018-2019
(\$ in millions)**

June 20, 2019

	<u>MAY 2019</u>	<u>JUNE 2019</u>	<u>JUNE 2019 Over/(Under) MAY 2019</u>
<u>GENERAL FUND REVENUE</u>			
Revenue Estimating Conference, April 10, 2019	\$9,553.900	\$9,553.900	\$0.000
Transfer of Funds - Act 10 of the 2018 Second Extraordinary Legislative Session	\$53.333	\$53.333	\$0.000
Use of Prior Year Undesignated Fund Balance (FY 16-17 Surplus)	\$62.952	\$62.952	\$0.000
FY17-18 Revenue Carried Forward into FY 18-19	\$63.665	\$63.665	\$0.000
Use of Prior Year Undesignated Fund Balance (FY 17-18 Surplus)	\$0.000	\$30.805	\$30.805
Total Available General Fund Revenue	<u>\$9,733.850</u>	<u>\$9,764.655</u>	<u>\$30.805</u>
<u>APPROPRIATIONS AND REQUIREMENTS</u>			
Non-Appropriated Constitutional Requirements			
Debt Service	\$422.651	\$422.651	\$0.000
Interim Emergency Board	\$1.323	\$0.000	(\$1.323)
Revenue Sharing	\$90.000	\$90.000	\$0.000
Total Non-Appropriated Constitutional Requirements	<u>\$513.973</u>	<u>\$512.651</u>	<u>(\$1.323)</u>
Appropriations			
General (Act 2 of 2018 2nd ES and Act 2 of the 3rd ES)	\$8,830.423	\$8,830.423	\$0.000
Ancillary (Act 49 of 2018 RLS)	\$0.000	\$0.000	\$0.000
Judicial (Act 69 of 2018 RLS)	\$153.531	\$153.531	\$0.000
Legislative (Act 79 of 2018 RLS)	\$62.473	\$62.473	\$0.000
Capital Outlay (Act 29 of 2018 RLS)	\$63.350	\$63.350	\$0.000
Total Appropriations	<u>\$9,109.777</u>	<u>\$9,109.777</u>	<u>\$0.000</u>
Supplemental Appropriations and Other Requirements			
Supplemental (Act 50 of 2019 RLS excluding surplus expenditures)	\$0.000	\$100.768	\$100.768
Supplemental (Act 50 of 2019 RLS - Prior Year Surplus - 10% for UAL Retirement Systems Contributions)	\$0.000	\$30.805	\$30.805
Funds Bill (HB 286 of 2019 RLS) <i>signed by Governor, not assigned an Act number as of 6/14/2019 - (excess SGF deposited into various funds)</i>	\$0.000	\$10.651	\$10.651
Total Supplemental Appropriations and Other Requirements	<u>\$0.000</u>	<u>\$142.224</u>	<u>\$142.224</u>
Total Appropriations and Requirements	<u>\$9,623.750</u>	<u>\$9,764.652</u>	<u>\$140.902</u>
General Fund Revenue Less Appropriations and Requirements	<u>\$110.100</u>	<u>\$0.004</u>	<u>(\$110.096)</u>

II. FY 2017-2018 Fiscal Status Summary:

In accordance with Act 1092 of the 2001 Regular Session and Act 107 of the 2002 First Extraordinary Session R.S. 39:75 A.(3)(a) "At the first meeting of the Joint Legislative Committee on the Budget after publication of the Comprehensive Annual Financial Report for the state of Louisiana, the commissioner of administration shall certify to the committee the actual expenditures paid by warrant or transfer and the actual monies received and any monies or balances carried forward for any fund at the close of the previous fiscal year which shall be reflected in the budget status report."

FY18 GENERAL FUND DIRECT SURPLUS/DEFICIT - ESTIMATED (millions)	
FY17 Surplus/(Deficit)	122.620
FY18 General Fund - Direct Revenues:	
Actual General Fund Revenues	9,902.827
General Fund - Direct Carryforwards from FY17 to FY18	19.157
Drivers License Fee Transfer to the Drivers License Escrow Account (P41)	6.519
Total FY18 General Fund - Direct Revenues	9,928.504
FY18 General Fund - Direct Appropriations & Requirements:	
Draws of General Fund - Direct Appropriations [including \$12.262m FY17 Surplus]	(8,967.729)
General Obligation Debt Service	(417.730)
Transfers to Revenue Sharing Fund (Z06) - Constitution 7:26	(90.000)
Transfers Out to Various Funds - 20-XXX, Act 1 (2017 2ES), Act 59 (2018 RLS), Act 8 (2018 2ES)	(53.908)
Transfer Out to the Voting Technology Fund (SS2) - Department of State, Act 8 (2018 2ES)	(1.500)
Capital Outlay Project Closeout (075, 057, 055, 051)	(1.424)
Transfer Out to the Budget Stabilization (Z08) - Act 642 (2018 RLS) [FY17 Surplus]	(30.655)
Other Transfers Out [\$342,918.52 (from 000) + \$5,334,387.50 (from B15)]	(5.677)
Capital Outlay Act 29 (2018 RLS) Appropriated in FY18 [FY17 Surplus]	(16.677)
Transfer Out to the New Opportunities Waiver Fund (H30) - R.S. 39:100.61	(19.944)
Total FY18 General Fund - Direct Appropriations & Requirements	(9,605.244)
General Fund Direct Cash Balance	445.880
Obligations Against the General Fund Direct Cash Balance	
Unappropriated Use of FY17 Surplus	(0.074)
Capital Outlay Act 29 (2018 RLS) Appropriated in FY19 [FY17 Surplus]	(22.486)
Capital Outlay - DOTD Highway Improvements Appropriated in FY19 [FY17 Surplus]	(40.466)
Pending Transfers - Coastal Protection and Restoration Fund (Z12)	(11.136)
General Fund - Direct Carryforwards to FY19	(63.665)
Total Obligated General Fund Direct	(137.827)
General Fund Direct Surplus/(Deficit)	308.053
Certification in accordance with R.S. 39:75A(3)(a)	\$308,053,201

III. Current Year Items Requiring Action

IV. Horizon Issues Not Contained in 5-Year Plan

State share owed to FEMA upon the final closeout of various disasters, including Hurricane Katrina, for public assistance (state, local, and private non-profits) and hazard mitigation projects. Final closeouts of the various disasters are not expected until FY20 at the earliest but could extend beyond the 5-year baseline projection window.

In 2008, the State of Louisiana through the Coastal Protection and Restoration Authority Board entered into a Project Partnership Agreement with the United States Army Corps of Engineers to construct a Hurricane and Storm Damage Risk Reduction System (HSDRRS) around the greater New Orleans area. The HSDRRS project is a cost share agreement whereby the State is required to pay a percentage (about 35%) of the total costs of the project. Payback will occur over a 30 year period with the first payment due once the HSDRRS project is completed, which is expected to be in Fiscal Year 2021.

**FIVE YEAR BASE LINE PROJECTION
STATE GENERAL FUND SUMMARY
CONTINUATION**

	Current Fiscal Year 2018-2019	Projected Fiscal Year 2019-2020	Projected Fiscal Year 2020-2021	Projected Fiscal Year 2021-2022	Projected Fiscal Year 2022-2023
REVENUES:					
Taxes, Licenses & Fees	\$12,134,900,000	\$12,354,400,000	\$12,576,200,000	\$12,882,900,000	\$13,165,400,000
Less Dedications	(\$2,581,100,000)	(\$2,629,600,000)	(\$2,532,200,000)	(\$2,578,000,000)	(\$2,615,800,000)
Act 10 of the 2018 Second Extraordinary Session - Transfer of Funds	\$53,333,333	\$0	\$0	\$0	\$0
TOTAL REC REVENUES (OFFICIAL FORECAST)	\$9,607,233,333	\$9,724,800,000	\$10,044,100,000	\$10,304,900,000	\$10,549,700,000
ANNUAL REC GROWTH RATE		1.22%	3.28%	2.60%	2.38%
Other Revenues:					
Carry Forward Balances	\$63,664,831	\$0	\$0	\$0	\$0
Utilization of Prior Year Surplus (FY16-17)	\$62,951,760	\$0	\$0	\$0	\$0
Utilization of Prior Year Surplus (FY17-18)	\$30,805,321	\$0	\$0	\$0	\$0
Total Other Revenue	\$157,421,912	\$0	\$0	\$0	\$0
TOTAL REVENUES	\$9,764,655,245	\$9,724,800,000	\$10,044,100,000	\$10,304,900,000	\$10,549,700,000
EXPENDITURES:					
General Appropriation Bill (Act 2 of 2018 2nd ES and Act 2 of 2018 3rd ES)	\$8,766,758,058	\$9,198,725,957	\$9,518,794,110	\$9,736,146,777	\$9,972,763,689
Ancillary Appropriation Bill (Act 49 of 2018 RS)	\$0	\$11,580,114	\$41,158,073	\$57,920,117	\$75,463,044
Non-Appropriated Requirements	\$512,650,513	\$541,811,413	\$532,415,092	\$518,934,704	\$503,876,678
Judicial Appropriation Bill (Act 69 of 2018 RS)	\$153,530,944	\$153,530,944	\$153,494,541	\$153,494,541	\$153,494,541
Legislative Appropriation Bill (Act 79 of 2018 RS)	\$62,472,956	\$62,472,956	\$62,481,299	\$62,480,806	\$62,480,365
Special Acts	\$0	\$0	\$6,070,000	\$6,070,000	\$6,070,000
Capital Outlay Bill (Act 29 of 2018 RS)	\$398,000	\$0	\$0	\$0	\$0
TOTAL ADJUSTED EXPENDITURES (less carryforwards and surplus)	\$9,495,810,471	\$9,968,121,384	\$10,314,413,115	\$10,535,046,945	\$10,774,148,317
ANNUAL ADJUSTED GROWTH RATE		4.97%	3.47%	2.14%	2.27%
Other Expenditures:					
Carryforward BA-7s Expenditures	\$63,664,831	\$0	\$0	\$0	\$0
Prior Year Surplus (FY16-17) Expenditures in Capital Outlay Bill	\$62,951,760	\$0	\$0	\$0	\$0
Prior Year Surplus (FY17-18) - 10% for UAL - Retirement Systems Contributions	\$30,805,321	\$0	\$0	\$0	\$0
Supplemental Bill (Act 50 of 2019 RS), Funds Bill (HB 286 signed by Governor)	\$111,419,130	\$0	\$0	\$0	\$0
Total Other Expenditures	\$268,841,042	\$0	\$0	\$0	\$0
TOTAL EXPENDITURES	\$9,764,651,513	\$9,968,121,384	\$10,314,413,115	\$10,535,046,945	\$10,774,148,317
PROJECTED BALANCE	\$3,732	(\$243,321,384)	(\$270,313,115)	(\$230,146,945)	(\$224,448,317)
Oil Prices included in the REC forecast adopted on 4/10/2019.	\$58.96	\$59.15	\$60.00	\$61.71	\$62.17

DIVISION OF ADMINISTRATION
Facility Planning & Control

JOINT LEGISLATIVE COMMITTEE
ON THE
BUDGET

Briefing Book

FOR

June 2019

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Office of the Commissioner
State of Louisiana
Division of Administration

JOHN BEL EDWARDS
GOVERNOR



JAY DARDENNE
COMMISSIONER OF ADMINISTRATION

May 29, 2019

The Honorable Cameron Henry, Chairman
Joint Legislative Committee on the Budget
Post Office Box 44294, Capitol Station
Baton Rouge, Louisiana 70804

**Re: Settlement Agreement
Kaufman Hall Renovation and Repairs
McNeese State University
Lake Charles, Louisiana
Project No. 19-627-03B-04, Part 01 and 01-107-06B-11, Part GY**

Dear Chairman Henry:

Facility Planning and Control entered into a construction contract with Bessette Development Corporation in the amount of \$3,798,000 on December 20, 2010, for the above referenced project. As a result of various claims related to asbestos abatement and liquidated damages, mediation between the parties was initiated to resolve the claims. A Settlement Agreement was reached on April 23, 2019, between the State of Louisiana, Bessette Development, King Architects, and Ritter Consultants in the amount of \$634,000.

Therefore, in accordance with Section 5 of Act 29 of 2018, Facility Planning and Control requests authorization to accept a settlement between the State of Louisiana, through its Division of Administration, Office of Facility Planning and Control, Bessette Development Corporation, King Architects, Inc., and Ritter Consulting Engineers, Ltd. in the amount of \$634,000.

Please place this item on the agenda of the next meeting of the Committee.

Sincerely,



Mark A. Moses
Director



Jay Dardenne
Commissioner of Administration

CC: Mr. Mark Gates, FPC
Mr. Stephen Losavio, FPC
Ms. Lisa Smeltzer, FPC
Ms. Sue Gerald, FPC
Ms. Ternisa Hutchinson, OPB
Mr. Barry Duse, OPB
Mr. Samuel Roubique, OPB
Mr. Paul Fernandez, OPB
Ms. Jane Schoen, House Fiscal Division
Ms. Linda Hopkins, House Fiscal Division
Ms. Ashley Albritton, House Fiscal Division
Ms. Martha Hess, Senate Counsel
Ms. Raynel Gascon, Senate Fiscal Division

Office of the Commissioner
State of Louisiana
Division of Administration

JOHN BEL EDWARDS
GOVERNOR



JAY DARDENNE
COMMISSIONER OF ADMINISTRATION

May 29, 2019

The Honorable Cameron Henry, Chairman
Joint Legislative Committee on the Budget
Post Office Box 44294, Capitol Station
Baton Rouge, Louisiana 70804

**Re: Request for Approval of Change Order over \$100,000
Reroof Isaac Delgado Hall
Delgado Community College – Main Campus
New Orleans, Louisiana
Project No. 19-649-16-01, Part 3; WBS F.19001199**

Dear Chairman Henry:

A construction contract was awarded to Roofing Solutions, LLC in the amount of \$595,300 for the reroofing of Isaac Delgado Hall located at Delgado Community College in New Orleans.

The roof replacement on the original Isaac Delgado Hall has been completed, but reroof work was suspended on the building additions when the contractor discovered that the existing roof deck was unsuitable to receive the new roofing assembly.

Facility Planning and Control is requesting that Change Order 1 be approved for the cost of removing the existing roof deck and installing a new structural steel deck based on the unit price cost.

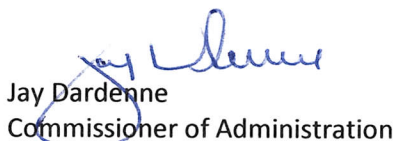
Facility Planning and Control is requesting approval of a change order in the amount of \$304,752 to the current contract. Project contingency funds are available to cover the cost of this additional work.

Please place this item on the agenda for the next meeting of the Committee.

Sincerely,



Mark A. Moses
Director



Jay Dardenne
Commissioner of Administration

CC: Mr. Mark Gates, FPC
Mr. Stephen Losavio, FPC
Ms. Lisa Smeltzer, FPC
Ms. Sue Gerald, FPC
Ms. Ternisa Hutchinson, OPB
Mr. Barry Dusse, OPB
Mr. Samuel Roubique, OPB
Mr. Paul Fernandez, OPB
Ms. Jane Schoen, House Fiscal Division
Ms. Linda Hopkins, House Fiscal Division
Ms. Ashley Albritton, House Fiscal Division
Ms. Martha Hess, Senate Counsel
Ms. Raynel Gascon, Senate Fiscal Division

Office of the Commissioner
State of Louisiana
Division of Administration

JOHN BEL EDWARDS
GOVERNOR



JAY DARDENNE
COMMISSIONER OF ADMINISTRATION

May 29, 2019

The Honorable Cameron Henry, Chairman
Joint Legislative Committee on the Budget
Post Office Box 44294, Capitol Station
Baton Rouge, Louisiana 70804

**Re: Reporting of Change Orders over \$50,000 and under \$100,000
Facility Planning and Control**

Dear Chairman Henry:

In accordance with R.S. 39:126 any change order in excess of fifty thousand dollars but less than one hundred thousand dollars shall be submitted to the Joint Legislative Committee on the Budget for review but shall not require committee approval. Pursuant to this authority Facility Planning and Control has issued change orders that are itemized on the attached list.

Please place this item on the agenda of the next meeting of the Committee.

Sincerely,



Mark A. Moses
Director



Jay Dardenne
Commissioner of Administration



MAM/kh

CC: Mr. Mark Gates, FPC
Mr. Stephen Losavio, FPC
Ms. Lisa Smeltzer, FPC
Ms. Sue Gerald, FPC
Ms. Ternisa Hutchinson, OPB
Mr. Barry Duse, OPB
Mr. Samuel Roubique, OPB
Mr. Paul Fernandez, OPB
Ms. Jane Schoen, House Fiscal Division
Ms. Linda Hopkins, House Fiscal Division
Ms. Ashley Albritton, House Fiscal Division
Ms. Martha Hess, Senate Counsel
Ms. Raynel Gascon, Senate Fiscal Division

1. **Rockefeller Refuge Fish Lab Complex**
Department of Wildlife and Fisheries
Grand Chenier, Louisiana
Project No. 01-107-05B-13, Part LX; WBS F.01000609

State ID: New

Site Code: 5-12-001

Date of Contract: March 3, 2017

Original Contract Amount:

\$6,159,000.00

Changes by previous Change Orders:

\$ -48,835.47

Change Order 1: \$ -73,253.00 (03/03/17)

Change Order 2: \$ 9,528.00 (06/23/17)

Change Order 3: \$ 10,794.88 (10/19/17)

Change Order 4: \$ -2,700.00 (05/22/18)

Change Order 5: \$ 4,515.79 (06/06/18)

Change Order 6: \$ 657.12 (09/25/18)

Change Order 7: \$ 1,727.19 (11/01/18)

Change Order 8: \$ 294.55 (12/07/18)

Contract amount increased by Change Order 9:

\$ 99,000.00 (04/22/19)

New contract sum:

\$6,209,564.53

Change Order 9 increases the contract amount in order to provide an additional 205 linear feet of steel sheet pile shoreline protection and associated earthwork along the northern edge of the site adjacent to the new mooring pier/boathouse. This is a FEMA funded Hurricane Rita Project, supplemented by Department of Wildlife and Fisheries conservation funds. There are sufficient contingency funds to cover these project costs.

