EXHIBIT I
PRACTITIONER INCENTIVE PLANS

1. Contractor shall comply with all requirements of this Exhibit to ensure compliance with Sections 4204(a) and 4731 of the Omnibus Budget Reconciliation Act of 1990 that concern practitioner incentive plans. The purpose of this Act is to ensure that OHP Members are not being denied access to Medically Appropriate referral services based on financial incentives. Contractor shall not set into place any financial incentives which reduce or limit provision of Covered Services to OHP Members as specified in this Agreement.

2. Contractor shall complete and submit to AMH Report I 1: Practitioner Incentive Plan Disclosure, under the following circumstances:

   a. On the effective date of this Agreement;

   b. At least 45 calendar days before the effective date of changes to the referral incentive arrangements which results in a change in the amount of risk or Stop Loss Protection or a change in the risk formula to include coverage of services not provided by the practitioner or practitioner group which were not previously included in the formula;

   c. Within 30 calendar days of AMH request; and

   d. On the effective date of any amendment to this Agreement that extends Contractor's Service Area.

3. Contractor shall provide to any OHP Member who requests it the following information:

   a. Whether the Contractor uses a practitioner incentive plan that affects the use of referral services;

   b. The type of incentive arrangement;

   c. Whether Stop Loss Protection is provided; and

   d. If a survey is required to ensure access to services is not being denied based on the practitioner incentive plan, a summary of the survey results.

4. If Contractor practitioner incentive plans meet the definition appearing in Report I 1: Practitioner Incentive Plan Disclosure, Contractor shall complete and submit to AMH, on the effective date of this Agreement and at least 45 calendar days

before the effective date of changes to the practitioner incentive plans, Report I 2: Practitioner Incentive Plan Detail. AMH shall use information reported to determine whether Contractor incentive arrangements place the practitioner or practitioner group at risk for amounts beyond a specified risk threshold.

a. Risk threshold means the maximum risk to which a practitioner or practitioner group may be exposed under a practitioner incentive plan without being at substantial financial risk. It applies to incentive arrangements involving referral services. The specified risk threshold is set at 25 percent of potential earnings of the practitioner or practitioner group.

b. Substantial financial risk applies to those practitioners and practitioner groups with a patient panel size of less than 25,001 OHP Members or a patient panel size of more than 25,000 OHP Members as a result of pooling OHP Members. A substantial financial risk exists for these practitioners and practitioner groups if the incentive arrangement described above in 4.a. places the practitioner or practitioner group at risk of losing more than the risk threshold.

c. An incentive arrangement shall be determined as causing substantial financial risk under the following circumstances:

(1) Withholds are greater than 25 percent of the maximum anticipated total incentive payments (salary, Fee-For-Service payments, Capitation Payments, returned withhold and bonuses);

(2) Withholds less than 25 percent of potential payments if the practitioner or practitioner group is potentially liable for amounts exceeding 25 percent of potential payments;

(3) Bonus that is greater than 33 percent of potential payments minus the bonus;

(4) Withholds plus bonuses if this sum equals more than 25 percent of potential payments. The threshold bonus percentage for a particular withhold percentage may be calculated using the formula:

$$\text{withhold percentage} - 0.75(\text{bonus percentage}) + 25\%$$

(5) For Capitation arrangements, if the difference between the maximum possible payments and minimum possible payments is more than 25 percent of the maximum possible payments; or the maximum and

minimum possible payments are not clearly explained in the practitioner's or practitioner group's contract; and

(6) Any other incentive arrangements that have the potential to hold a practitioner or practitioner group liable for more than 25 percent of potential payments.

5. If Contractor is found to have referral incentive arrangements which place its practitioners or practitioner groups at substantial financial risk, Contractor shall conduct a survey of OHP Members to address satisfaction with the quality of services provided and degree of access to the services. Such survey may be conducted as part of survey administration occurring based on Contractor's QA Program. Contractor shall provide AMH with survey data and results within 60 calendar days of the survey due date. The survey shall:

   a. Include either all current OHP Members of Contractor and those who have disenrolled for reasons other than loss of eligibility or relocation outside the service Areas; or all those OHP Members enrolled during the past twelve months or a sample of these OHP Members;

   b. Be designed, implemented and analyzed in accordance with commonly accepted principles of survey design and statistical analysis;

   c. Address the satisfaction of OHP Members and disenrolled OHP Members with the quality of services provided and their degree of access to the services; and

   d. Be conducted no later than one year after the effective date of the incentive arrangement and at least every two years thereafter.

6. Contractor shall ensure that all practitioners and practitioner groups determined to be at substantial financial risk have either aggregate or per OHP Member Stop Loss Protection in accordance with the following requirements:

   a. If aggregate Stop Loss Protection is provided, Contractor shall cover 90 percent of referral service costs (beyond allocated amounts) that exceed 25 percent of potential earnings of the practitioner or practitioner group; or

b. If per patient Stop Loss Protection is provided, Contractor shall provide Stop Loss Coverage based on patient panel size as reflected in the following table:

Patient Panel Size	Per Patient Stop Loss Limit
Less than 1,000	$10,000
1,000 to 10,000	$30,000
10,001 to 25,001	$200,000
More than 25,000 (No Pooling)	No specification
More than 25,000 (Pooling)	$200,000

7. CMS may impose a penalty of up to $25,000 in addition to or in lieu of other remedies available under law if CMS determines that the Contractor either misrepresented or falsified information furnished to AMH or an OHP Member in regard to the Practitioner Incentive Plan provisions or failed to comply with the Practitioner Incentive Plan provisions specified in this Agreement.

