

May 19, 2023

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

RE: Release from Notice to Cure —Quality Management and Performance Improvement

Dear Mr. Ramadan:

The Arizona Health Care Cost Containment System (AHCCCS), Division of Healthcare Services (DHCS) is writing the Department of Economic Security/Division of Developmental Disabilities' (DES/DDD) regarding its request for release from the Notice to Cure (NTC) issued on October 15, 2018. The NTC was issued to DES/DDD regarding violation of contract YH6-0014 Section D Paragraph 18 Quality Management and Performance Improvement for critical and substantial noncompliance 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, quality incident reports were not subjected to the prescribed quality management process. 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 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).

On November 23, 2021, AHCCCS responded to DES/DDD's March 13, 2020 request for release from the NTC. The response indicated that the originally scheduled focused onsite review of DES/DDD's Quality Management and Performance Improvement processes was unable to be performed due to the Public Health Emergency (PHE). As a result, AHCCCS audited DES/DDD's quality management operations based on the findings of the 2021 Operational Review (OR). The 2021 OR findings identified that supporting documentation for policy and procedures were not finalized nor did it reflect all standards required to ensure sustainability transfer of knowledge to new and current DES/DDD QM staff. Consequently, DES/DDD was issued a corrective action plan (CAP) requirement for its updating policies and procedures and documentation of staff training.

DES/DDD has addressed the 27,000 case backlogs that were identified in the initial audit including the following:

- Established a Task Order with Medical Records Institute of America (MRIoA) to ensure that all backlogged QOCs were properly investigated.

- Defined process and criteria for timely and accurate determinations of QOCs including a standard process for clinical triage, investigation and remediation.
- Developed a process to obtain investigative materials and store in a logical, efficient manner.
- Developed a tracking report to document the review, disposition, investigation and CAP/remediation specific to each QOC.
- Developed a standard work (in collaboration with MRIOA) for Investigative Clinical Staff including Inter-rater Reliability (IRR) standards for monitoring and auditing.
- Submitted its 2021 Operational Review Corrective Action Plan including updated policies and procedures.

Based on the above, DES/DDD has demonstrated progress regarding the areas of deficiency as outlined in the original NTC issued on October 15, 2018 and is hereby released from the Notice to Cure and all related reporting requirements.

While AHCCCS agrees that the themes of the original NTC have been addressed, DES/DDD must ensure compliance and sustainability of its quality management operations. Any identified concerns in the future may result in additional Administrative Actions in accordance with the DES/DDD Contract, Section D Paragraph 76, Administrative Actions.

Additionally, AHCCCS reserves the right to request additional information and/or periodic updates as it deems necessary.

Should DES/DDD have any questions or concerns, please contact Jakenna Lebsock at jakenna.lebsock@azahcccs.gov or 602.417.4229.

Sincerely,

DocuSigned by:



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Meggan LaPorte, CPPO, MSW
Chief Procurement Officer

cc: Jakenna Lebsock, AHCCCS
 Christina Quast, AHCCCS
 Michelle Holmes, AHCCCS
 Eric Tack, AHCCCS
 Monica Allison, AHCCCS
 Ena Binns, AHCCCS
 Virginia Rountree, DES
 Cathy Stern, DES/DDD
 Kristen Moore, DES/DDD