MANAGED CARE INCENTIVE PAYMENT PROGRAM

➤ What is MCIP?

State option under federal regulation

The Managed Care Incentive Payment (MCIP) program is a new addition to LDH's Healthy Louisiana Managed Care Organization (MCO) contracts. It leverages federal regulations¹ allowing State Medicaid programs to include incentive arrangements in MCO contracts.

➤ What is an incentive arrangement?

Payment mechanism to support Louisiana Medicaid's quality strategy

An incentive arrangement is a payment mechanism under which an MCO may receive additional funds over and above the capitation rates it was paid for meeting targets specified in the contract. Consistent with federal regulations, the LDH MCO contract requires that an incentive arrangement:

- Is for a fixed period of time and performance is measured during the rating period under the contract in which the incentive payment is applied;
- Is not to be renewed automatically;
- Is made available to both public and private contractors under the same terms of performance;
- Does not condition MCO participation in the incentive arrangement on the MCO entering into or adhering to intergovernmental transfer (IGT) agreements; and,
- Is necessary for the specified activities, targets, performance measures, or quality-based outcomes that support program initiatives as specified in the State's quality strategy.²

Incentive arrangements may provide for payment up to 105 percent of the capitation rate attributable to the enrollees or services covered by the incentive arrangement.

➤ Who can participate in MCIP?

MCO can choose whether to participate in MCIP or contract with third parties for assistance

MCIP participation is voluntary for Healthy Louisiana MCOs. Each MCO has the right to determine whether to participate in one or more incentive arrangements. A participating MCO may contract with one or more third parties to assist in the achievement of incentive arrangement activities, targets, performance measures, or quality-based outcomes.

➤ How will incentive arrangement offerings be determined?

LDH will determine incentive arrangement offerings in consideration of stakeholder input

LDH will determine the incentive arrangements available to MCOs for MCIP participation. Incentive arrangements will specify the activities, targets, performance measures, or quality-based outcomes to be achieved by the MCO, consistent with the State's Medicaid quality strategy. LDH will solicit input from diverse stakeholders for consideration in its decision making on incentive arrangement offerings.

➤ When will MCIP begin?

The effective date of the Healthy Louisiana contract amendment adding MCIP is February 1, 2018. However, LDH anticipates a begin date of January 1, 2019 for the MCIP program, following CMS approval of the contract amendment and LDH approval of incentive arrangement offerings.

¹ 42 CFR 438.6(b)(2)

² See back page for summary table of current Healthy Louisiana quality strategy measures.

LOUISIANA MEDICAID QUALITY STRATEGY MEASURES

POPULATION HEALTH

- Ambulatory Care – ED Visits
- Adherence to Antipsychotic Medications for Individuals with Schizophrenia
- Adult BMI Assessment
- Antidepressant Medication Management
- Cervical Cancer Screening
- Asthma Medication Ratio
- Flu Vaccinations for Adults Ages 18 to 64
- Medical Assistance with Smoking and Tobacco Use Cessation
- Medication Management for People with Asthma
- Colorectal Screening
- Diabetes Screening for People with Schizophrenia or Bipolar who are using Antipsychotic Medications
- Statin Therapy for Patients with Cardiovascular Disease
- Plan All-Cause Readmissions
- Adults' Access to Preventive/Ambulatory Health Services
- COPD and Asthma in Older Adults Admission Rate
- Asthma in Younger Adults Admission Rate
- CAHPS Health Plan Survey 5.0H, Adult (Rating of Health Plan, 8+9+10)

MATERNAL + POPULATION HEALTH

- Chlamydia Screening in Women

SENIOR CARE

- Breast Cancer Screening

CHILDREN'S HEALTH

- Childhood Immunization Status
- Adolescent Well Care Visit
- Follow-up Care for Children Prescribed ADHD Medication – Initiation Phase
- Follow-up Care for Children Prescribed ADHD Medication – Continuation Phase
- Well-Child Visits in the First 15 Months of Life - Six or more well-child visits.
- Well-Child Visits in the Third, Fourth, Fifth and Sixth Years of Life
- Weight Assessment and Counseling for Nutrition and Physical Activity for Children/ Adolescents: Body Mass Index Assessment for Children/ Adolescents
- Child and Adolescents' Access to Primary Care Practitioners
- CAHPS Health Plan Survey 5.0H, Child (Rating of Health Plan-General Population, 8+9+10)

MATERNAL HEALTH

- Prenatal and Postpartum Care – Timeliness of Prenatal Care
- Prenatal and Postpartum Care – Postpartum Care (PPC Numerator 2)
- Elective Delivery
- Contraceptive Care – Postpartum (ages 15-20)
- Contraceptive Care – Postpartum (ages 21-44)

CHILDREN'S + MATERNAL HEALTH

- Initiation of Injectable Progesterone for

Preterm Birth Prevention

- Percentage of Low Birth Weight Births
- Cesarean Rate for Low-Risk First Birth Women

CHRONIC DISEASE

- Controlling High Blood Pressure – Total
- Comprehensive Diabetes Care - Hemoglobin A1c (HbA1c) testing
- Comprehensive Diabetes Care - Eye exam (retinal) performed
- Comprehensive Diabetes Care - Medical Attention for Nephropathy
- Annual Monitoring for Patients on Persistent Medications
- Comprehensive Diabetes Care - HbA1c poor control (>9.0%)
- Comprehensive Diabetes Care - HbA1c control (<8.0%)
- Comprehensive Diabetes Care - BP control (<140/90 mm Hg)
- Diabetes Short Term Complications Admission Rate
- Heart Failure Admission Rate
- HIV Viral Load Suppression

BEHAVIORAL HEALTH

- Follow-up After Hospitalization for Mental Illness – Within 30 Days of Discharge
- Follow-Up After Hospitalization for Mental Illness - Within 7 days of discharge

Medicaid Managed Care Quality Incentive Program

Response to HR 252 of the 2018 Regular Legislative Session

Prepared by:

Louisiana Department of Health

Bureau of Health Services Financing

Version 1.0

December 1, 2018



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1 Introduction

This report is prepared in response to House Resolution 252 (HR 252), requesting the Louisiana Department of Health (LDH) to require all Medicaid managed care organizations (MCOs) to participate in its quality incentive program, known as the Managed Care Incentive Payment (MCIP) Program. Specifically, this resolution:

1. Urges and requests LDH to require all Medicaid MCOs to participate in the quality incentive program;
2. Urges and requests that all hospitals have the opportunity to contract with Medicaid MCOs to meet quality improvement standards applied uniformly to receive quality incentive payments;
3. Urges and requests LDH to require the MCOs to report to the department the following:
 - a. Their quality incentive criteria;
 - b. How those criteria will improve the quality of care for Medicaid recipients;
 - c. How costs will be reduced;
 - d. What efforts were made to allow all hospitals to participate;
 - e. Which hospitals the managed care plans have enrolled or plan to enroll in their quality incentive programs; and
 - f. The amount of incentive payments expected to be made to each hospital.
4. Urges and requests LDH to provide a copy of these reports to the House Committee on Appropriations on or before December 1, 2018 and;
5. Urges and requests LDH to require the MCOs to provide testimony explaining their quality incentive programs at a meeting of the House Committee on Appropriations or the Joint Legislative Committee on the Budget prior to the implementation of any quality incentive program.¹

The full text of HR 252 can be found in Appendix A and also at www.legis.la.gov.

As the administrator of the MCIP program, including the establishment of the program's quality incentive criteria, LDH's submission of this report will serve to fulfill the requests of this resolution in lieu of individual reports from MCOs and will address the above mentioned items 1-4. As such, LDH will provide testimony in December 2018 to the Joint Legislative Committee on the Budget on this program per item 5 above.

2 About the MCIP Program

The MCIP program is designed to provide incentive payments to Medicaid MCOs for achieving quality reforms that increase access to health care, improve the quality of care, and/or enhance the health of members the MCOs serve.

¹ House Resolution 252 of the 2018 Regular Legislative Session.
<http://www.legis.la.gov/legis/ViewDocument.aspx?d=1099289>
Accessed November 27, 2018. Full text available in Appendix A.

LDH established the opportunity for all Medicaid MCOs to participate in the MCIP program through an amendment to its Medicaid managed care contracts (refer to Appendix B for the contract language). The effective date of the contract amendment adding the MCIP program was February 1, 2018. However, LDH anticipates a 2019 start date, following approval from the Centers for Medicare and Medicaid Services (CMS) of the contract amendment. The contract amendment was submitted to CMS on June 13, 2018 and is now under review by the federal Office of the Actuary. LDH anticipates approval of the amendment but the timeline is uncertain as of the publishing of this report.

The MCIP program leverages federal regulations² allowing State Medicaid Programs to include incentive arrangements in MCO contracts. An incentive arrangement is a payment mechanism under which an MCO may receive additional funds over and above the capitation rate it was paid in exchange for meeting targets specified in the contract. Consistent with federal regulations, the LDH MCO contracts requires that an incentive arrangement:

- Is for a fixed period of time and performance is measured during the rating period under the contract in which the incentive payment is applied;
- Is not to be renewed automatically;
- Is made available to both public and private contractors under the same terms of performance;
- Does not condition MCO participation in the incentive arrangement on the MCO entering into or adhering to intergovernmental transfer (IGT) agreements; and,
- Is necessary for the specified activities, targets, performance measures, or quality-based outcomes that support program initiatives as specified in the State's quality strategy (see Appendix C).

Incentive arrangements may provide for payment up to 105 percent of the capitation rate attributable to the enrollees or services covered by the incentive arrangement.

2.1 Quality Incentive Criteria

LDH, based on its evaluation of the Louisiana Medicaid program and the State's quality strategy, will establish Approved Incentive Arrangements (AIA) for the MCIP program. Each AIA will contain:

- A description of the goal(s);
- Information identifying the targeted patient population(s) and proposed intervention strategy(ies);
- Annual milestones that must be achieved in order for MCOs to be eligible to retain the incentive payments; and,
- The fixed term of the AIA.

Current AIAs focus on increasing members' access to primary health care, improving health outcomes for pregnant women and babies and members diagnosed with chronic conditions, and reducing inefficiencies and costs in the Medicaid delivery system by reducing avoidable health care service utilization, promoting evidence-based practices, and reducing low-value care. Refer to Appendix D for a summary of the current AIAs, goals and activities.

² 42 CFR 438.6(b)(2)

2.2 Participation in the MCIP Program

2.2.1 MCO Participation

The MCIP program is a voluntary program available to all Medicaid MCOs. Per the MCO contracts (as amended and subject to CMS approval), each MCO has the right to determine whether to participate in one or more of the LDH AIAs, allowing MCOs the opportunity to assess their readiness and capacity to participate in any AIA. At an MCO's sole discretion, a participating MCO may contract with one or more third parties to assist in its achievement of the AIAs.

2.2.2 Hospital Participation

LDH afforded all hospitals the opportunity to participate in the MCIP program. In collaboration with the Louisiana Hospital Association and Rural Hospital Coalition, LDH made all relevant materials about the program available to hospitals for consideration. To streamline MCO contracting, two networks have formed to contract with hospitals wishing to participate in the MCIP program: Quality and Outcome Improvement Network and Louisiana Quality Network. Refer to Appendix E for a preliminary list of hospitals anticipated to contract with one of these networks as of the date of this report. Contracting is currently underway between a) MCOs and networks and b) networks and hospitals.

2.3 Incentive Payments

MCOs will receive incentive payments for only those AIAs in which they choose to participate and for which they achieve the specified activities, targets, performance measures, or quality-based outcomes identified in the AIA. Failure to achieve these activities, targets, performance measures, or quality-based outcomes will reduce the amount of incentive payments.

LDH will make incentive payments to MCOs for achievement of the specified activities, targets, performance measures, or quality-based outcomes identified in the AIA. MCOs will pay contracted networks and networks will pay contracted hospitals, each for their contribution to the outcomes that merited incentive payments to the MCO.

The total payment value for all AIAs will comply with federal regulatory payment limits at 42 CFR 438.6(b).

Appendix A: HR 252

2018 Regular Session

HOUSE RESOLUTION NO. 252

BY REPRESENTATIVE BACALA

MEDICAID: Requests the La. Department of Health to require all Medicaid managed care plans to participate in the quality incentive program

A RESOLUTION

To urge and request the Louisiana Department of Health to require all Medicaid managed care plans to participate in the quality incentive program.

WHEREAS, the total funding appropriated for the Louisiana Medicaid program for State Fiscal Year 2017-2018 was over twelve billion dollars; and

WHEREAS, within this amount, the total funding appropriated for private providers was over ten billion dollars; and

WHEREAS, the Louisiana Department of Health, referred to hereafter as the "department", allocated nearly eight billion dollars of its 2017-2018 private provider funding to Medicaid managed care plans; and

WHEREAS, the department has indicated a need for an appropriation of at least twelve billion dollars to operate the Medicaid program in State Fiscal Year 2018-2019; and

WHEREAS, during the course of this 2018 Regular Session, department officials have testified that up to four hundred million dollars may be added to the managed care budget for a quality incentive program; and

WHEREAS, the department has provided few details on the quality incentive program and department officials have given little indication that input on the proposed program would be sought from hospitals or the public; and

WHEREAS, department officials have testified that the quality incentive program would be developed, implemented, and administered by the Medicaid managed care plans through general instructions by the department to be contained in amendments to the state's contracts with the managed care plans; and

WHEREAS, the legislature intends that improving the quality of health care for Medicaid recipients should be an urgent priority of the Louisiana Medicaid program, and that Medicaid quality incentive program criteria should apply to all Medicaid managed care plans and incentive payments to all hospitals that meet the requisite performance criteria.

THEREFORE, BE IT RESOLVED that the House of Representatives of the Legislature of Louisiana does hereby urge and request the Louisiana Department of Health to require all Medicaid managed care plans to participate in the quality incentive program.

BE IT FURTHER RESOLVED that the House of Representatives hereby urges and requests that all hospitals have the opportunity to contract with Medicaid managed care plans to meet quality improvement standards applied uniformly to receive quality incentive payments.

BE IT FURTHER RESOLVED that the House of Representatives hereby urges and requests the Louisiana Department of Health to require the managed care plans to report to the department their quality incentive criteria, how those criteria will improve the quality of care for Medicaid recipients, how costs will be reduced, what efforts were made to allow all hospitals to participate, which hospitals the managed care plans have enrolled or plan to enroll in their quality incentive programs, and the amount of incentive payments expected to be made to each hospital.

BE IT FURTHER RESOLVED that the House of Representatives hereby urges and requests the Louisiana Department of Health to provide to the House Committee on Appropriations, on or before December 1, 2018, a copy of the managed care plans' reports to the department called for in this Resolution.

BE IT FURTHER RESOLVED that the House of Representatives hereby urges and requests the Louisiana Department of Health to require the managed care plans to provide testimony explaining their quality incentive programs at a meeting of the House Committee on Appropriations or the Joint Legislative Committee on the Budget prior to the implementation of any quality incentive program.

BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to the governor and to the secretary of the Louisiana Department of Health.

Appendix B: MCO MCIP Contract Language

- 5.18. Voluntary Managed Care Incentive Program
- 5.18.1 Effective February 1, 2018, LDH may make incentive payments up to 5 percent, in total, above the approved capitation payments attributable to the enrollees or services covered by the Approved Incentive Arrangements, as defined in LDH's MCIP Protocol, implemented by LDH. These incentive payments will support the activities, targets, performance measures, or quality-based outcomes specified in LDH's quality strategy.
- 5.18.2 Each MCO has the right to determine whether to participate in one or more of the Approved Incentive Arrangements implemented by LDH. The MCO will receive incentive payments under this Section 5.18 for only those Approved Incentive Arrangements in which it participates. At MCO's sole discretion, a participating MCO may contract with one or more third parties to assist in its achievement of those Approved Incentive Arrangements, including specific provisions pertaining to the rights and obligations of the MCO and such third parties; eligibility for participation; payment amount and timing; recovery of payments (including the amount, time and manner/method); and other such terms particular to that Approved Incentive Arrangement as mutually agreed upon in the contract between MCO and such third party.
- 5.18.3 LDH will, for each Approved Incentive Arrangement to be implemented, specify the activities, targets, performance measures, or quality-based outcomes to be achieved and how each will be evaluated. LDH will not implement any Approved Incentive Arrangement that is not consistent with the Code of Federal Regulations 438.6 (b) (2) and this Section 5.18, including:
- 5.18.3.1 Approved Incentive Arrangements will be for a fixed period of time and performance will be measured during the rating period under the Contract in which the Approved Incentive Arrangement is applied.
- 5.18.3.2 Approved Incentive Arrangements will not be renewed automatically.
- 5.18.3.3 Approved Incentive Arrangements will be made available to both public and private contractors under the same terms of performance.
- 5.18.3.4 Neither an MCO's participation in the managed care incentive program, nor any Approved Incentive Arrangement, will be conditioned on the MCO entering into or adhering to an intergovernmental transfer agreement.
- 5.18.4 Each Approved Incentive Arrangement shall define the quality strategy objectives.
- 5.18.5 For each measurement year ending on or after December 31, 2018, LDH will evaluate performance relative to the specified activities, targets, performance measures, or quality-based outcomes to be achieved for the Approved Incentive Arrangement for that measurement year. LDH's evaluation will be based on documentation, submitted by the MCO, reflecting performance.