8. DHS shall suspend payment for new OHP Members until it is satisfied that the basis for the determination by CMS is not likely to recur.

REPORT I 1:
PRACTITIONER INCENTIVE PLAN DISCLOSURE

Mental Health Organization:_____ Date Prepared:_____

Signature and Title of Authorized Representative:_____

Practitioner Incentive Plan: Any incentive arrangement between an eligible organization and a practitioner or practitioner group that may directly or indirectly have the effect of reducing or limiting Covered Services furnished with respect to individuals enrolled in the organization. The compensation arrangement may include a variety of payment methods that create financial incentives to influence the use of referral services which are arranged, but not directly provided, by the practitioner subject to the practitioner incentive plan. Such incentive arrangements may hold a practitioner or a practitioner group at risk for all or a portion of the cost of referral services and may provide additional compensation to the practitioner or practitioner group if the practitioner or practitioner group is successful at controlling the level of referral services.

QUESTION OR REQUIREMENT	RESPONSE
1. Does said organization use practitioner incentive plans as defined above for work performed under this Agreement?	
2. If the answer to item 1 is yes, answer these additional questions.	
a. Does the plan reference services that are not provided by the practitioner or practitioner group?	
b. Does the plan involve a withhold and/or bonus? If yes, what is the percent or dollar amount of the withhold and/or bonus?	
c. Does the plan require Stop Loss Protection? If yes, what type of stop loss is required? If yes, what amount of protection is required?	

d. What is the patient panel size?		
If the panel size is based on a pooling of patients, describe the pooling method used.		
e. Does the plan involve Capitation of practitioners or groups?		
If yes, complete the table to the right using information from the most recent year.	**Practitioner Type**	**Percent of Total Capitation Paid**
	Primary Care Practitioners	
	Referral Services to Specialists	
	Hospital	
	Other Types of Providers Services	
	Total	
f. Does said organization conduct surveys of OHP Members to measure the impact of practitioner incentive plans on quality of services and access to services?		
If yes, when was the last survey conducted and who was surveyed?		
If yes, when will the next survey be conducted and who will be surveyed?		

If yes, describe how the survey was designed, implemented and analyzed.	

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REPORT I 2: PRACTITIONER INCENTIVE PLAN DETAIL

Mental Health Organization:_____Date Prepared:_____

Provider Type	Patient Panel Size	Service Payments				Incentives					Total Service Payments and Incentives	Practitioner Liability
		Salary	Fee-for-Service	Capitation	Total	Bonus	Capitation Withhold	FFS Withhold	Referral Withhold	Total		
Primary Care Practitioners												
Referral Services to Specialists												
Hospital												
Other Types of Providers Services												
Total												

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Instructions:

1. Provide the total aggregate amount of payment made by Contractor to each provider type by service payment and incentive arrangement for services delivered under this Agreement during the risk/incentive period.

2. If any one particular referral provider comprises 25% or more of any referral incentive arrangement, then provide the name, address and phone number of the provider group.

3. Provide a written, signed and dated statement and justification if any of the above information is to be considered confidential.

I 2: Practitioner Incentive Plan Detail

Bonus: A payment made to a practitioner or practitioner group beyond any salary, fee-for-service payments, capitation, or returned withhold.

Capitation Withhold: An incentive arrangement where a certain amount is removed from the negotiated Capitation Payment and might or might not be returned to the Participating Providers within the health care delivery system to cover a specified set of services and administrative costs at a given point in time on the basis of certain criteria and/or factors.

Fee-for-Service Withhold: An incentive arrangement where a certain percentage of the service fee is removed from the base amount of the service fee and might or might not be returned to the Participating Providers within the health care delivery system on the basis of certain criteria and/or factors.

Practitioner Liability: An incentive arrangement where payments are made to or by Participating Providers within the health care delivery system at a given point in time on the basis of certain performance criteria. Practitioner liability does not include those items defined elsewhere on this page.

Referral: Any specialty, inpatient, outpatient, or laboratory services that a practitioner or practitioner group orders or arranges, but does not furnish directly.

Referral Withhold: An arrangement between Contractor and Participating Providers in a health care delivery system to provide an incentive for that system to take on additional financial responsibility in covering probable, future expenses incurred from providing referral health care services to Contractor's OHP Members. These arrangements consist of any amounts Contractor pays Participating Providers for services provided, including the amounts paid for administration. These arrangements may control levels or costs of referral services. These payments should only include arrangements based on referral levels. Arrangements made between Contractor and an intermediate entity who in turn subcontracts with one or more practitioner groups are to be reported.