EXERCISE OF OPTION YEAR 2 AND BILATERAL MODIFICATIONS TO CONTRACT TO OPERATE A QUALIFIED HIGH RISK POOL

CONTRACT AGREEMENT: Between the Department of Health and Human Services (HHS) and Dirigo Health Agency

PROJECT TITLE: Temporary High Risk Insurance Pool Program

CONTRACT NUMBER: 2012MEHRPC

CONTRACTOR: Dirigo Health Agency

Exercise of Option Year Two

In accordance with section A.3 of this contract, HHS exercises Option Year Two of this Contract to operate a Temporary High Risk Insurance Pool Program in accordance with section 1101(b) of the Patient Protection and Affordable Care Act ("Affordable Care Act," Public Law 111-148).

Bilateral Contract Modifications

The below listed sections of the Contract are hereby modified by agreement of the parties.

Section A.2 is modified by replacing the base year contract language in total with the following modified Section A.2.

A.2 PRICES/COSTS

In consideration of performance of the work described in SECTION B, HHS agrees to compensate the Contractor the amount that is the difference between premiums collected and claims plus allowable administrative costs incurred, for the work described in SECTION B, unless the contract is otherwise modified, for which estimated amounts are shown below:

Option Year 2

Estimated Amount From \$5,845,986 to \$430,893

(Assumes \$4 million in unspent, obligated funds carried over from Option Year 1 to be applied to estimated costs in Option

Year 2)

Option Year 3

Estimated Amount From \$5,227,064 to To Be Determined

Close-Out Period

Estimated Amount From \$1,000,000 to To Be Determined

All Periods (Base + Options)

Total Estimated Amount

From \$16,991,246 to To Be Determined

Note that HHS reserves the right to reallocate unobligated funds based on actual cost experience of the state's administration of the Temporary High Risk Health Insurance Pool Program. HHS also reserves the right to order the contractor to limit enrollment in the program.

The estimated contract amounts for Option Year Three and the Close-Out Period will be based on a cost proposal submitted by the Contractor on or before September 4, 2012 that will include cost assumptions based on anticipated administrative costs, per member claims costs experienced by the Contractor, and future enrollment trend assumptions, subject to guidance provided by HHS.

CONTRACT MODIFICATION APPROVAL

The following officials are authorized to sign this contract and hereby mutually agree to this Exercise of Option Year 2 and Contract Modification:

For the Dirigo Health Agency:		
Karynlee Harrington Executive Director	Date	
For the Department of Health and Humar	n Services:	
E.J. Holland, Jr. Assistant Secretary for Administration	Date	