LDH shall timely notify the MCO regarding achievement for the specified activities, targets, performance measures or quality-based outcomes for the Approved Incentive Arrangement for that measurement year. In the event LDH finds a deficiency, LDH will notify the MCO of its findings, including the portion of the incentive payments made attributable to such deficiency. Upon request of MCO, LDH may defer recoupment, and MCO and LDH may confer regarding LDH's findings, proposed action and opportunity for cure. Upon final determination by LDH, which shall be final and not subject to appeal, LDH may recoup from the MCO the portion of the incentive payments made attributable to any uncured deficiency. All LDH recoupments made from MCOs pursuant to this Section 5.18 shall be made in accordance with the recoupment terms established by LDH, which terms shall be provided to MCO in writing at least thirty days in advance of LDH recoupment from the MCOs.

- 5.18.6 An MCO choosing to participate in Approved Incentive Arrangements implemented under this Section 5.18 shall ensure that any contracts the MCO may have with any third party to fulfill the obligations under this Section 5.18 contain provisions clearly providing for the MCO's right of recovery in situations whereby LDH recoups MCIP payments from the MCO. An MCO's activities to recover such payments, through recoupment, withhold or otherwise, are not subject to the prior notification under Section 15.1.17, or any other notice and reporting obligation set forth in this Contract unless otherwise required by the terms of recoupment specified by LDH under section 5.18.5.
- 5.18.7 An MCO's participation in one or more Approved Incentive Arrangements shall have no impact on the MCO's rights or obligations under this Contract, except as it relates specifically to the MCIP Program. An MCO's participation in an Approved Incentive Arrangement does not represent a binding obligation on the MCO to achieve the approved targeted health outcomes, and failure to achieve such outcomes shall not be considered a breach of this Contract. Further, except for recoupment of MCIP payments, either directly or via offset, no penalty shall be applied for failure to achieve targeted outcomes. The aforementioned penalty limitation shall not apply to instances of MCO's fraudulent conduct. In the event of a conflict with other terms of this Contract, the provisions of this Section 5.18 and LDH's MCIP Protocol shall prevail.

Appendix C: Louisiana Medicaid Quality Strategy Measures

Identifier	Measure	Measure Description	Measure Steward	Federal Reporting Program	Target Population	Condition	Specification Source	2019 (2018 data measurement year) and Subsequent Years Target for Improvement
PTB \$\$	Initiation of Injectable Progesterone for Preterm Birth Prevention	The percentage of women 15-45 years of age with evidence of a previous preterm singleton birth event (24-36 weeks completed gestation) who received one or more progesterone injections between the 16th and 24th week of gestation for deliveries during the measurement year.	State	None	Children's and Maternal Health	Perinatal and Reproductive Health	Section V	20.65
AWC \$\$	Adolescent Well Care Visit	The percentage of enrolled members 12-21 years of age who had at least one comprehensive well-care visit with a PCP or OB/GYN practitioner during the measurement year.	NCQA	CHIPRA	Children's Health	Utilization	HEDIS	NCQA Quality Compass Medicaid National 50th percentile [All LOBs (Excluding PPOs and EPOs): Average] for the year prior to the measurement year
ADD \$\$	Follow-up Care for Children Prescribed ADHD Medication-Initiation Phase	The percentage of children 6-12 years of age as of the index period start date with a newly prescribed ambulatory prescription dispensed for attention-deficit /hyperactivity disorder (ADHD) medication, who had one follow-up visit with a practitioner with prescribing authority during the 30-day Initiation Phase.	NCQA	CHIPRA, MU2	Children's Health	Behavioral Health	HEDIS	NCQA Quality Compass Medicaid National 50th percentile [All LOBs (Excluding PPOs and EPOs): Average] for the year prior to the measurement year

Identifier	Measure	Measure Description	Measure Steward	Federal Reporting Program	Target Population	Condition	Specification Source	2019 (2018 data measurement year) and Subsequent Years Target for Improvement
ADD \$\$	Follow-up Care for Children Prescribed ADHD Medication-Continuation Phase	The percentage of children 6-12 years of age as of the index period start date with a newly prescribed ambulatory prescription dispensed for attention-deficit /hyperactivity disorder (ADHD) medication, who remained on the medication for at least 210 days and who, in addition to the visit in the Initiation Phase, had at least two follow-up visits with a practitioner within 270 days (9 months) after the Initiation Phase ended.	NCQA	CHIPRA, MU2	Children's Health	Behavioral Health	HEDIS	NCQA Quality Compass Medicaid National 50th percentile [All LOBs (Excluding PPOs and EPOs): Average] for the year prior to the measurement year
AMB-ED \$\$	Ambulatory Care-ED Visits	This measure summarizes utilization of ambulatory care ED Visits per 1,000 member months.	NCQA	CHIPRA	Population Health	Utilization	HEDIS	NCQA Quality Compass Medicaid National 50th percentile [All LOBs (Excluding PPOs and EPOs): Average] for the year prior to the measurement year
PPC \$\$	Prenatal and Postpartum Care - Timeliness of Prenatal Care	The percentage of deliveries of live births on or between November 6 of the year prior to the measurement year and November 5 of the measurement year that received a prenatal care visit as a member of the organization in the first trimester, on the enrollment start date or within 42 days of enrollment in the organization.	NCQA	MEDICAID ADULT	Maternal Health	Perinatal and Reproductive Health	HEDIS	NCQA Quality Compass Medicaid National 50th percentile [All LOBs (Excluding PPOs and EPOs): Average] for the year prior to the measurement year

Identifier	Measure	Measure Description	Measure Steward	Federal Reporting Program	Target Population	Condition	Specification Source	2019 (2018 data measurement year) and Subsequent Years Target for Improvement
PPC \$\$	Prenatal and Postpartum Care – Postpartum Care (PPC Numerator 2)	The percentage of deliveries that had a postpartum visit on or between 21 and 56 days after delivery.	NCQA	MEDICAID ADULT	Maternal Health	Perinatal and Reproductive Health	HEDIS	NCQA Quality Compass Medicaid National 50th percentile [All LOBs (Excluding PPOs and EPOs): Average] for the year prior to the measurement year
FUH \$\$	Follow-Up After Hospitalization for Mental Illness - Within 30 days of discharge	The percentage of discharges for members 6 years of age and older who were hospitalized for treatment of selected mental illness diagnoses and who had a follow-up visit with a mental health practitioner within 30 days of discharge.	NCQA	MEDICAID ADULT	Behavioral Health	Behavioral Health	HEDIS	NCQA Quality Compass Medicaid National 50th percentile [All LOBs (Excluding PPOs and EPOs): Average] for the year prior to the measurement year
CBP \$\$	Controlling High Blood Pressure - Total	The percentage of members 18-85 years of age who had a diagnosis of hypertension (HTN) and whose blood pressure (BP) was adequately controlled (<140/90) during the measurement year based on the following criteria: <ul style="list-style-type: none"> Members 18-59 whose BP was <140/90 Members 60-85 with diagnosis of diabetes who BP was 150-90 Members 60-85 without a diagnosis of diabetes whose BP was 150/90 	NCQA	MEDICAID ADULT, MU2, CMS HEALTH HOMES	Chronic Disease	Cardiovascular Care	HEDIS	NCQA Quality Compass Medicaid National 50th percentile [All LOBs (Excluding PPOs and EPOs): Average] for the year prior to the measurement year

Identifier	Measure	Measure Description	Measure Steward	Federal Reporting Program	Target Population	Condition	Specification Source	2019 (2018 data measurement year) and Subsequent Years Target for Improvement
CDC §§	Comprehensive Diabetes Care - Hemoglobin A1c (HbA1c) testing	The percentage of members 18-75 years of age with diabetes (type 1 and type 2) with a Hemoglobin A1c (HbA1c) test.	NCQA	MEDICAID ADULT	Chronic Disease	Diabetes	HEDIS	NCQA Quality Compass Medicaid National 50th percentile [All LOBs (Excluding PPOs and EPOs): Average] for the year prior to the measurement year
CDC §§	Comprehensive Diabetes Care - Eye exam (retinal) performed	The percentage of members 18-75 years of age with diabetes (type 1 and type 2) with an eye exam (retinal) performed.	NCQA	MEDICAID ADULT	Chronic Disease	Diabetes	HEDIS	NCQA Quality Compass Medicaid National 50th percentile [All LOBs (Excluding PPOs and EPOs): Average] for the year prior to the measurement year
CDC §§	Comprehensive Diabetes Care - Medical attention for nephropathy	The percentage of members 18-75 years of age with diabetes (type 1 and type 2) with medical attention for nephropathy.	NCQA	CHIPRA	Chronic Disease	Diabetes	HEDIS	NCQA Quality Compass Medicaid National 50th percentile [All LOBs (Excluding PPOs and EPOs): Average] for the year prior to the measurement year

Identifier	Measure	Measure Description	Measure Steward	Federal Reporting Program	Target Population	Condition	Specification Source	2019 (2018 data measurement year) and Subsequent Years Target for Improvement
W15 \$\$	Well-Child Visits in the First 15 Months of Life - Six or more well-child visits.	The percentage of members who turned 15 months old during the measurement year and who had six or more well-child visits with a PCP during their first 15 months of life.	NCQA	CHIPRA	Children's Health	Utilization	HEDIS	NCQA Quality Compass Medicaid National 50th percentile [All LOBs (Excluding PPOs and EPOs): Average] for the year prior to the measurement year
W34 \$\$	Well-Child Visits in the Third, Fourth, Fifth and Sixth Years of Life	The percentage of members 3-6 years of age who had one or more well-child visits with a PCP during the measurement year.	NCQA	CHIPRA	Children's Health	Utilization	HEDIS	NCQA Quality Compass Medicaid National 50th percentile [All LOBs (Excluding PPOs and EPOs): Average] for the year prior to the measurement year
CPA \$\$	CAHPS Health Plan Survey 5.OH, Adult (Rating of Health Plan, 8+9+10)	This measure provides information on the experiences of Medicaid members with the organization and gives a general indication of how well the organization meets members' expectations.	NCQA	MEDICAID ADULT	Adult	Member Satisfaction	HEDIS	NCQA Quality Compass Medicaid National 50th percentile [All LOBs (Excluding PPOs and EPOs): Average] for the year prior to the measurement year

Identifier	Measure	Measure Description	Measure Steward	Federal Reporting Program	Target Population	Condition	Specification Source	2019 (2018 data measurement year) and Subsequent Years Target for Improvement
CPC \$\$	CAHPS Health Plan Survey 5.0H, Child (Rating of Health Plan-General Population, 8+9+10)	This measure provides information on parents' experience with their child's Medicaid organization.	NCQA	MEDICAID, CHIPRA	Child	Member Satisfaction	HEDIS	NCQA Quality Compass Medicaid National 50th percentile [All LOBs (Excluding PPOs and EPOs): Average] for the year prior to the measurement year

Identifier	Measure	Measure Description	Measure Steward	Federal Reporting Program	Target Population	Condition	Specification Source
HEDIS Measures							
CIS	Childhood Immunization Status	The percentage of children 2 years of age who had four diphtheria, tetanus and acellular pertussis (DTaP); three polio (IPV); one measles, mumps and rubella (MMR); three haemophilus influenza type B (HiB); three hepatitis B (HepB), one chicken pox (VZV); four pneumococcal conjugate (PCV); one hepatitis A (HepA); two or three rotavirus (RV); and two influenza (flu) vaccines by their second birthday. The measure calculates a rate for each vaccine and nine separate combination rates.	NCQA	CHIPRA, MU2	Children's Health	Prevention	HEDIS
IMA	Immunization Status for Adolescents	Percentage of adolescents that turned 13 years old during the measurement year and had specific vaccines by their 13th birthday. Report all individual vaccine numerators and combinations.	NCQA	CHIPRA	Children's Health	Prevention	HEDIS

Identifier	Measure	Measure Description	Measure Steward	Federal Reporting Program	Target Population	Condition	Specification Source
WCC	Weight Assessment and Counseling for Nutrition and Physical Activity for Children/ Adolescents: Body Mass Index Assessment for Children/ Adolescents	Percentage of children ages 3 to 17 that had an outpatient visit with a primary care practitioner (PCP) or obstetrical/ gynecological (OB/GYN) practitioner and whose weight is classified based on body mass index percentile for age and gender. The percentage of children ages 3 to 17 that had an outpatient visit with a primary care practitioner (PCP) or obstetrical/ gynecological (OB/GYN) practitioner, with evidence of : <ul style="list-style-type: none"> • BMI percentile documentation • Counseling for nutrition • Counseling for physical activity 	NCQA	CHIPRA, MU2	Children's Health	Prevention	HEDIS
SAA	Adherence to Antipsychotic Medications for Individuals with Schizophrenia	The measure calculates the percentage of individuals 19 years of age or greater as of the beginning of the measurement year with schizophrenia or schizoaffective disorder who are prescribed an antipsychotic medication, with adherence to the antipsychotic medication [defined as a Proportion of Days Covered (PDC)] of at least 0.8 during the measurement year (12 consecutive months).	NCQA	MEDICAID ADULT	Population Health	Behavioral Health	HEDIS
MPM	Annual Monitoring for Patients on Persistent Medications	The percentage of members 18 years of age and older who received at least 180 treatment days of ambulatory medication therapy for a select therapeutic agent during the measurement year and at least one therapeutic monitoring event for the therapeutic agent in the measurement year. For each product line, report each of the four rates separately and as a total rate.	NCQA	MEDICAID ADULT	Chronic Disease	Prevention	HEDIS

Identifier	Measure	Measure Description	Measure Steward	Federal Reporting Program	Target Population	Condition	Specification Source
ABA	Adult BMI Assessment	The percentage of members 18-74 years of age who had an outpatient visit and whose body mass index (BMI) was documented during the measurement or the year prior to the measurement year.	NCQA	MEDICAID ADULT, CMS HEALTH HOMES	Population Health	Prevention	HEDIS
AMM	Antidepressant Medication Management	The percentage of members 18 years of age and older with a diagnosis of major depression and were newly treated with antidepressant medication, and who remained on an antidepressant medication treatment. Two rates are reported.	NCQA	MEDICAID ADULT, MU2	Population Health	Behavioral Health	HEDIS
CCS	Cervical Cancer Screening	Percentage of women 21–64 years of age who were screened for cervical cancer: <ul style="list-style-type: none"> • Women 21-64 who had cervical cytology performed every 3 years • Women 30-64 who had cervical cytology/HPV co-testing performed every 5 years 	NCQA	MEDICAID ADULT, MU2	Population Health	Prevention	HEDIS
AMR	Asthma Medication Ratio	The percentage of patients 5–64 years of age who were identified as having persistent asthma and had a ratio of controller medications to total asthma medications of 0.50 or greater during the measurement year.	NCQA	MEDICAID	Population Health	Pulmonary/ Critical Care	HEDIS
FVA	Flu Vaccinations for Adults Ages 18 to 64	The percentage of adults 18 years of age and older who self-report receiving an influenza vaccine within the measurement period.	NCQA	MEDICAID ADULT	Population Health	Prevention	HEDIS/CAHPS

Identifier	Measure	Measure Description	Measure Steward	Federal Reporting Program	Target Population	Condition	Specification Source
MSC	Medical Assistance With Smoking and Tobacco Use Cessation	Assesses different facets of providing medical assistance with smoking and tobacco use cessation. MCOs will report three components (questions): <ul style="list-style-type: none"> • Advising Smokers and Tobacco Users to Quit • Discussing Cessation Medications • Discussing Cessation Strategies 	NCQA	MEDICAID ADULT	Population Health	Prevention	HEDIS/CAHPS
MMA	Medication Management for People with Asthma	The percentage of patients 5-64 years of age during the measurement year who were identified as having persistent asthma and were dispensed appropriate medications that they remained on during the treatment period. Two rates are reported.	NCQA	CHIPRA	Population Health	Pulmonary/ Critical Care	HEDIS
CHL	Chlamydia Screening in Women	The percentage of women 16–24 years of age who were identified as sexually active and who had at least one test for Chlamydia during the measurement year.	NCQA	CHIPRA, MEDICAID ADULT	Population Health, Maternal Health	Perinatal and Reproductive Health, Sexually Transmitted Infectious Diseases	HEDIS
BCS	Breast Cancer Screening	Percentage of women 50-74 years of age who had a mammogram to screen for breast cancer.	NCQA	MEDICAID ADULT, MU2	Senior Care	Prevention	HEDIS

Identifier	Measure	Measure Description	Measure Steward	Federal Reporting Program	Target Population	Condition	Specification Source
CAP	Child and Adolescents' Access to Primary Care Practitioners	Percentage of children ages 12 months – 19 years who had a visit with a PCP. The MCO reports four separate percentages: <ul style="list-style-type: none"> Children 12-24 months and 25 months – 6 years who had a visit with a PCP in the measurement year Children 7-11 years and adolescents 12-19 years who had a visit with a PCP in the measurement year or the year prior to the measurement year. 	NCQA	CHIPRA	Children's Health	Access/ Availability of Care	HEDIS
COL	Colorectal screening	The percentage of members 50-75 years of age who had appropriate screening for colorectal cancer.	NCQA	MEDICAID ADULT	Population Health	Prevention	HEDIS
SSD	Diabetes screening for people with Schizophrenia or Bipolar who are using Antipsychotic medications	The percentage of members 18-64 years of age with schizophrenia or bipolar disorder, who were dispensed an antipsychotic medication and had a diabetes screening test during the measurement year.	NCQA	MEDICAID ADULT	Population Health	Behavioral Health	HEDIS

