**OUTLINE**

Key Changes

* Rate ranges permissible
* Documentation of COVID-19 impact
  + CMS recommending 2 sided risk mitigation strategy for all PHE impacted periods
* Added clarifying language on varying rates based on FFP
  + Stronger language
* Section I.4.D. Delivery System and Provider Payment Initiatives   
  🡪 Section I.4.D State Directed Payments
  + Directed payments to be reported with more documentation (i.e. descriptions in body of report AND prescribed tables)
  + Align with new preprint
* Section I.4.E Pass-Through Payments
  + Allowable pass through payments for states transitioning services or populations from FFS to managed care
  + Documentation of financing mechanism in alignment with new preprint  
    <https://www.medicaid.gov/medicaid/managed-care/downloads/sdp-4386c-preprint-template.pdf>

Clarifying Items

* 2020 Final Medicaid and CHIP Managed Care Rule
* More language about ensuring compliance with 42 CFR 438.4 and 7
* Removal of language around time periods other than 12 months
* De minimus requirement for retroactive adjustments, reconciliations
  + Retroactive rate adjustments can be submitted a either a rate amendment or new rate certification
* New footnotes pertaining to when a rate amendment AND contract amendment is required
* References to HIF are removed
* All general rate development standards outlined in Section I apply to Section II and Section III.
* Risk sharing mechanisms must be documented on the contract and rate certification prior to the start of rating period – may not be added after start of the rating period.
  + Harsher language likely due to enhanced FFP
* Additional clarifying language in Appendix A
  + Additional detail in non-benefit cost table

**JHC SCRAP**

Appendix A for accelerated rate review

Section I

1. General Information

Rate ranges are permissible again

- 1.A.viii & 1.A.ix

- But cannot be modified per 1.A.xiii.(b), except within the rate range per 1.A.xiii(d)

- Must include rate range documentation per 1.B.iv

Rate certifications must be 12-month period

- Removed prior language that CMS would approve a time period other than 12 months for special cases

Revised rate certification must include more detail

- describe state adjusted rates; address all differences;

Stronger language that differences in capitation rates must not vary based on federal financial participation

- More detail per 1.B.vi

Account for direct and indirect impacts of COVID-19

- 1.A.xii has further reading links

- Must document the approach to address the impact of COVID-19 per 1.B.x