

July 15, 2020

Zane Garcia Ramadan  
Interim Assistant Director  
Division of Developmental Disabilities  
Department of Economic Security  
1789 W. Jefferson, 4th floor  
Phoenix, AZ 85007

**RE: Release from October 15, 2018 Notice to Cure\_ Quality Management and Performance Improvement**

Dear Mr. Ramadan:

The Arizona Health Care Cost Containment System, Division of Health Care Management (AHCCCS) is writing in response to the Division of Economic Security/Division of Developmental Disabilities' (DES/DDD) request for release from the Notice to Cure for Quality Management and Performance Improvement. .

On October 15, 2018, AHCCCS issued a Notice to Cure to DES/DDD regarding violation of contract YH06-0014 Section D Paragraph 18 Quality Management and Performance Improvement. AHCCCS issued the Notice to Cure to address substantial and critical failures identified during an AHCCCS DHCM Quality Management audit of DES/DDD quality management operations. The audit identified approximately 27,000 quality incident reports from the period of June 1, 2017 to August 8, 2018 that were not properly evaluated or triaged by a clinician to determine whether quality management investigations were required. Additionally, the quality incident reports were not subjected to the prescribed quality management process and were merely documented as quality incident reports without additional action in contravention to state and federal requirements. The incidents created an immense backlog of unaddressed quality incident reports, highlighting DES/DDD's failure to timely and thoroughly review quality-related matters that could potentially place the health and safety of vulnerable DES/DDD members at risk.

The audit concluded that that DES/DDD failed to promote improvement in the quality of care provided to enrolled members through established Quality Management (QM) and Performance Improvement (PI) processes and execute processes to monitor, assess, plan, implement, evaluate, and report QM and PI activities consistent with federal and state requirements including AHCCCS Contract YH-60014, AHCCCS Medical Policy Manual (AMPM) Chapters 400 and 900, Arizona Administrative Regulation Title 9 Chapter 28 Article 5, CFR 438.330(a)(1) and €, 42 CFR 438.330(a)(3), 42 CFR 438.330(e)(1) and 42 CFR 438.330(e)(2).

In its request for release, DES/DDD reported its completion of the investigation of identified QOCs and CAP remediation to resolve the backlog of incidents. DES/DDD has also indicated that it has implemented a standard processes for clinical triage, investigation and remediation through Corrective Actions Plans of QOCs and findings including entering QOC related data

directly into the AHCCCS Portal.

Upon review of this request, DES/DDD is commended for its diligence and commitment to resolving all components of the NTC to comply with state and federal requirements. AHCCCS acknowledges that DES/DDD has satisfactorily addressed the 27,000 case backlogs that were identified in the initial audit. Additionally, AHCCCS appreciates the focused efforts on process improvements related to Quality Management. However, given the critical nature of the issues surrounding the Quality Management and Performance Improvement processes leading to issuance of the NTC, AHCCCS will not release DES/DDD from the compliance action until an onsite Quality Management audit has been completed. AHCCCS will provide DES/DDD with information regarding scheduling of the onsite QM Audit once a date and time has been confirmed.

Required reporting for the NTC is amended to a quarterly submission with the initial report due on or before August 15, 2020. Each quarterly update shall report on the following:

- Current Case Metrics
- Summary highlight of current activities and initiatives related to ongoing monitoring and/or implementation of the Contractor's Quality Management and Performance Improvement Systems.
- Current staff counts including the number of clinical and non-clinical staff

AHCCCS expects that DES/DDD will continue to demonstrate sustained compliance regarding Contract and Policy requirements. Further non-compliance may result in additional Administrative Actions.

Should you have any questions regarding this matter, please contact Jakenna Lebsock at [Jakenna Lebsock@azahcccs.gov](mailto:JakennaLebsock@azahcccs.gov) or 602.417.7229.

Sincerely,

*Jakenna L. Lebsock*  
(signed electronically)

Jakenna L. Lebsock, MPA  
Assistant Director, Division of Health Care Management

Cc:

Christina Quast, AHCCCS  
Michelle Holmes, AHCCCS  
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