Identifier	Measure	Measure Description	Measure Steward	Federal Reporting Program	Target Population	Condition	Specification Source
SPC	Statin Therapy for Patients with Cardiovascular Disease	<ul style="list-style-type: none"> The percentage of males 21-75 years of age and females 40-75 years of age during the measurement year, who were identified as having clinical atherosclerotic cardiovascular disease (ASCVD) and who received statin therapy (were dispensed at least one high or moderate-intensity statin medication during the measurement year.) The percentage of males 21-75 years of age and females 40-75 years of age during the measurement year, who were identified as having clinical atherosclerotic cardiovascular disease (ASCVD) and who had statin adherence of at least 80% (who remained on a high or moderate-intensity statin medication for at least 80% of the treatment period.) 	NCQA	MEDICAID ADULT	Population Health	Cardiovascular Care	HEDIS
CDC	Comprehensive Diabetes Care - HbA1c poor control (>9.0%)	The percentage of members 18-75 years of age with diabetes (type 1 and type 2) with HbA1c poor control (>9.0%).	NCQA	MEDICAID ADULT	Chronic Disease	Diabetes	HEDIS
CDC	Comprehensive Diabetes Care - HbA1c control (<8.0%)	The percentage of members 18-75 years of age with diabetes (type 1 and type 2) with HbA1c control (<8.0%).	NCQA	MEDICAID ADULT	Chronic Disease	Diabetes	HEDIS

Identifier	Measure	Measure Description	Measure Steward	Federal Reporting Program	Target Population	Condition	Specification Source
CDC	Comprehensive Diabetes Care - BP control (<140/90 mm Hg).	The percentage of members 18-75 years of age with diabetes (type 1 and type 2) with BP control (<140/90 mm Hg).	NCQA	MEDICAID ADULT	Chronic Disease	Diabetes	HEDIS
PCR	Plan All-Cause Readmissions	For members 18 -64 years of age, the risk-adjusted rate of acute inpatient stays during the measurement year that were followed by an unplanned acute readmission for any diagnosis within 30 days.	NCQA	MEDICAID ADULT	Population Health	All Cause Readmissions	HEDIS
AAP	Adults' Access to Preventive/ Ambulatory Health Services	The percentage of members age 20 years and older who had an ambulatory or preventive care visit during the measurement year. Three age stratifications and a total rate are reported: <ul style="list-style-type: none"> • 20-44 years • 45-64 years • 65 years and older • Total 	NCQA	MEDICAID ADULT	Population Health	Prevention	HEDIS
FUH	Follow-Up After Hospitalization for Mental Illness - Within 7 days of discharge	The percentage of discharges for members 6 years of age and older who were hospitalized for treatment of selected mental illness diagnoses and who had a follow-up visit with a mental health practitioner within 7 days of discharge.	NCQA	CHIPRA	Behavioral Health	Behavioral Health	HEDIS

Identifier	Measure	Measure Description	Measure Steward	Federal Reporting Program	Target Population	Condition	Specification Source
<u>AMB</u>	<u>Ambulatory Care- Outpatient Visits</u>	<u>This measure summarizes utilization of ambulatory care Outpatient Visits per 1,000 member months.</u>	<u>NCQA</u>	<u>MEDICAID</u>	<u>Population Health</u>	<u>Utilization</u>	<u>HEDIS</u>
PQI Measures							
PQI01	Diabetes Short Term Complications Admission Rate	Number of discharges for diabetes short term complications per 100,000 member months per Medicaid enrollees age 18 and older.	AHRQ	MEDICAID ADULT	Chronic Disease	Diabetes	Section V
PQI05	COPD and Asthma in Older Adults Admission Rate	This measure is used to assess the number of admissions for chronic obstructive pulmonary disease (COPD) per 100,000 population. The number of discharges for chronic obstructive pulmonary disease (COPD) or asthma per 100,000 member months for Medicaid enrollees age 40 and older.	AHRQ	MEDICAID ADULT	Population Health	Pulmonary/ Critical Care	Section V
PQI08	Heart Failure Admission Rate	Percent of population with an admissions for heart failure (reported by Recipient Parish). The number of discharges for heart failure per 100,000 member months for Medicaid enrollees age 18 and older (reported by Recipient Parish).	AHRQ	MEDICAID ADULT	Chronic Disease	Cardiovascular Care	Section V

Identifier	Measure	Measure Description	Measure Steward	Federal Reporting Program	Target Population	Condition	Specification Source
PQ15	Asthma in Younger Adults Admission Rate	Admissions for a principal diagnosis of asthma per 100,000 population, ages 18 to 39 years. Excludes admissions with an indication of cystic fibrosis or anomalies of the respiratory system, obstetric admissions, and transfers from other institutions. Number of discharges for asthma per 100,000 member months for Medicaid enrollees ages 18 to 39.	AHRQ	MEDICAID ADULT	Population Health	Pulmonary/ Critical Care	Section V
Vital Record Measures							
LBW	Percentage of low birth weight births	Percentage of live births that weighted less than 2,500 grams in the state during the reporting period.	CDC	CHIPRA, HRSA	Children's and Maternal Health	Perinatal and Reproductive Health	Section V
NQF (PC-01)	Elective Delivery	This measure assesses patients with elective vaginal deliveries or elective cesarean sections at >= 37 and < 39 weeks of gestation completed	TJC	MEDICAID ADULT, MU2	Maternal Health	Perinatal and Reproductive Health	Section V
CMS Measures							
HIV	HIV Viral Load Suppression	Percentage of patients, regardless of age, with a diagnosis of HIV with a HIV viral load less than 200.	HRSA HIV/AIDS Bureau	MEDICAID ADULT	Chronic Disease	HIV	Section V
CCP-CH	Contraceptive Care-Postpartum (ages 15-20)	The percentage of women ages 15-20 who had a live birth and were provided a most or moderately effective method of contraception within 3 and 60 days of delivery. Four rates are reported.	CMS	CHIPRA	Maternal Health	Perinatal and Reproductive Health	OPA

Identifier	Measure	Measure Description	Measure Steward	Federal Reporting Program	Target Population	Condition	Specification Source
CCP-AD	Contraceptive Care-Postpartum (ages 21-44)	The percentage of women ages 21-44 who had a live birth and were provided a most or moderately effective method of contraception within 3 and 60 days of delivery. Four rates are reported.	CMS	MEDICAID ADULT	Maternal Health	Perinatal and Reproductive Health	OPA
NSV	Cesarean Rate for Low-Risk First Birth Women	The percentage of cesareans in live births at or beyond 37.0 weeks gestation to women that are having their first delivery and are singleton (no twins or beyond) and are vertex presentation (no breech or transverse positions).	TJC	CHIPRA	Children's and Maternal Health	Perinatal and Reproductive Health	Section V

Appendix D: Approved Incentive Arrangements, Goals and Activities

Incentive Arrangement: Reduce Inappropriate Emergency Department (ED) Utilization	
Goals	Sample Activities
Identify and remove barriers to care that lead to preventable ED utilization	<ul style="list-style-type: none"> Establish steering committee to guide the effort Select 3 specific types of preventable ED visits to address Identify specific system issues that drive specified types of ED visits
Develop and implement an ED navigation program for people with multiple ED visits	<ul style="list-style-type: none"> Identify high utilizing members Find gaps in care coordination and system navigation Analyze person-level factors such as social determinants of health
Work proactively to establish ED data sharing arrangements	<ul style="list-style-type: none"> Conduct analysis of health information technology capabilities Identify opportunities to integrate shared data into routine clinical care
Incentive Arrangement: Reduce Preventable Hospital Readmissions	
Goals	Sample Activities
Reduce preventable hospital readmissions among priority populations	<ul style="list-style-type: none"> Identify most common conditions associated with hospital readmissions for Louisiana Medicaid members Engage stakeholders to select 3 specific types of conditions to address
Improve transitions of care for all patients	<ul style="list-style-type: none"> Assess effective efforts in other states Develop a protocol to improve specific components of transitions of care, including process measures
Increase access for post-hospitalization primary and specialty care follow-up	<ul style="list-style-type: none"> In collaboration with steering committee, identify access needs in each network market Create and update directories for referrals from the ED or hospital case managers Develop methods to ensure timeliness of care
Incentive Arrangement: Promote Evidence Based Practice and Reduce Low Value Care through Network GME/CME Partnerships	
Goals	Sample Activities
Network Promoted Evidence Based Practice Education	<ul style="list-style-type: none"> Partner with the state to analyze Medicaid claims data to identify opportunities for reducing low value care Investigate focused self-learning (web-based) offerings sponsored by member hospitals' medical staffs
Improve Compliance with Target Guidelines to Reduce Low Value Care	<ul style="list-style-type: none"> Develop indicator metrics for Target Guidelines. Establish data collection methodology for Target Guidelines metrics Establish performance improvement goals Implement clinical programs to reduce low value care in identified target areas (Pilot Programs with MCOs)
Incentive Arrangement: Improve Maternal and Perinatal Outcomes	
Goals	Sample Activities
Risk stratification patients who are at risk for preterm birth	<ul style="list-style-type: none"> Create risk stratification tool that includes certain minimum criteria Develop a method to track risk stratification adherence Pilot the risk stratification tool in certain hospitals
Reduce severe maternal morbidity and relevant	<ul style="list-style-type: none"> All hospitals sign onto the Perinatal Quality Collaborative Reducing Maternal Morbidity Initiative

disparities in pregnant and postpartum women with hemorrhage and hypertension	<ul style="list-style-type: none"> • Stratify all process measures and outcome measures by race/ethnicity to support equity aim • Integrate patient/family advisors into all improvement teams • Pilot a health information exchange in one hospital system linking EDs to prenatal care
Reduce Cesarean rate for low-risk first birth women.	<ul style="list-style-type: none"> • Review and create a timeline for implementing the AIM bundle for reduction of low risk cesarean births • Educate providers and nurses on AIM bundle components • Monitor and address barriers to improvement
Improve breastfeeding rates	<ul style="list-style-type: none"> • Using the Baby-Friendly Ten Steps to Successful Breastfeeding as a guiding principle to develop a breastfeeding policy • Assess requirements for meeting <i>The Gift</i> designation
Incentive Arrangement: Improve Outcomes for Diabetic Members	
Goals	Sample Activities
Increase Hemoglobin A1c (HbA1c) tests for members ages 18-75 with diabetes (type 1 & type 2)	<ul style="list-style-type: none"> • Evaluate accuracy and effectiveness of registries in addressing treatment gaps and improving outcomes • Create and disseminate protocols for network providers to use registries • Conduct education and training of network providers regarding use of registries
Decrease HbA1c poor control for members ages 18-75 with diabetes (type 1 & type 2)	<ul style="list-style-type: none"> • Identify and study root causes of HbA1c poor control in Louisiana Medicaid population • Measure baseline for members ages 18-75 enrolled in the registry with HbA1c poor control
Increase HbA1c control for members ages 18-75 with diabetes (type 1 & type 2)	<ul style="list-style-type: none"> • Create registry with data fields necessary to impact members' HbA1c control and BP control • Launch operational registry at all network providers covering MCO members ages 18-75 with diabetes
Increase diabetic members (type 1 & type 2) ages 18-75 whose blood pressure (BP) was adequately controlled	<ul style="list-style-type: none"> • Identify and study root causes of poor BP control in Louisiana Medicaid population • Enroll in registry MCO members ages 18-75 with diabetes at network providers • Identify and study treatment gaps specific to diabetic patients enrolled in registries
Incentive Arrangement: Improve Outcomes for Members with Hypertension	
Goals	Sample Activities
Increase members ages 18-59 who had a diagnosis of hypertension and whose blood pressure (BP) was adequately controlled	<ul style="list-style-type: none"> • Evaluate accuracy and effectiveness of use of registries in addressing treatment gaps and improving outcomes • Identify and study root causes of poor BP control for members ages 18-59 in Louisiana Medicaid population • Create registry with data fields necessary to impact members' BP control
Increase members ages 60-85 who had a diagnosis of hypertension and whose	<ul style="list-style-type: none"> • Identify and study root causes of poor BP control for members ages 60-85 in Louisiana Medicaid population • Meet with network providers to address technical implementation issues

BP was adequately controlled	<ul style="list-style-type: none"> • Create continuous quality improvement plan, including information identifying project impacts, registry modifications needed, lessons learned, opportunities to scale project to a broader population, and key challenges associated with expansion of project
Incentive Arrangement: Improve Member Health For Members Ages 21 Years Or Younger Through Increased Primary Care Utilization	
Goals	Sample Activities
Increase the number of members who turned 15 months old during the measurement year and who had six or more well-child visits with a primary care provider (“PCP”) during the first 15 months of life	<ul style="list-style-type: none"> • Identify gaps in preventative healthcare services for Louisiana Medicaid members ages 0-21 years based on the American Academy of Pediatrics recommendations • Measure baseline for members who turned 15 months old during the measurement year, who had six or more well-child visits with a network PCP during the first 15 months of life
Increase number of members ages 3-6 years who had one or more well-child visits with a PCP during the measurement year	<ul style="list-style-type: none"> • Identify and test ideas to improve preventative healthcare for members ages 0-21 years in order to comport with AAP recommendations • Measure baseline for members ages 3-6 years who had one or more well-child visits with a network PCP during the measurement year
Increase the number of members ages 12-21 years who had at least one comprehensive well-care visit with a PCP or OB/GYN practitioner during the measurement year	<ul style="list-style-type: none"> • Identify and study root causes for insufficient preventative health care services for Louisiana Medicaid members ages 0-21 years • Measure baseline for members ages 12-21 years who had at least one comprehensive well-care visit with a network PCP or OB/GYN practitioner during the measurement year
Increase the percentage of members ages 3-17 years that had an outpatient visit with a PCP or OB/GYN practitioner, with evidence of: (1) Body Mass Index (“BMI”) percentile documentation by age and gender; (2) counseling for nutrition; and (3) counseling for physical activity	<ul style="list-style-type: none"> • Create and disseminate protocols for network PCPs and OB/GYNs regarding preventative healthcare services for members ages 0-21 years and conduct training and education activities • Analyze methods to improve PCP visits for members ages 0-21 years consistent with AAP recommendations and revise protocols as needed • Increase percentage of network PCPs and OB/GYNs meeting protocol criteria • Measure baseline for members ages 3-17 years that had an outpatient visit with a PCP or OB/GYN practitioner during the measurement year, with evidence of: (1) BMI percentile documentation by age and gender; (2) counseling for nutrition; and (3) counseling for physical activity

Appendix E: Tentative List of MCIP Participating Hospitals (as of November 2018)

Quality and Outcome Improvement Network	Quality and Outcome Improvement Network
Abbeville General Hospital	St Charles Parish Hospital
Abrom Kaplan Memorial	St Martin Hospital
Acadia General Hospital Inc.	St Tammany Parish Hospital
Allen Parish Hospital	Terrebonne General Medical Center
Baton Rouge General Medical Center	Tulane University Hospital
Christus Coushatta Healthcare	University Health Monroe
Christus Health Shreveport-Bo	University Health Shreveport
Christus St Frances Cabrini	University Hospitals & Clinic
Christus St Patrick Hospital	Women and Children's Hospital
DPP-R Abbeville General	Louisiana Quality Network
DPP-R Abrom Kaplan	Assumption Community Hospital
DPP-R Allen Parish Hospital	Beauregard Memorial Hospital
DPP-R Ochsner St Anne General	Children's DPPU
DPP-R St Charles Hospital	Children's Hospital
DPP-U Baton Rouge General	East Jefferson
DPP-U Christus St Patrick	East Jefferson DPPU
DPP-U Glenwood Regional Med	Lake Charles DPPU
DPP-U Leonard J Chabert Med Ctr	Lake Charles Memorial H.
DPP-U Ochsner Foundation Hospital	Lallie Kemp
DPP-U Savoy Medical Center New Hori	Lane Memorial
DPP-U Univ. Health Monroe	New Orleans East Hospital
DPP-U Univ. Health Shreveport	North Oaks (Public)
Glenwood Regional Medical Cen	Our Lady of Angels Hospital
Iberia General Hospital & Med Ctr	Our Lady of Lake
Iberia Rehabilitation Hospital	Our Lady of Lake DPPU
Lafayette General Med Center	Our Lady of Lourdes R.M.C.
Lafayette General Surgical Hospital	Riverside M.C. - Franklinton
Lafayette Surgical Specialty	St. Elizabeth Hospital
Lake Area Medical Center	St. Francis M.C.
Ochsner Medical Center	Thibodaux R.M.C. (Public)
Ochsner Medical Center Baton	Touro Infirmary
Ochsner Medical Center North Shore	University Medical Center
Ochsner Medical Ctr Kenner	University Medical Center DPPU
Ochsner St Anne General Hospital	West Calcasieu Cameron
Pointe Coupee General Hospital	West Jeff DPPU
Rapides Regional Med Center	West Jefferson
Savoy Medical Center	Willis Knighton Medical Center
Slidell Memorial Hospital	Willis Knighton Medical Center DPPU
Southern Regional Medical	WK Bossier
St Bernard Parish Hospital	Woman's Hospital

Louisiana Department of Health

628 North Fourth Street, Baton Rouge, Louisiana 70802

(225) 342-9500

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STATE OF LOUISIANA
DIVISION OF ADMINISTRATION
OFFICE OF GROUP BENEFITS



