

**441—73.22(249A) Payment to the MCP.**

**73.22(1) *Capitation rate.*** In consideration for all services rendered by an MCP under a contract with the department, the MCP will receive a payment each month for each enrolled member. The monthly reimbursement may be reduced by amounts withheld for pay-for-performance components of the contract. The withheld amounts will be distributed based on the terms described in the managed care contract. Additionally, the department will make an allowance for obligations resulting from Section 9010 of the Patient Protection and Affordable Care Act, the health insurance providers fee. This capitation rate, inclusive of the amounts withheld and the health insurance providers fee, represents the total obligation of the department with respect to the costs of medical care and services provided to enrolled members under the contract except as otherwise designated in the contract rate. Pay-for-performance terms will allow for incentive reimbursement if the MCP meets metrics described in the MCP contract.

**73.22(2) *Determination of rate.*** The actuarially sound capitation rate will be determined according to the terms of federal funding requirements, including 42 CFR 438.6 as amended to July 19, 2022, Actuarial Standards of Practice 49, and other related CMS regulations and generally accepted actuarial principles and practices.

**73.22(3) *Third-party liability.*** If an enrolled member has health insurance coverage or a responsible party other than the Medicaid program available for payment of medical or dental expenses, it is the right and responsibility of MCP to investigate these third-party resources and attempt to obtain payment.

*a.* The MCP shall have a time limit to attempt to collect from third-party resources. The time limit shall be determined by the department.

*b.* The MCP shall retain all funds collected from third-party resources during the time limit.

*c.* A complete record of all third-party collections must be maintained and made available to the department on request.

*d.* In the event that the MCP no longer contracts with the department, the department has the right to seek recovery of any third-party collections not collected by the time the contract ends and retain the funds. This includes but is not limited to subrogation cases.

*e.* The department has the right to retain all funds collected from third-party resources after the MCP time limit.

**73.22(4) *Medical loss ratio.*** The MCP shall report the experienced medical loss ratio for each contract rate period. In the event that the medical loss ratio falls below the department-designated target, the department shall recoup excess capitation paid to the MCP.

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