Office of Group Benefits
Capitated Primary Care Contract Overview
May 16, 2019

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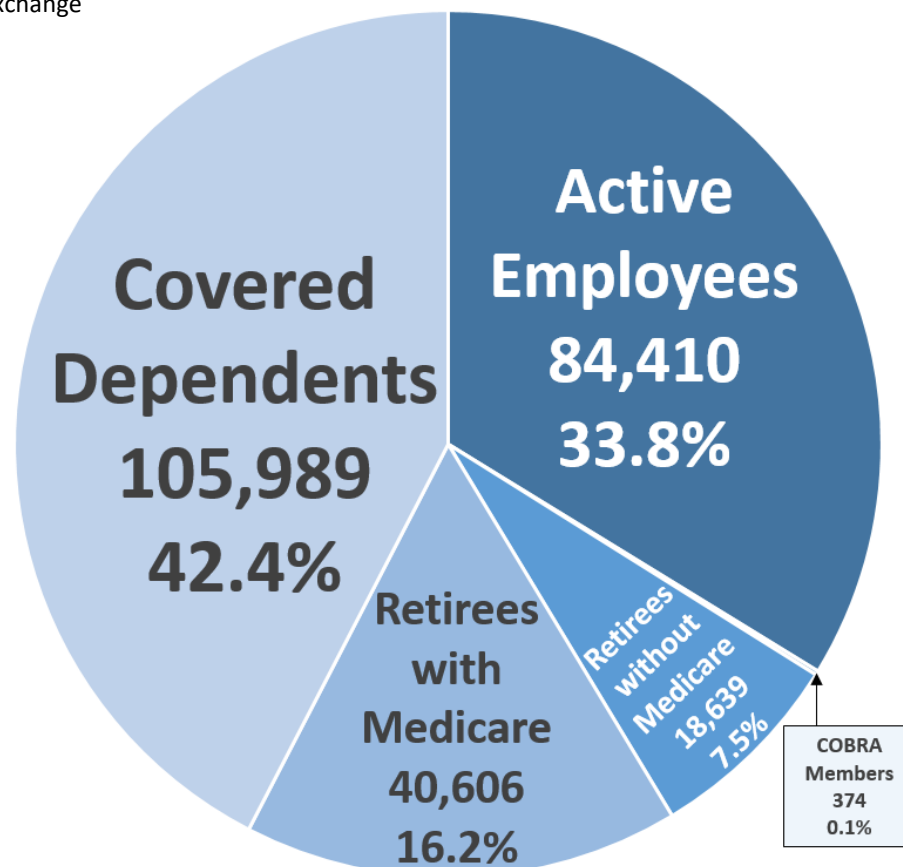
Office of Group Benefits

FY 2019 Membership Overview as of May 13, 2019

State-sponsored Health Plan	Enrollee Count	Dependent Count	Total Membership	%
Magnolia Open Access	26,046	10,202	36,248	14.5%
Magnolia Local	688	402	1,090	0.4%
Magnolia Local Plus	89,426	74,632	164,058	65.6%
Pelican HRA1000	4,218	3,009	7,227	2.9%
Pelican HSA775	4,242	3,595	7,837	3.1%
Vantage MHHP	3,956	3,815	7,771	3.1%
Via Benefits*	607	139	746	0.3%
Humana HMO (MA)	55	9	64	0.0%
Blue Advantage HMO (MA)	168	49	217	0.1%
Peoples Health HMO-POS (MA)	1,813	446	2,259	0.9%
Vantage Premium (MA)	429	123	552	0.2%
Vantage Standard (MA)	727	151	878	0.4%
Vantage Basic (MA)	69	16	85	0.0%
LSU Health Option 1	9,557	8,872	18,429	7.4%
LSU Health Option 3	1,838	719	2,557	1.0%
Total:	143,839	106,179	250,018	100.0%

MA = Medicare Advantage Plan

*Formerly OneExchange



Access Health, Inc.

Capitated Primary Care Contract Overview

Contract Purpose	To provide primary health care services to OGB Plan Participants for a monthly capitation payment. The Contractor will provide a network of primary health care providers.
Eligible Participants	Active and retired enrollees (and their covered dependents) of the following OGB self-funded health plans: Magnolia Local Plus, Magnolia Local, Magnolia Open Access, and Pelican HRA1000.
Members Eligible to Participate as of 5/13/2019	208,623 (enrollees and covered dependents)
Beginning Contract Date	7/1/2019
Ending Contract Date	6/30/2022
Renewable Options	Two (2)
Procurement Method	Request for Proposal
Current Contract Amount	\$127,000,000
Capitated Fee	\$29.21 Per Enrollee Per Month (PEPM), Payable to Vendor

OGB members who are enrolled in the Magnolia Local Plus, Magnolia Local, Magnolia Open Access, and Pelican HRA1000 plans will not have to make an election in order to take advantage of this new benefit; they will automatically be able to utilize Access Health’s Primary Care provider network upon the enactment of the contract. Members of these plans who elect to visit an Access Health Primary Care network provider will not incur any out-of-pocket costs for the primary care services provided, and will not be charged any additional monthly premiums. The use of Access Health’s network for primary care and preventative health services is strictly voluntary; members may still choose to visit their primary care doctors and pay the applicable co-pay, coinsurance, or deductible.

OGB is able to offer the members of these self-funded health plans this new benefit at no cost to them because it anticipates it will cost OGB 23% less to pay Access Health the capitated fee each month for every enrollee of the four (4) OGB self-funded health plans previous mentioned than to pay the individual primary care and preventative health claims under its third-party administrator (“TPA”). The contract provides for a Return on Investment (“ROI”) guarantee that stipulates that the ratio of capitated fees paid to the vendor to actual annual cost savings to OGB is 1:1.31 (or equivalent to 76.3%). OGB will use its actuary to verify this performance guarantee. Access Health will provide dummy claims files for OGB members that utilize its primary care network and the actuary will reprice those claims based on comparable claims information from OGB’s TPA. If the total fees paid to Access health are in excess of the ROI guarantee, vendor will reimburse OGB the excess fees paid within 90 days.

As of May 13, 2019, Access Health has 57 provider clinics enrolled or prospectively enrolled in locations throughout Louisiana and an additional 21 provider clinics enrolled in cities in

Mississippi and Alabama. Access Health's corporate offices are located in Bossier City, Louisiana.

During a visit to any Access Health provider clinic, OGB members enrolled in the Magnolia Local Plus, Magnolia Local, Magnolia Open Access, and Pelican HRA1000 plans will have access to the following services:

- Walk-in services (same day with no appointment needed)
- Medical evaluation and treatment for general health conditions, including but not limited to the following:
 - Cold, flus, seasonal allergies
 - Burns and other minor skin conditions
 - Sprains, joint injuries
 - Wound care
 - Gastrointestinal virus
 - Upper respiratory illnesses (bronchitis, sinusitis, strep throat, etc.)
 - Conjunctivitis/eye infections
 - Immunizations
 - flu vaccines
- Make referrals when treatment by primary care provider is not possible or inappropriate
- Preventative screening services
- Laboratory and radiology services

SUMMARY OF “DOTD TRAFFIC MANAGEMENT CENTERS (TMCs) OPERATIONS” CONTRACT

Condensed Scope of Services:

The DOTD currently operates six (6) TMCs including the DOTD Statewide TMC at DOTD Headquarters, the Baton Rouge Regional TMC, the New Orleans Regional TMC, the Houma TMC, the Shreveport TMC, and the Lake Charles TMC. Traffic Operations Management services are performed statewide in those designated areas of the state and additional locations may be added throughout the duration of the contract. The TMC staff monitors traffic flow, identifies incidents, dispatches Motorist Assistance Patrol, informs motorists on lane/roads closures and congestion, updates ITS maintenance and other transportation resources, coordinates with other organizations such as Louisiana State Police or local law enforcement, and operates systems such as, but not limited to the ATMS, 511 systems, social media, mobile applications, and other related systems. They also focus on identifying and managing traffic congestion that develops resulting from recurring and non-recurring events through interaction with DOTD, emergency responders, updating 511 systems, posting messages on the Dynamic Message Boards, monitoring CCTV cameras, etc. The TMC staff monitors, and when necessary, may redirect traffic onto detour routes and/or available parallel routes using the appropriate medium to ensure optimal system performance.

All tasks and services are detailed in Attachment A (TMC Operations Statewide Contract-Scope of Work/Services).

Request and Justification:

DOTD is requesting approval for a 24-month contract extension as amended in Amendment No. 1 (See Attachment B) which includes the same terms and conditions as the original contract. DOTD feels that is in the State’s best interest to extend the additional 24 months based on documented satisfactory performance of the contractor, the length of time it takes to procure a new contract through the Request for Proposal (RFP) process, and the time required for a new contract implementation.

Contractor:

Kapsch TrafficCom USA, Inc. has agreed to the additional time with the same terms and conditions as outlined on Amendment No. 1 – Contract between DOTD and Kapsch TrafficCom USA, Inc. (See Attachment B).

RFP Activities:

In compliance with La. R.S. 39:1623, these services were solicited by Request for Proposals No. 30000006650. Proposals were evaluated and scored by a five member evaluation team at DOTD. The recommendation of award was for the best value and highest overall score.

Contract Activities:

Contract dated May 19, 2017 and approved by Office of State Procurement on May 30, 2017. LaGov Purchase Order No. 2000263750.

Term of Contract:

Contract Term: July 1, 2017 through June 30, 2020 (See Attachment A-Section 2.1). Per RS 39:1615(J), the state shall have the right to contract for an additional 24 months with the concurrence of the successful Contractor and prior approval by the Joint Legislative Committee on the Budget. Amendment No. 1 will extend the contract term the additional 24 months to end on June 30, 2022. (See Amendment No. 1).

Payment Terms:

Maximum limitation of \$8,000,000.00 for the 3 year contract term. Amendment No. 1 increases the maximum limitation to \$14,000,000.00 by adding an additional \$6M for the 24-month extension, if approved (see Attachment B).

Payment is based on hourly billable rates from the contractor’s proposal and shall stay the same for the duration of the full contract term including the 24-month, if approved.

Amendment No. 1:

Amendment No. 1 has been signed by contractor, Kapsch TrafficCom USA, Inc. (See Attachment B)

In addition to the 24-month extension, this amendment will also increase the compensation for the new 24-month period, amend the address of the contractor, and add the provision for the Prohibition of Discriminatory Boycotts of Israel in accordance with the Executive Order No. JBE 2018-15.

Current Payment Terms:

Fiscal Year 2018: \$2,600,000—Amount Paid - \$2,088,930.34

Fiscal Year 2019: \$2,700,000—Amount Paid as of April 2019 - \$1,444,701.00

Fiscal Year 2020: \$2,700,000—Starts July 1, 2020

Current Amount: \$8,000,000

Proposed Extension Payment Terms:

Fiscal Year 2021: \$3,000,000

Fiscal Year 2022: \$3,000,000

Extension Amount: \$6,000,000

Five Year Contract Amount: \$14,000,000

AMENDMENT NO. 1 TO CONTRACT BETWEEN

**STATE OF LOUISIANA
DEPARTMENT OF TRANSPORTATION
AND DEVELOPMENT**

AND

KAPSCH TRAFFICCOM USA, INC.

FOR

**CONSULTING SERVICES
TRAFFIC MANAGEMENT CENTER (TMC) OPERATIONS
STATEWIDE**

BACKGROUND

This amendment (Amendment No. 1) to a certain Contract between Kapsch TrafficCom USA, Inc., (formerly Kapsch TrafficCom Transportation NA, Inc.) 8201 Greensboro Drive, Suite #1002, McLean, VA 22102 (Contractor) and the State of Louisiana Department of Transportation and Development (DOTD), dated May 19, 2017 (Contract), is entered into this _____day of _____, 20__.

AMENDMENT PROVISIONS

By this Amendment No. 1 the parties hereby agree to amend the Contract as follows:

1. Contractor Name and Address change to be as follows:

Previously read: Kapsch TrafficCom Transportation NA, Inc., 1390 Piccard Drive, Suite 200, Rockville, MD

Now reads: Kapsch TrafficCom Transportation USA, Inc., 8201 Greensboro Drive, Suite # 1002, McLean, VA 22102

2. Contract Extension:

The term of the Contract, shall be extended to include the period of **July 1, 2020**, through **June 30, 2022**.

3. Increase Compensation:

The Maximum Compensation shall be **increased** from **\$8,000,000** to **\$14,000,000**. This additional \$6,000,000 will be used as needed throughout the term of the

contract. The approved billable rates for each classification are to remain the same and are listed below:

Item	Description	Unit	Unit Cost per hour
1	TMC Contract Program Manager	Hour	\$ 173.62
2	TMC Operations Manager	Hour	\$ 108.72
3	TMC Area Supervisor	Hour	\$ 56.73
4	TMCC Senior Operator	Hour	\$ 40.48
5	TMC Operator	Hour	\$ 31.53

4. The following provision shall be added:

23 Prohibition of Discriminatory Boycotts of Israel

In accordance with Executive Order Number JBE 2018-15, effective May 22, 2018, for any contract for \$100,000 or more and for any contractor with five or more employees, Contractor, or any Subcontractor, shall certify it is not engaging in a boycott of Israel, and shall, for the duration of this contract, refrain from a boycott of Israel.

The State reserves the right to terminate this contract if the Contractor, or any Subcontractor, engages in a boycott of Israel during the term of the contract.

Amendment Agreement No. 1
DOTD TMC Operations
PO# 2000263750
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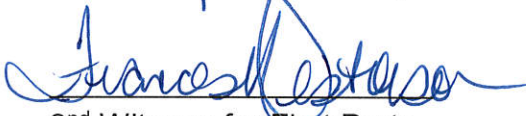
The DOTD and Kapsch TrafficCom USA, Inc. agree that all provisions of the original contract between the parties, dated May 19, 2017 to the extent not inconsistent with this Amendment Agreement No. 1 to the Original Contract, shall remain in full force and effect.

IN WITNESS THEREOF, the parties hereto have caused these presents to be executed by their officers thereunto duly authorized as of the day and year first above written.

WITNESSES:



1st Witness for First Party



2nd Witness for First Party

Kapsch TrafficCom USA, Inc.

BY: _____



JB Kendrick

Typed or Printed Name

STATE OF LOUISIANA
DEPARTMENT OF TRANSPORTATION
AND DEVELOPMENT

1st Witness for Second Party

2nd Witness for Second Party

BY: _____
Secretary

RECOMMENDED FOR APPROVAL:

BY: _____
Division Head

LAGOV PO# 2000263750

STATE OF LOUISIANA
DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT

CONTRACT FOR CONSULTING SERVICES

TRAFFIC MANAGEMENT CENTER (TMC) OPERATIONS
STATEWIDE

On this 19th day of May, 2017, the State of Louisiana, Louisiana Department of Transportation and Development, hereinafter sometimes referred to as the "DOTD" or "State", and Kapsch TrafficCom Transportation NA, Inc., 1390 Piccard Drive, Suite 200, Rockville, MD, hereinafter sometimes referred to as the "Contractor", do hereby enter into a contract under the following terms and conditions.

1 SCOPE OF WORK/SERVICES

1.1.1. OVERVIEW/CONCISE DESCRIPTION OF SERVICES

See attached, Attachment A, Scope of Work/Services.

1.1.2. GOALS AND OBJECTIVES

- To deliver traveler-focused and performance-driven TMC operations services which facilitate reliable and safe movement of people and goods within the State of Louisiana.
- Maximize roadway throughput and efficiency.
- To support and promote the "Open Roads Agreement"; LA Rev Stat 32:151 (<https://legis.la.gov/Legis/Law.aspx?d=630868>)
- Minimize the impacts of roadway incidents.
- Assist incident and emergency response agencies and personnel.
- Manage recurring and non-recurring traffic congestion on the highways as a combined effort between TMC personnel, Motorist Assistance Patrol, ITS section, the districts, Emergency Responders, etc. as specified in the scope of work.
- Create and disseminate information to travelers.
- Maintain information databases and create reports using databases.
- Develop an integration plan memorandum of understanding (MOU) by participating in meetings/sessions (between TMC Operations Contractor, MAP Contractor and DOTD), to insure that the intent of the Integration Plan is met. The intent of the Integration Plan is to provide a seamless interaction between TMC Operations and MAP Operations.

1.1.3. PERFORMANCE MEASURES

The performance of the contract will be measured by the DOTD Project Manager, authorized on behalf of DOTD, to evaluate the contractor’s performance against the criteria in Attachment A, the Statement of Work/Services.

The performance measure metrics will be based on how effective the operators are continuously monitoring the roadways, locating incidents, communicating with other first responders to safely clear incidents, and disseminating accurate information to the motoring public.

The metric will include but not be limited to:

- Detects incidents by continuously monitoring the roadways
- Accurately communicate incident details and traffic conditions to MAP and other first responders
- Checks and reports the operational status of ITS equipment for maintenance and repairs
- ITS equipment usage
- Number of incidents responded to per day/week/year
- Number of lane blocking/road closure incidents
- Number of planned events/weather events/etc
- TMC operator error rate
- Time to dispatch MAP (< 2 minutes)
- Time to confirm event detected by TMC (< 2 minutes)
- Time to post message on DMS (< 5 minutes)
- Time to notify other agencies (< 7 minutes)
- Staff retention and turnover rates (< 5%)
- Establish and maintain a close working relationship with MAP and other first responding agencies – for example no more than one (1) complaint from MAP staff or other first responders per month
- Ensure TMC area coverage at all times as per contract – maintain at least 99.5% coverage hours per month.
- Ensure that the TMCs are fully functional at all times.

1.1.4. MONITORING PLAN

The DOTD Project Manager, Elizabeth Delaney or her designee, will monitor the services provided by the Contractor and the expedition of funds under this contract. The DOTD will be primarily responsible for the day to day monitoring of the Contractor’s performance.

DOTD will monitor the performance of the contractor by:

- Assessing Contractor’s performance in providing TMC operations services.
- Comparing deliverables to the established performance measures.
- Reviewing for accuracy, all data entry and reports.
- Feedback from other agencies regarding incident detection and communication.

Evaluation Plan:

Contractor evaluation shall be continuous during the contracting period. Evaluations shall include meeting the required levels of staffing for TMC Operations for normal operations, plus additional staffing requirements during special events and emergencies. The levels of staffing include hours of coverage, classification/position requirements, training requirements and feedback from other responding agencies and the motoring public.

1.1.5. DELIVERABLES

The Contract will be considered complete when Contractor has delivered and State has accepted all deliverables specified in the Statement of Work.

1.1.6. Veteran-Owned and Service-Connected Small Entrepreneurships (Veteran Initiative) and Louisiana Initiative for Small Entrepreneurships (Hudson Initiative) Programs Reporting Requirements

During the term of the contract and at expiration, the Contractor will be required to report Veteran-Owned and Service-Connected Disabled Veteran-Owned and Hudson Initiative small entrepreneurship subcontractor or distributor participation and the dollar amount of each.

1.1.7. SUBSTITUTION OF KEY PERSONNEL

The Contractor's personnel assigned to this Contract shall not be replaced without the written consent of the State. Such consent shall not be unreasonably withheld or delayed provided an equally qualified replacement is offered. In the event that any State or Contractor personnel become unavailable due to resignation, illness, or other factors, excluding assignment to project outside this contract, outside of the State's or Contractor's reasonable control, as the case may be, the State or the Contractor, shall be responsible for providing an equally qualified replacement in time to avoid delays in completing tasks. The contractor will make every reasonable attempt to assign the personnel listed in his proposal.

2 ADMINISTRATIVE REQUIREMENTS

2.1 TERM OF CONTRACT

The term of this contract shall begin **July 1, 2017** and is anticipated to end on **June 30, 2020**. The State shall have the right to contract for up to thirty-six (36) months with the concurrence of the Contractor and all appropriate approvals. With all proper approvals and concurrence with the successful Contractor, agency may also exercise an option to extend for up to twenty-four (24) additional months at the same rates, terms and conditions of the initial contract term. Prior to the extension of the contract beyond the initial thirty-six (36) month term, prior approval by the Joint Legislative Committee on the Budget (JLCB) or other approval authorized by law shall be obtained. Such written evidence of JLCB approval shall be submitted, along with the contract amendment to the Office of State Procurement (OSP) to extend contract terms beyond the initial 3 year term. The total contract term, with extensions, shall not exceed five (5) years. The continuation of this contract is contingent upon the appropriation of funds by the legislature to fulfill the requirements of the contract.

The State reserves the right to cancel Contract for causes detailed in 4.0 Termination.

2.2 STATE FURNISHED RESOURCES

State shall appoint a Project Coordinator for this Contract identified in Section 1.2.3 who will provide oversight of the activities conducted hereunder. Notwithstanding the Contractor's responsibility for management during the performance of this Contract, the assigned Project Coordinator shall be the principal point of contact on behalf of the State and will be the principal point of contact for Contractor concerning Contractor's performance under this Contract.

2.3 TAXES

Contractor is responsible for payment of all applicable taxes from the funds to be received under this contract. Contractor's federal tax identification number is 20-5601437.

3 COMPENSATION AND MAXIMUM AMOUNT OF CONTRACT

3.1 PAYMENT TERMS

In consideration of the services required by this contract, State hereby agrees to pay to Contractor compensation based on the below hourly billable rates, for a maximum limitation of \$8,000,000.00.

Item	Description	Unit	Unit Cost per hour
1	TMC Contract Program Manager	Hour	\$ 173.62
2	TMC Operations Manager	Hour	\$ 108.72
3	TMC Area Supervisor	Hour	\$ 56.73
4	TMCC Senior Operator	Hour	\$ 40.48
5	TMC Operator	Hour	\$ 31.53

Payments are predicated upon successful completion and written approval by the DOTD Project Manager of the described tasks and deliverables as provided in Part II, Scope of Services. Payments will be made to the Contractor after written acceptance by the State of the payment task and approval of an invoice. State will make every reasonable effort to make payments within 30 days of the approval of invoice and under a valid contract.

Labor charges for approved services shall include the names of the employees, their classification, and the time worked. These shall be reimbursed at the approved billable rate for that classification. Billable rates apply only when on duty and performing the services of the TMC operations. The invoice shall show the total amount earned to the date of submission, and the amount due and payable as of the invoice including direct expenses, if applicable.

Travel expenses shall be billed as direct expenses with supporting documentation during the period they are incurred. **Prior to incurring any travel direct expense, Contractor must have written approval from DOTD's Project Manager.**

The original and one copy of the invoice shall be submitted to the Project Manager not more than monthly. The invoice must be signed and dated by the Contractor.

4 TERMINATION

4.1 TERMINATION FOR CAUSE

State may terminate this Contract for cause based upon the failure of Contractor to comply with the terms and/or conditions of the Contract; provided that the State shall give the Contractor written notice specifying the Contractor's failure. If within thirty (30) calendar days after receipt of such notice, the Contractor shall not have either corrected such failure or, in the case of failure which cannot be corrected in thirty (30) calendar days, begun in good faith to correct said failure and thereafter proceeded diligently to complete such correction, then the State may, at its option, place the Contractor in default and the Contract shall terminate on the date specified in such notice. Failure to perform within the time agreed upon in the contract may constitute default and may cause cancellation of the contract.

Contractor may exercise any rights available to it under Louisiana law to terminate for cause upon the failure of the State to comply with the terms and conditions of this contract provided that the Contractor shall give the State written notice specifying the State agency's failure and a reasonable opportunity for the state to cure the defect.

4.2 TERMINATION FOR CONVENIENCE

State may terminate the Contract at any time without penalty by giving thirty (30) calendar days' written notice to the Contractor of such termination or negotiating with the Contractor an effective date. Contractor shall be entitled to payment for deliverables in progress, to the extent work has been performed satisfactorily.

4.3 TERMINATION FOR NON-APPROPRIATION OF FUNDS

The continuation of this contract is contingent upon the appropriation of funds by the legislature to fulfill the requirements of the contract by the legislature. If the legislature fails to appropriate sufficient monies to provide for the continuation of the contract, or if such appropriation is reduced by the veto of the Governor or by any means provided in the appropriations act of Title 39 of the Louisiana Revised Statutes of 1950 to prevent the total appropriation for the year from exceeding revenues for that year, or for any other lawful purpose, and the effect of such reduction is to provide insufficient monies for the continuation of the contract, the contract shall terminate on the date of the beginning of the first fiscal year for which funds have not been appropriated.

5 INDEMNIFICATION AND LIMITATION OF LIABILITY

Neither party shall be liable for any delay or failure in performance beyond its control resulting from acts of God or force majeure. The parties shall use reasonable efforts to eliminate or minimize the effect of such events upon performance of their respective duties under Contract.

Contractor shall be fully liable for the actions of its agents, employees, partners or subcontractors and shall fully indemnify and hold harmless the State and its Authorized Users from suits, actions, damages and costs of every name and description relating to personal injury and damage to real or personal tangible property caused by Contractor, its agents, employees, partners or subcontractors, without limitation; provided, however, that the Contractor shall not indemnify for that portion of any claim, loss or damage arising hereunder due to the negligent act or failure to act of the State.

If applicable, Contractor will indemnify, defend and hold the State and its Authorized Users harmless, without limitation, from and against any and all damages, expenses (including reasonable attorneys' fees), claims, judgments, liabilities and costs which may be finally assessed against the State in any action for infringement of a United States Letter Patent with respect to the Products furnished, or of any copyright, trademark, trade secret or intellectual property right, provided that the State shall give the Contractor: (i) prompt written notice of any action, claim or threat of infringement suit, or other suit, (ii) the opportunity to take over, settle or defend such action, claim or suit at Contractor's sole expense, and (iii) assistance in the defense of any such action at the expense of Contractor. Where a dispute or claim arises relative to a real or anticipated infringement, the State or its Authorized Users may require Contractor, at its sole expense, to submit such information and documentation, including formal patent attorney opinions, as the Commissioner of Administration shall require.

The Contractor shall not be obligated to indemnify that portion of a claim or dispute based upon:
i) Authorized User's unauthorized modification or alteration of a Product, Material or Service; ii)

Authorized User's use of the Product in combination with other products not furnished by Contractor; iii) Authorized User's use in other than the specified operating conditions and environment.

In addition to the foregoing, if the use of any item(s) or part(s) thereof shall be enjoined for any reason or if Contractor believes that it may be enjoined, Contractor shall have the right, at its own expense and sole discretion as the Authorized User's exclusive remedy to take action in the following order of precedence: (i) to procure for the State the right to continue using such item(s) or part (s) thereof, as applicable; (ii) to modify the component so that it becomes non-infringing equipment of at least equal quality and performance; or (iii) to replace said item(s) or part(s) thereof, as applicable, with non-infringing components of at least equal quality and performance, or (iv) if none of the foregoing is commercially reasonable, then provide monetary compensation to the State up to the dollar amount of the Contract.

For all other claims against the Contractor where liability is not otherwise set forth in the Contract as being "without limitation", and regardless of the basis on which the claim is made, Contractor's liability for direct damages, shall be the greater of \$100,000, the dollar amount of the Contract, or two (2) times the charges rendered by the Contractor under the Contract. Unless otherwise specifically enumerated herein or in the work order mutually agreed between the parties, neither party shall be liable to the other for special, indirect or consequential damages, including lost data or records (unless the Contractor is required to back-up the data or records as part of the work plan), even if the party has been advised of the possibility of such damages. Neither party shall be liable for lost profits, lost revenue or lost institutional operating savings.

The State and Authorized User may, in addition to other remedies available to them at law or equity and upon notice to the Contractor, retain such monies from amounts due Contractor, or may proceed against the performance and payment bond, if any, as may be necessary to satisfy any claim for damages, penalties, costs and the like asserted by or against them.

6 CONTRACT CONTROVERSIES

Any claim or controversy arising out of the contract shall be resolved by the provisions of Louisiana Revised Statutes 39: 1672.1-1672.4.


7 FUND USE

Contractor agrees not to use contract proceeds to urge any elector to vote for or against any candidate or proposition on an election ballot nor shall such funds be used to lobby for or against any proposition or matter having the effect of law being considered by the Louisiana Legislature or any local governing authority. This provision shall not prevent the normal dissemination of factual information relative to a proposition on any election ballot or a proposition or matter having the effect of law being considered by the Louisiana Legislature or any local governing authority.

8 ASSIGNMENT

No contractor shall assign any interest in this contract by assignment, transfer, or novation, without prior written consent of the State. This provision shall not be construed to prohibit the contractor from assigning to a bank, trust company, or other financial institution any money due or to become due from approved contracts without such prior written consent. Notice of any such assignment or transfer shall be furnished promptly to the State.

9 RIGHT TO AUDIT

RKG
 The State Legislative Auditor, agency, and/or federal auditors and internal auditors of the Division of Administration shall have the option to audit all accounts directly pertaining to the contract for a period of ~~three (3)~~ ^{five (5)} years from the date of the last payment made under this contract. Records shall be made available during normal working hours for this purpose. 

10 CONTRACT MODIFICATION

No amendment or variation of the terms of this contract shall be valid unless made in writing, signed by the parties and approved as required by law. No oral understanding or agreement not incorporated in the contract is binding on any of the parties.

11 CONFIDENTIALITY OF DATA

All financial, statistical, personal, technical and other data and information relating to the State's operation which are designated confidential by the State and made available to the contractor in order to carry out this contract, or which become available to the contractor in carrying out this contract, shall be protected by the contractor from unauthorized use and disclosure through the observance of the same or more effective procedural requirements as are applicable to the State. The identification of all such confidential data and information as well as the State's procedural requirements for protection of such data and information from unauthorized use and disclosure shall be provided by the State in writing to the contractor. If the methods and procedures employed by the contractor for the protection of the contractor's data and information are deemed by the State to be adequate for the protection of the State's confidential information, such methods and procedures may be used, with the written consent of the State, to carry out the intent of this paragraph. The contractor shall not be required under the provisions of the paragraph to keep confidential any data or information which is or becomes publicly available, is already rightfully in the contractor's possession, is independently developed by the contractor outside the scope of the contract, or is rightfully obtained from third parties.

12 SUBCONTRACTORS

The State shall have a single prime contractor as the result of any contract negotiation, and that prime contractor shall be responsible for all deliverables specified in the RFP and proposal.

Unless provided for in the contract with the State, the prime contractor shall not contract with any other party for any of the staffing services herein contracted.

13 COMPLIANCE WITH CIVIL RIGHTS LAWS

The contractor agrees to abide by the requirements of the following as applicable: Title VI and Title VII of the Civil Rights Act of 1964, as amended; the Equal Employment Opportunity Act of 1972, as amended; Federal Executive Order 11246, as amended; Section 504 of the Rehabilitation Act of 1973, as amended; the Vietnam Era Veteran's Readjustment Assistance Act of 1974, as amended; Title IX of the Education Amendments of 1972; the Age Discrimination Act of 1975; the Fair Housing Act of 1968 as amended; the Americans with Disabilities Act of 1990, as amended; and Title II of the Genetic Information Nondiscrimination Act of 2008.

Contractor agrees not to discriminate in its employment practices, and will render services under this contract without regard to race, color, age, religion, sex, sexual orientation, national origin, veteran status, genetic information, political affiliation, or disabilities.

Any act of discrimination committed by Contractor, or failure to comply with these statutory obligations when applicable shall be grounds for termination of this contract.

14 INSURANCE

The Contractor shall purchase and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Contractor, its agents, representatives, employees or subcontractors.

A. MINIMUM SCOPE AND LIMITS OF INSURANCE

1. Workers Compensation

Workers Compensation insurance shall be in compliance with the Workers Compensation law of the State of the Contractor's headquarters. Employers Liability is included with a minimum limit of \$1,000,000 per accident/per disease/per employee. If work is to be performed over water and involves maritime exposure, applicable LHWCA, Jones Act, or other maritime law coverage shall be included. A.M. Best's insurance company rating requirement may be waived for worker's compensation coverage only.

2. Commercial General Liability

Commercial General Liability insurance, including Personal and Advertising Injury Liability and Products and Completed Operations, shall have a minimum limit per occurrence of \$1,000,000 and a minimum general annual aggregate of \$2,000,000. The Insurance Services Office (ISO) Commercial General Liability occurrence coverage form CG 00 01 (current form approved for use in Louisiana), or equivalent, is to be used in the policy. Claims-made form is unacceptable.

3. Automobile Liability

Automobile Liability Insurance shall have a minimum combined single limit per accident of \$1,000,000. ISO form number CA 00 01 (current form approved for use in Louisiana), or equivalent, is to be used in the policy. This insurance shall include third-party bodily injury and property damage liability for owned, hired and non-owned automobiles. Automobile Liability requirements may be waived or altered at the Agency's discretion depending on the nature of the contract.

B. DEDUCTIBLES AND SELF-INSURED RETENTIONS

Any deductibles or self-insured retentions must be declared to and accepted by the Agency. The Contractor shall be responsible for all deductibles and self-insured retentions.

C. OTHER INSURANCE PROVISIONS

The policies are to contain, or be endorsed to contain, the following provisions:

1. Commercial General Liability and Automobile Liability Coverages

- a. The Agency, its officers, agents, employees and volunteers shall be named as an additional insured as regards negligence by the contractor. ISO Forms CG 20 10 (for ongoing work) AND CG 20 37 (for completed work) (current forms approved for use

in Louisiana), or equivalents, are to be used when applicable. The coverage shall contain no special limitations on the scope of protection afforded to the Agency.

- b. The Contractor's insurance shall be primary as respects the Agency, its officers, agents, employees and volunteers for any and all losses that occur under the contract. Any insurance or self-insurance maintained by the Agency shall be excess and non-contributory of the Contractor's insurance.

2. Workers Compensation and Employers Liability Coverage

To the fullest extent allowed by law, the insurer shall agree to waive all rights of subrogation against the Agency, its officers, agents, employees and volunteers for losses arising from work performed by the Contractor for the Agency.

3. All Coverages

- a. All policies must be endorsed to require 30 days' written notice of cancellation to the Agency. Ten-day written notice of cancellation is acceptable for non-payment of premium. Notifications shall comply with the standard cancellation provisions in the Contractor's policy. In addition, Contractor is required to notify Agency of policy cancellations or reductions in limits.
- b. The acceptance of the completed work, payment, failure of the Agency to require proof of compliance, or Agency's acceptance of a non-compliant certificate of insurance shall not release the Contractor from the obligations of the insurance requirements or indemnification agreement.
- c. The insurance companies issuing the policies shall have no recourse against the Agency for payment of premiums or for assessments under any form of the policies.
- d. Any failure of the Contractor to comply with reporting provisions of the policy shall not affect coverage provided to the Agency, its officers, agents, employees and volunteers.

D. ACCEPTABILITY OF INSURERS

- a. All required insurance shall be provided by a company or companies lawfully authorized to do business in the jurisdiction in which the Project is located. Insurance shall be placed with insurers with an A.M. Best's rating of **A-:VI or higher**. This rating requirement may be waived for worker's compensation coverage only.
- b. If at any time an insurer issuing any such policy does not meet the minimum A.M. Best rating, the Contractor shall obtain a policy with an insurer that meets the A.M. Best rating and shall submit another Certificate of Insurance within 30 days.

E. VERIFICATION OF COVERAGE

- Contractor shall furnish the Agency with Certificates of Insurance reflecting proof of required coverage. The Certificates for each insurance policy are to be signed by a

person authorized by that insurer to bind coverage on its behalf. The Certificates are to be received and approved by the Agency before work commences and upon any contract renewal or insurance policy renewal thereafter.

- The Certificate Holder Shall be listed as follows:

State of Louisiana
Agency Name, Its Officers, Agents, Employees and Volunteers
Address, City, State, Zip
Project or Contract #:

- In addition to the Certificates, Contractor shall submit the declarations page and the cancellation provision for each insurance policy. The Agency reserves the right to request complete certified copies of all required insurance policies at any time.
- Upon failure of the Contractor to furnish, deliver and maintain required insurance, this contract, at the election of the Agency, may be suspended, discontinued or terminated. Failure of the Contractor to purchase and/or maintain any required insurance shall not relieve the Contractor from any liability or indemnification under the contract.

F. SUBCONTRACTORS

Contractor shall include all subcontractors as insureds under its policies OR shall be responsible for verifying and maintaining the Certificates provided by each subcontractor. Subcontractors shall be subject to all of the requirements stated herein. The Agency reserves the right to request copies of subcontractor's Certificates at any time.

G. WORKERS COMPENSATION INDEMNITY

In the event Contractor is not required to provide or elects not to provide workers compensation coverage, the parties hereby agree that Contractor, its owners, agents and employees will have no cause of action against, and will not assert a claim against, the State of Louisiana, its departments, agencies, agents and employees as an employer, whether pursuant to the Louisiana Workers Compensation Act or otherwise, under any circumstance. The parties also hereby agree that the State of Louisiana, its departments, agencies, agents and employees shall in no circumstance be, or considered as, the employer or statutory employer of Contractor, its owners, agents and employees. The parties further agree that Contractor is a wholly independent contractor and is exclusively responsible for its employees, owners, and agents. Contractor hereby agrees to protect, defend, indemnify and hold the State of Louisiana, its departments, agencies, agents and employees harmless from any such assertion or claim that may arise from the performance of this contract.

H. INDEMNIFICATION/HOLD HARMLESS AGREEMENT

- Contractor agrees to protect, defend, indemnify, save, and hold harmless, the State of Louisiana, all State Departments, Agencies, Boards and Commissions, its officers, agents, servants, employees, and volunteers, from and against any and all claims, damages, expenses, and liability arising out of injury or death to any person or the

damage, loss or destruction of any property which may occur, or in any way grow out of, any act or omission of Contractor, its agents, servants, and employees, or any and all costs, expenses and/or attorney fees incurred by Contractor as a result of any claims, demands, suits or causes of action, except those claims, demands, suits, or causes of action arising out of the negligence of the State of Louisiana, all State Departments, Agencies, Boards, Commissions, its officers, agents, servants, employees and volunteers.

- Contractor agrees to investigate, handle, respond to, provide defense for and defend any such claims, demands, suits, or causes of action at its sole expense and agrees to bear all other costs and expenses related thereto, even if the claims, demands, suits, or causes of action are groundless, false or fraudulent. The State of Louisiana may, but is not required to, consult with the Contractor in the defense of claims, but this shall not affect the Contractor's responsibility for the handling of and expenses for all claims.

15 GOVERNING LAW

This Contract shall be governed by and interpreted in accordance with the laws of the State of Louisiana, including but not limited to La. R.S. 39:1551-1736; rules and regulations; executive orders; standard terms and conditions, special terms and conditions, and specifications listed in the RFP (if applicable); and this Contract. Venue of any action brought, after exhaustion of administrative remedies, with regard to this Contract shall be in the Nineteenth Judicial District Court, Parish of East Baton Rouge, State of Louisiana.

16 CODE OF ETHICS

The contractor acknowledges that Chapter 15 of Title 42 of the Louisiana Revised Statutes (R.S. 42:1101 et. seq., Code of Governmental Ethics) applies to the Contracting Party in the performance of services called for in this contract. The contractor agrees to immediately notify the state if potential violations of the Code of Governmental Ethics arise at any time during the term of this contract.

17 SEVERABILITY

If any term or condition of this Contract or the application thereof is held invalid, such invalidity shall not affect other terms, conditions, or applications which can be given effect without the invalid term, condition, or application; to this end the terms and conditions of this contract are declared severable.

18 INDEPENDENT ASSURANCES

NOT APPLICABLE

19 OWNERSHIP

All records, reports, documents and other material delivered or transmitted to Contractor by State Agency shall remain the property of State Agency, and shall be returned by Contractor to State agency, at Contractor's expense, at termination or expiration of this contract. All records, reports, documents, or other material related to this contract and/or obtained or prepared by Contractor in connection with the performance of the services contracted for herein shall become the property of State, and shall, upon request, be returned by Contractor to State Agency, at Contractor's expense, at termination or expiration of this contract.

20 COST RECORDS

The Contractor and its sub-Contractors shall maintain all books, documents, papers, accounting records and other evidence pertaining to cost incurred relative to this project. Costs shall be accordance with 48 CFR 31 of the (FARS), as modified by DOTD audit guidelines, and which are incorporated herein by reference as if copied in extensor. The FARS is available for inspection through www.transportation.org. Records shall be retained until such as an audit is made by DOTD or the Contractor is released in writing by the DOTD Audit Director, at which time the Contractor may dispose of such records. The Contractor shall, however, retain such records for a minimum of five years from the date of payment of the last estimate under this Contract or the release of all retainage for this Contract, whichever occurs later, for inspection by DOTD and/or Legislative Auditor and the FHWA or General Accounting (GAO) under State and Federal Regulations effective as of the date of this Contract.

21 COMPLETE CONTRACT

This is the complete Contract between the parties with respect to the subject matter and all prior discussions and negotiations are merged into this contract. This Contract is entered into with neither party relying on any statement or representation made by the other party not embodied in this Contract and there are no other agreements or understanding changing or modifying the terms. This Contract shall become effective upon final statutory approval.

22 ENTIRE AGREEMENT & ORDER OF PRECEDENCE

This contract together with the RFP and contractor's proposal which are incorporated herein; shall, to the extent possible, be construed to give effect to all of its provisions; however, where provisions are in conflict, first priority shall be given to the provisions of the contract, excluding the Request for Proposals, its amendments and the Proposal; second priority shall be given to the provisions of the Request for Proposals and its amendments; and third priority shall be given to the provisions of the Contractor's Proposal.

IN WITNESS THEREOF, the parties have caused these presents to be executed by their respective officers thereunto duly authorized as of the day and year first above written.

WITNESSES:

Pamela S. Hauke
1st Witness for First Party

Jaqueline Bether
2nd Witness for First Party

CONTRACTOR

BY: *Ch F Murray Michael Hofer*

Christopher F. Murray Michael Hofer
Typed or Printed Name

20-560-1437
Federal Identification Number

STATE OF LOUISIANA
DEPARTMENT OF TRANSPORTATION
AND DEVELOPMENT

[Signature]
1st Witness for Second Party

Cindy Sprung
2nd Witness for Second Party

BY: *Eric Kl...*
For Secretary Shaun D. Wilson

RECOMMENDED FOR APPROVAL:

BY: *[Signature]*
Division Head

ATTACHMENT A: SCOPE OF WORK/SERVICES

The DOTD currently operates five (5) TMCs and provides daily Motorist Assistance Patrol Services in New Orleans, Baton Rouge, Shreveport, and Lake Charles areas, as well as MAP services for various construction projects statewide. **In the event additional TMC services are implemented for other areas, the Contractor shall provide staffing at the same hourly billable rate, terms and conditions which may increase the total compensation.**

The TMCs will coordinate with and monitor the activities of the MAP at the local and statewide level. Partnering with the State and local law enforcement agencies, the TMC and MAP provide a quick service to motorists with disabled vehicles, keeping the major routes clear of incidents.

The TMCs will work closely with DOTD District offices as well as Local and State Law Enforcement Agencies to identify issues/incidents on the transportation system. The TMC quickly assesses and responds by drawing on DOTD resources to correct issues, while concurrently alerting the public to the information they need to make traveling decisions. All action taken by the TMC is documented accordingly.

1 Tasks and Services

Contractor shall be responsible for providing trained and qualified staff, including additional staffing beyond normal day-to-day requirements during times of inclement weather, traffic conditions, special, planned and unplanned emergency events and other times at the discretion of the DOTD.

Contractor shall be responsible for proactively supporting traffic management, incident response, special events, and emergencies during expected (e.g. routine traffic conditions and rush hour), planned, (e.g. large events, construction) and unplanned (e.g. major traffic incidents, weather events and natural disasters) events.

Contractor will be expected to utilize the DOTD's existing Intelligent Transportation System network (ITS Network) along with the established applications and practices in the day-to-day TMC activities.

Contractor will provide mission critical services as specified in 2.5.1 Functional Requirements to DOTD that must be fully functional during hours of operation for each TMC without fail. The contractor shall thoroughly document all work accomplished and provide requested reports and perform administrative duties.

2 Deliverables

Project deliverables will include:

- Program Management Plan, within 15 days of contract execution
- Staffing
- TMC Staff Training by contractor
- Data Analytics and Information on incidents monthly, quarterly, and as requested

- TMC Standard Operating Procedures and Operating Manuals
- Monthly Invoices and Reports
- Additional Reports, as described in 2.5.1

During the term of the contract and at expiration, the Contractor shall report Veteran-Owned and Service-Connected Disabled Veteran-Owned and Hudson Initiative small entrepreneurship subcontractor or distributor participation and the dollar amount of each, if applicable.

3 Scope of Work Elements

Traffic Operations Management services are performed statewide in designated areas of the state. The TMC staff monitors traffic flow, identifies incidents, dispatches Motorist Assistance Patrol, informs motorists on lane/roads closures and congestion, updates ITS maintenance and other transportation resources, coordinates with other organizations such as Louisiana State Police or local law enforcement, and operates systems such as, but not limited to the ATMS, 511 systems, social media, mobile applications, and other related systems. They focus on identifying and managing traffic congestion that develops resulting from recurring and non-recurring events through interaction with DOTD, emergency responders, updating 511 systems, posting messages on the Dynamic Message Boards, monitoring CCTV cameras, etc. The TMC staff monitors, and where possible, may redirect traffic onto detour routes or available parallel routes using the appropriate medium to ensure optimal system performance.

The TMC staff use a variety of ITS measures to monitor the highways and to respond to the cause of a potential incident before it occurs, as well as to manage the incident once it begins. Elements of ITS the TMC employs include the use of PTZ cameras to monitor highways, traffic sensor information to monitor traffic speed and congestion, monitors the local law enforcement CAD systems for automated updates on incidents on the highway system, and dynamic message signs, social media, and mobile applications to provide instant communication to motorists in affected areas.

DOTD's ATMS software is the Delcan i-NET ATMS software. The software provides for the configuration and control of the ITS devices, and integrates the various ITS devices into a traffic management system.

The traveler information systems make traveler information available to the public. These systems include the 511 website (www.511la.org), telephone (dial "511"), Twitter, 511 mobile applications, and e-mail. These applications alert the public of potential traveling delays or hazards due to incidents arising on the highways. These could include crashes, maintenance and construction work, along with weather related road conditions.

The TMC staff creates and executes traffic management plans associated with special events, work zones, and major emergencies. The TMC staff checks for potential conflicts in planned events and planned lane closures. The TMC staff is not expected to resolve these conflicts and does not decide which of the competing activities will have precedence over the other. Rather, the TMC Staff advises the DOTD that a conflict exists which must be resolved before execution of the planned event or work zone.

The TMC staff provides support to DOTD field maintenance and construction operations by communicating and coordinating information regarding activities of other law enforcement, public safety and emergency response agencies, traffic movement, weather occurrences, weather related road conditions, and public communication of transportation-related information.

The TMC staff maintains awareness of weather events, communicates weather alerts and impacts, adjusts staffing according to weather events, monitors road conditions, and communicates operational impacts.

The TMC receives communications from DOTD District offices, law enforcement agencies, News media, and internet on all issues, ranging from operating status to closures of major routes. Automated sensors on water-crossing bridges statewide monitor sudden increases in rainfall or water level. DOTD uses the Zetron system to monitor the bridge water levels. High water levels trigger the Zetron to place a phone call to the Statewide TMC operators.

In the event there is a major incident, an FHWA (Federal Highway Administration) report must be prepared and distributed. These incidents can include, but are not limited to damage or closure of the highway infrastructure due to:

- Natural disaster
- Terrorist or criminal activity
- Hazmat incidents
- Crash involving 6 or more fatalities
- School bus crash resulting in injuries, death, or statewide attention
- Truck or charter bus crash resulting in injuries, or statewide media attention
- Chain reaction crashed involving 10 or more vehicles
- Closure due to evacuation conducted for any reason.

Louisiana State Police (LSP), Troop F (Monroe) officially determines and issues AMBER Alerts, and forwards this information to the State DOTD ITS Management and Operations Supervisor by e-mail or telephone. The LSP will determine if the alert is regional or statewide.

3.1 Functional Requirements

Contractors TMC Staff shall:

- Receive information from the ITS system, field operations or a law enforcement agency advising of an incident in their coverage area.
- Monitor the effect the incident is causing on traffic in the area via maneuverable camera.
- Activate appropriate DMS in the affected area to warn motorists of the incident, allowing them the opportunity to use an alternate route to avoid delays due to the incident, and to reduce traffic congestion in the area.
- In non-emergent situations, use cameras to routinely monitor traffic flow.
- Create DMS message plans for planned incidents.
- Identify and/or receive information from law enforcement agency or DOTD field operations advising of an unplanned or planned incident on the transportation system.
- Create a 511 event based upon that information.
- Monitor the www.511la.org web page for accuracy and timeliness of reports.
- Disseminate information to the public using social media outlets.

- Update social media outlets and provide as much detail as necessary to alert motorists to avoid congested areas and in some cases provide an alternate route to alleviate traffic congestion.
- Disseminate information on traffic incidents and updates to selected DOTD distribution groups using e-mails.
- Identify and/or receive information from a law enforcement agency or field operations advising of an incident in an area serviced by the DMS system.
- Receive information from the District Offices of a planned construction or maintenance activity.
- React quickly to assess the impact of the incident, and activate appropriate DMS in the affected area.
- For scheduled events, create DMS message plans to activate appropriate signs at the appropriate time.
- Identify a disabled vehicle or an incident in the roadway.
- Receive information from the MAP operators on the roadways.
- Receive information from a law enforcement agency contact advising of a motorist assist call they have received in the MAP service area.
- Receive information from an ATMS notice of a potential traffic incident.
- Dispatch MAP operators to the disabled vehicle or incident via radio or other means of communications.
- Use GPS-enabled software to monitor the location of MAP vehicles, directing resources where they are needed.
- Monitor hurricane/ storm events.
- Receive notification of operating status, closures, evacuation orders, etc.
- Serve as conduit between law enforcement, District staff and other agencies during adverse weather events.
- Receive information (phone call) from Zetron indicating high water levels.
- Communicate this information to appropriate DOTD District staff.
- Prepare FHWA Reports as required.

- All FHWA highway incident reports shall include the following information at a minimum:
 - Source of the information (i.e., from whom did TMC receive the information, date of report, and telephone number of the person who prepared the report).
 - Description of the incident (what, where, when, and how).
 - Casualties (number of persons injured or killed).
 - Description of road damage, including planned repair work and estimated completion date.
 - Description of road closures, including detours and estimated re-opening date.
 - Description of impact on transportation operations.
 - Description of what the State organizations are doing in the response effort.

- Receive information from law enforcement agency reporting damage to the transportation system.
- Communicate damage information to the appropriate DOTD-TMC Group/ DOTD District.
- Receive communication from DOTD/LSP/ State Radio authorizing Amber Alerts.

- Activate Amber Alert messages for DMS statewide or specified region as determined by LSP.
- Communicate DMS activation within DOTD and LSP.
- Upon cancellation of the alert, shall clear messages from all activated DMSs.
- E-mail report to the Special Alert Group.
- Enter incident data into the ATMS. Incident data may consist of/include roadway conditions.
- Generate weekly, monthly incident statistical reports.
- Support recurring or ad-hoc requests for operational, performance, maintenance or archived data reporting.
- Enter data into archived data systems as directed.
- Monitor various operational, maintenance and other alerts from ITS field systems and report as directed.
- Monitor the overall status and data accuracy of the various systems (ATMS, Traveler Information System, ITS field devices) and report exceptions or inoperable conditions to the appropriate personnel.

3.2 Technical Requirements

NOT APPLICABLE TO THIS CONTRACT

3.3 Project Requirements

The Contractor shall provide day to day program management and ensure adequate quality throughout all areas of the project including performance, training and program development. A program management plan shall be submitted by the Contractor within 15 days of contract execution for DOTD review. This plan shall describe how the Contractor will implement and manage the program including staffing, scheduling, communication procedures for all correspondence, document deliverables, submittals and other communications between the Contractor and the State. This plan shall also describe the Contractor's quality assurance and control plans for the program. The Contractor shall provide fully trained TMC Operators according to the current level of coverage as well as future needs as they arise.

The Contractor shall be responsible for the provision of fully functional TMC operations with a staff of trained supervisors and operators that will ensure continuous coverage for all areas during the required times of service statewide and during emergencies. The Contractor shall maintain detailed service records for each operator and provide this information with the monthly reports.

Monthly reports to be included with the invoices shall contain the staffing hours required and the hours provided with the names and classifications of the staff members and documentation for any changes.

Required Staffing Requirements:

All staff assigned shall pass the criminal background check. Contractor shall perform the background check, ensure that all assigned personnel had passed the background check, and provide DOTD with written confirmation for each staff member upon hiring. Contractor shall provide the following staff:

TMC Contract Program Manager

Contract Program Management shall be provided throughout the duration of the project. The Contract Program Manager shall have a minimum of a four-year degree in a management or transportation related field. Education requirement may be substituted with eight (8) years of experience with management operations. Preference will be given to transportation management center operations. Combination of education less than four (4) years and experience that total six (6) years may be substituted. The Contract Program Manager shall:

- Program Management Plan
- Provide program development
- Outreach to other state TMC regarding operations
- Training to accomplish goals and objectives outlined in 1.1.2
- Execution of above training
- Continual improvements
- TMC Staff Career development

TMC Operations Manager (Statewide Operations and Traffic Incident Management)

Operations Management shall be provided throughout the duration of the project for all services. The Operations Manager at a minimum shall have four (4) years of experience with statewide Operations and Traffic Incident Management and experience with management of multiple TMCs. The Operations Manager shall:

- Ensure that the requirements of the contract are met.
- Manage team operations by directing and coordinating activities consistent with established goals, objectives, and policies (Statewide operations and Traffic Incident Management activities)
- Perform administrative functions, such as preparing reports, prepare and produce all invoices, and completing special requirements.
- Develop ideas on how to implement system and operational improvements.
- Coordinate with key DOTD staff, including ITS Engineers and Director of Statewide Emergency Operations as needed.

TMC Area Supervisors

The TMC Area Supervisors at a minimum shall be trained in TMC Operations and have experience with managing TMC Operations staff. The TMC Supervisor is responsible for the following:

- Managing and scheduling TMC operators
- Training and guiding TMC operators as needed
- Maintaining operator certifications/training records and providing certifications/training records to the DOTD Project Manager. Training by the Contractor will be listed in the Program Management Plan.
- Ensuring the TMC is fully functional on a daily basis
- Maintaining records

- Participate with regional TIM efforts
- Reporting to the Project Manager
- Coordinating directly with MAP operators and MAP supervisors

TMC Operators (including Seniors)

The operators at a minimum shall be responsible for delivering the services as described in the Functional Requirements in Section 2.5.1. The TMC Operators and Senior Operators shall have the ability to read, write, speak and comprehend English Language. The TMC Operators and Senior Operators should have experience with Parsons iNet ATMS software and should have experience with safety service patrol dispatching.

Office of the Commissioner
State of Louisiana
Division of Administration

JOHN BEL EDWARDS
GOVERNOR



JAY DARDENNE
COMMISSIONER OF ADMINISTRATION

May 30, 2019

F. King Alexander
LSU President
Louisiana State University
3810 West Lakeshore Drive
Baton Rouge, Louisiana 70808

Re: LSU Health Sciences Center-N.O. - John J. Hainkel, Jr.
Home and Rehabilitation Center Project Lease Documents

President Alexander:

The Board of Supervisors for Louisiana State University's (the "*Board*") proposed CEA and Facility Lease and Lease of the Certificate of Need, (the "*Lease*") with the Louisiana Children's Medical Center, through its wholly owned subsidiary Autobahn Retirement Village, Inc. regarding the operation and management of the Hainkel Home were recently submitted to my office for review. The CEA and Leases appear to result in a non-public party generating or expending revenue of one million dollars or more per year from the operation, management, or control of a state resource. Accordingly, La. R.S. 39:366.5 requires that the Leases be reported to the Joint Legislative Committee on the Budget (the "*JLCB*") after, pursuant to La. R.S. 39:366.11, I have determined that the parties to the agreement are sufficiently far enough along in negotiations that the essential elements of the proposed agreement have been worked out by the parties and can be explained to JLCB.

I have made such a determination and therefore you are hereby authorized to submit the proposed Leases and accompanying documents not less than thirty (30) calendar days prior to the next regular meeting of the JLCB.

The following information should be provided with your submission:

- 1) The public purpose sought to be accomplished by the cooperative endeavor;


2) The reason a cooperative endeavor with the non-public person is the preferred means by which to accomplish the public purpose as opposed to competitively bid or competitively negotiated contract; and

3) The nature and amount of all state resources being obligated, the nature of the obligation, and the expected duration of the obligation.

It is my understanding that the Board approved the CEA and Leases on March 20, 2019. It is also my understanding that going before JLCB is contingent upon passage of HB619 which would transfer management of the Hainkel Home from the Louisiana Department of Health to the LSU Health Sciences Center at New Orleans. Please note that this letter does not constitute approval of this project, as it does not appear that such approval by me is required.

Thank you for your assistance.

Sincerely,


Jay Dardenne
Commissioner of Administration



April 1, 2019

Commissioner Jay Dardenne
1201 N. Third Street, Suite 7-210
Baton Rouge, LA 70802

Dear Commissioner Dardenne,

The LSU Health Sciences Center in New Orleans, through its six graduate health professions schools, research enterprise, faculty clinical practice, affiliated hospital partnerships and residency training programs, is an integral partner in preparing the next generation of physicians and healthcare professionals and in meeting the healthcare needs of the citizens of Louisiana. With the escalation of the state's aging population, the need for enhanced geriatric education and training programs continues to grow.

The John J. Hainkel, Jr. Home and Rehabilitation Center (the Hainkel Home), located at 612 Henry Clay Avenue in New Orleans, is a licensed long-term skilled care and rehabilitation facility providing specialized care to the elderly. It has been owned and operated by or on behalf of the Louisiana Department of Health for many years. The 142 bed home had been at risk of closure when LDH proposed to transfer the facility to the LSU Board of Supervisors for operation by or through Louisiana State University Health Sciences Center-New Orleans.

In January 2019, the LSU Board authorized the transfer of the Hainkel Home from LDH to the LSU Board. This will preserve the continuing operation of the home, and through partnering with an affiliated hospital, will also support additional geriatric clinical education and training opportunities for a number of our programs, especially students in nursing, allied health, dentistry, and medicine as well as medical residents.

The transfer is expected to be completed by late June or early next fiscal year, but will not occur until two contingencies are met. First, LDH must receive an acceptable reimbursement rate under the State Plan Amendment to be submitted by April 20, 2019 to the Federal Center for Medicare Medicaid Services. Second, LSUHSC-NO must execute a Cooperative Endeavor Agreement, including a facility lease and lease of the Certificate of Need, with an affiliated hospital partner to operate and manage the Hainkel Home. The Louisiana Children's Medical Center, through its wholly owned subsidiary Autobahn Retirement Village, Inc., has agreed in principle to acquire the license to operate and manage the home.

At its March 20 meeting, the LSU Board authorized the LSU President to enter into a CEA and to execute related lease documents, in accordance with Article VII, Section 14(c) of the State Constitution, with LCMC/ARV to manage and operate the home.

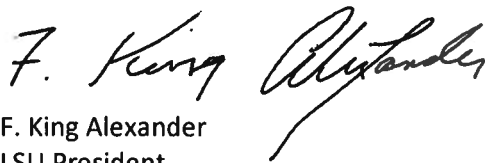
Since the CEA is between a government entity and a non-government entity and will likely generate over \$1M in revenue annually for LCMC/ARV, you may want to consider whether this should be submitted to the Joint Legislative Committee on Budget at its next meeting for consideration as provided for under RS 39:366.11. I am attaching the LSU Board Resolution and related documents for your review.

Once the contingencies have been satisfied, we will follow up to request the official transfer of the property to LSU from LDH.

Once you have reviewed the matter, please let us know if this will be presented to the JCLB. Our team will be prepared to answer questions.

We appreciate your support and please let us know if you have any questions.

Sincerely,

A handwritten signature in black ink, reading "F. King Alexander". The signature is written in a cursive style with a long, sweeping underline that extends to the right.

F. King Alexander
LSU President

OSB/SHAW PLANT CEA

Executive Summary:

This CEA and its companion contracts create a public private partnership, wherein the state will lease the Shaw Power Plant to a private party who will take over the O&M of the Plant, continue providing chilled water services to the Shaw Center and pay the state for the excess chiller capacity for third party off takers. In addition, the state will receive immediate improvements to 31 state buildings and the Shaw Center while saving almost \$3 million in operating expenses and avoiding \$14 million in capital expenditures over the 20-year life of the agreement.

Furthermore, the transaction allows the state to monetize the value of the excess chilled water capacity at the Shaw Power Plant without sharing any of the business risk involved in selling the chilled water to third party off-takers.

Significant improvements at all facilities will lead to reduced energy costs, which allow the state to fund the improvements without additional operating costs or capital outlay appropriations.

Chronology:

A Solicitation for Offers issued May 31, 2017, to determine contractor interest in the management and operation of statewide chiller facilities and in meeting energy efficiency needs at the related buildings.

Two parts of the SFO:

- a. provide upgrades and management of certain state owned/operated chiller facilities.
- b. provide energy conservation measures at the related state buildings that would make the chillers and related buildings more energy efficient and thereby produce costs savings and increase chiller capacity.

Two proposals were submitted: Bernhardt Energy and Johnson Controls

Evaluation: Neither proposal standing on its own fully satisfied the needs of the State. Rather than cancel the SFO and start over the State approached the proposers about a joint proposal to take advantage of the strengths of each proposal which, when combined, would meet the state needs.

Joint Venture Proposal submitted April 18, 2018. Proposal was reviewed, negotiated and now being submitted for JLCB approval. A team of state employees from the Office of State Buildings and the Office of General Counsel, along with an outside financial consulting firm, conducted significant due diligence to verify that the pricing and the terms and conditions of the agreements were favorable to the state.

CEA references and incorporates the following documents:

- Opt in provision
- Facility Optimization Services Agreement (FOSA)
- Thermal Services Agreement (TSA)
- Lease of Shaw Power Plant

JV Proposal:

A joint venture (JV) between Johnson Controls and Bernhard Energy (Louisiana Energy Partners) to provide enhancements/improvements to 31 state owned buildings and the Shaw center and lease the Shaw Power Plant to capture excess chilled water capacity to sell to non-state party off-takers.

1. **OSB Buildings:** JV will make certain enhancements/improvements (Energy Conservation Measures) to 31 state buildings and the Shaw Center. The State will pay the JV for the enhancements/improvements over a 20-year period with the JV financing the costs. Total payments will equal \$54.3 million. The energy savings are projected to be \$56.8 million, which would be sufficient to make the annual payments. If not, the annual payment will be reduced to keep the OSB budget neutral.

2. **Shaw Plant:** State will lease the Shaw Power Plant to the JV who will operate and maintain the Plant.

a. State will pay \$6M to the JV over the 20-year term to operate and maintain the Plant.

- Payment includes \$3M in enhancements/ improvement to the Plant

- Payment includes \$600K in energy conservation measures to the Plant and the Shaw Building that will generate \$1.9M in energy savings over the 20-year term.

b. JV will “pay” the State \$3.3M as an offset to the state’s TSA payments.

3. Net Public Benefit:

a. Estimated \$17M in avoided capital expenditures

b. \$1.7M in operational savings.



State of Louisiana
Louisiana Department of Health
Office of Management and Finance

May 28, 2019

The Honorable Cameron Henry
Louisiana State Representative
Chair, Joint Legislative Committee on the Budget
P.O. Box 44294
Baton Rouge, LA 70804

Re: LDH Request for June JLCB Agenda Item Pursuant to R.S.39:1615(J)
Approval to extend LAGOV PO# 2000226403 Conduent State Healthcare, LLC
01/02/2017 – 01/01/2020 extend end date to 01/01/2022

Dear Representative Henry:

Pursuant to LA R.S.39:1615(J), the Louisiana Department of Health (LDH) requests a contract extension be placed on the agenda for the Joint Legislative Committee on the Budget (JLCB) June hearing. LDH seeks to have the current contract with Conduent State Healthcare, LLC (Conduent) previously awarded through the RFP process extended for an additional two years, which requires the approval of your committee before proceeding.

Conduent State Healthcare, LLC provides call center information and referral services to over 17,000 callers each month, for services pertaining to Long Term Supports and Services programs. Conduent ensures each caller is informed of all available services so that he/she may make an informed choice about which services and/or programs is best for him/her. Conduent also performs face-to-face assessments, monthly and quarterly monitoring calls and visits, and develops plans of care for individuals needing services.

The requested two year extension would result in \$30,000 monthly reduction in Administrative Fees and an 8% reduction of both the Assessment Fee and Plan of Care Fee rates for a total estimated savings of \$ 1,448,733.12.

Additionally, Conduent State Healthcare, LLC meets performance standards and deliverables and exceeds contractual expectations. To avoid a potential disruption of services to Louisiana citizens seeking and receiving services, LDH is requesting approval of the JLCB to extend the contracts for a term that would conclude on January 1, 2022.

I am enclosing a copy of the contract for your convenience. Please feel free to contact Office of Aging and Adult Services Deputy Assistant Robin Wagner at Robin.Wagner@la.gov to answer any

Chairman Cameron Henry
May 28, 2019
Page 2

questions and provide additional information necessary or Lauren Gleason at (225) 342-1868 or Lauren.Gleason@la.gov.

Thank you for considering our request to have the contract extension included on the June JLCB agenda.

Sincerely,



Cindy Rives
Undersecretary

Enclosure

**STATE OF LOUISIANA
DIVISION OF ADMINISTRATION
BA-22 (Revised 10/2005)**

Date: 5/20/2019 Dept/Budget Unit/Program #: 09/305/200
 Dept/Agency/Program Name: LDH/MVA/FMO OCR/CFMS Contract #: 2000226403
 Agency/Program BA-22 #: 49 Agency/Program Contract #: 305/2000226403

Fiscal Year for this BA-22: 2018-19 BA-22 Start/End Dates: 07/01/19 06/30/20
 (yyyy-yy) (Start Date) (End Date)

Multi-year Contract (Yes/No): Yes If "Yes", provide contract dates:
01/02/17 01/01/22
 (Start Date) (End Date)

Conduent (Xerox) 310077976
 (Contractor/Vendor Name) (Contractor/Vendor No.)

(Provide a statement of "Services Provided")
 Contractor will provide information and referral and access to key LTSS programs.

Contract Amendment (Yes/No): Yes Amendment Start/End Dates: 01/02/20 01/01/22
 (Start Date) (End Date)

Contract Cancellation (Yes/No): _____ Date of Cancellation: _____

(Provide rationale for amendment or cancellation)
 Contractor provides information and referral services to over 15,000 callers each month, in regards to Long Term Supports & Services programs, while ensuring they are informed of all available services, so that they may make an informed choice about which services and/or programs may benefit them. The two (2) year extension includes a \$30,000 reduction in Administrative Fees and an 8% reduction of both the Assessment Fee and Plan of Care Fee rates.

This information is to be provided at the Agency/Program Level				
MEANS OF FINANCING	AMOUNT			
	Current Year	%	Total Contract	%
State General Fund	\$ 4,298,706.75	50%	\$ 20,894,033.99	50%
Interagency Transfers	\$ -	0%	\$ -	0%
Fees and Self Gen.	\$ -	0%	\$ -	0%
Statutory Dedication	\$ -	0%	\$ -	0%
Federal	\$ 4,298,706.75	50%	\$ 20,894,033.99	50%
TOTALS	\$ 8,597,413.50	100%	\$ 41,788,067.98	100%

*Specify Source (i.e., grant name, fund name, IAT sending agency and revenue source, fee type and source, etc.)
 Are revenue collections for funds utilized above in line with budgeted amounts? (Yes/No) Yes
 If not, explain. N/A

This information is to be provided at the Agency/Program Level	
Name of Object Code/Category:	Other Professional Services/Professional Services
Object Code/Category Number:	3460/60
Amount Budgeted:	\$ 155,388,525.00
Amount Previously Obligated:	\$ 131,588,499.95
Amount this BA-22:	\$ 8,597,413.50
Balance:	\$ 15,202,611.55

The approval of the aforementioned contract will not cause this agency/program to be placed in an Object Category deficit.

Agy/Prg Contact: Christie McCollough Reviewed/Approved By: Lana Goldsmith
 Name: Christie McCollough Name: Lana Goldsmith
 Title: Medicaid Program Monitor Title: Medicaid Program Manager 4
 Phone: (225) 219-1318 Phone: (225) 342-4312

FOR AGENCY USE ONLY						
AGENCY	PROGRAM	ACTIVITY	ORGANIZ.	OBJECT	REPT CAT	AMOUNT
305	200	FY20	7200	3460	2408	\$ 8,597,413.50
305	200	FY21	7200	3460	2408	\$ 8,218,081.32
305	200	FY22	7200	3460	2408	\$ 4,109,040.66
305	200	FY17	7200	3460	2048	\$ 3,878,706.50
305	200	FY18	7200	3460	2048	\$ 8,417,413.00
305	200	FY19 - A	7200	3460	2048	\$ 150,000.00
305	200	FY19	7200	3460	2048	\$ 8,417,413.00



State of Louisiana
Gaming Control Board

JOHN BEL EDWARDS
GOVERNOR

RONNIE JONES
CHAIRMAN

May 20, 2019

Ms. Sunni J. LeBeouf
City of New Orleans Law Department
1300 Perdido Street, 5th Floor East
New Orleans, Louisiana 70112

Dear Ms. LeBeouf:

We have reviewed your request on behalf of the city for an amendment to the Casino Support Services Contract in the amount of \$2.4 million. Unfortunately, we find no legal basis for such action and despite our request that the city provide specific legal authority for the requested amendment, none has been provided.

Each year for the years cited in the request, as required by contract and law, the Gaming Control Board approved the Casino Support Services Contract in the amount \$3.6 million. For reasons unknown to us and beyond our control, the legislature elected not to approve, appropriate and/or disburse the negotiated assessment as presented and approved by the Board.

While we understand that the city believes that it is entitled to the \$2.4 million and acknowledge their frustration with the process, absent a letter from the Chairman of Joint Committee on the Budget or his designee directing the Board otherwise, the Board cannot honor the city's request to amend the Contract.

Sincerely,

LOUISIANA GAMING CONTROL BOARD

BY:

RONNIE JONES, CHAIRMAN

rbj