



SECTION A: CONTRACT AMENDMENT

1. AMENDMENT #: 3	2. CONTRACT #: YH19-0001	3. EFFECTIVE DATE OF AMENDMENT: January 1, 2019	4. PROGRAM: ACC
5. CONTRACTOR NAME AND ADDRESS:			
6. PURPOSE: To amend the Contract for the period January 1, 2019 through September 30, 2019 and to amend Section B, Capitation Rates and Contractor Specific Requirements, Section C, Definitions, Section D, Program Requirements, and Section F, Attachments.			
<p>7. THE ABOVE REFERENCED CONTRACT IS HEREBY AMENDED AS FOLLOWS:</p> <ul style="list-style-type: none"> ➤ Section B, Capitation Rates and Contractor Specific Requirements ➤ Section C, Definitions ➤ Section D, Program Requirements ➤ Section F, Attachments <p>Therefore, this Contract is hereby REMOVED IN ITS ENTIRETY, including but not limited to all terms, conditions, requirements, and pricing and is amended, restated and REPLACED with the documents attached hereto as of the Effective Date of this Amendment.</p>			
<p>8. Authority: AHCCCS is duly authorized to execute and administer agreements pursuant to A.R.S. §36-2903 et seq. and §36-2932 et seq. These contracts/amendments are exempt from the Procurement Code pursuant to A.R.S. §41-2501(H) (as effective on July 1, 2016).</p> <p>EXCEPT AS PROVIDED FOR HEREIN, ALL TERMS AND CONDITIONS OF THE ORIGINAL CONTRACT NOT HERETOFORE CHANGED AND/OR AMENDED REMAIN UNCHANGED AND IN FULL EFFECT.</p> <p>IN WITNESS WHEREOF THE PARTIES HERETO SIGN THEIR NAMES IN AGREEMENT</p>			
9. SIGNATURE OF AUTHORIZED REPRESENTATIVE: SIGNATURE ON FILE		10. SIGNATURE OF AHCCCS CONTRACTING OFFICER: SIGNATURE ON FILE	
TYPED NAME:		TYPED NAME:	
TITLE:		TITLE:	
DATE:		DATE:	

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SECTION B: CAPITATION RATES AND CONTRACTOR SPECIFIC REQUIREMENTS

The Contractor shall provide services as described in this Contract. In consideration for these services, the Contractor will be paid Contractor-specific rates per member per month for the period January 1, 2019 through September 30, 2019 unless otherwise modified by contract amendment.

Capitation Rates: See Contractor-specific Section B

Contractor Specific Requirements: See Contractor-specific Section B

SECTION C: DEFINITIONS**PART 1. DEFINITIONS PERTAINING TO ALL AHCCCS CONTRACTS**

The definitions specified in Part 1 below refer to terms found in all AHCCCS Contracts. The definitions specified in Part 2 below refer to terms that exist in one or more Contracts but do not appear in all Contracts.

638 TRIBAL FACILITY A facility that is owned and/or operated by a Federally recognized American Indian/Alaskan Native Tribe and that is authorized to provide services pursuant to Public Law 93-638, as amended. Also referred to as: tribally owned and/or operated 638 facilities, tribally owned and/or operated facility, 638 tribal facility, and tribally-operated 638 health program.

ABUSE OF THE AHCCCS PROGRAM Provider practices that are inconsistent with sound fiscal, business, or medical practices, and result in an unnecessary cost to the AHCCCS program, or in reimbursement for services that are not medically necessary or that fail to meet professionally recognized standards for health care, noncompliance with licensure standards, misuse of billing numbers, or misuse or abuse of billing privileges. It also includes beneficiary practices that result in unnecessary cost to the AHCCCS Program [42 CFR 455.2].

ACTUARY An individual who meets the qualification standards established by the American Academy of Actuaries for an actuary and follows the practice standards established by the Actuarial Standards Board. An actuary develops and certifies the capitation rates. [42 CFR 438.2]

ADJUDICATED CLAIM A claim that has been received and processed by the Contractor which resulted in a payment or denial of payment.

ADMINISTRATIVE SERVICES SUBCONTRACT/SUBCONTRACTOR	<p>An agreement that delegates any of the requirements of the Contract with AHCCCS, including, but not limited to the following:</p> <ol style="list-style-type: none"> 1. Claims processing, including pharmacy claims, 2. Credentialing, including those for only primary source verification (i.e. Credential Verification Organization), 3. Management Service Agreements, 4. Service Level Agreements with any Division or Subsidiary of a corporate parent owner, 5. DDD acute care subcontractors. <p>A person (individual or entity) who holds an Administrative Services Subcontract is an Administrative Services Subcontractor.</p> <p>Providers are not Administrative Services Subcontractors.</p>
ADULT	An individual 18 years of age or older, unless the term is given a different definition by statute, rule, or policies adopted by AHCCCS.
AGENT	Any individual who has been delegated the authority to obligate or act on behalf of a provider [42 CFR 455.101].
AHCCCS COMPLETE CARE CONTRACTOR	A contracted Managed Care Organization (also known as a health plan) that, except in limited circumstances, is responsible for the provision of both physical and behavioral health services to eligible Title XIX/XXI persons enrolled by the administration.
AHCCCS CONTRACTOR OPERATIONS MANUAL (ACOM)	The ACOM provides information related to AHCCCS Contractor operations and is available on the AHCCCS website at www.azahcccs.gov .
AHCCCS ELIGIBILITY DETERMINATION	The process of determining, through an application and required verification, whether an applicant meets the criteria for Title XIX/XXI funded services.
AHCCCS MEDICAL POLICY MANUAL (AMPM)	The AMPM provides information regarding covered health care services and is available on the AHCCCS website at www.azahcccs.gov .
AHCCCS MEMBER	See "MEMBER".
AHCCCS RULES	See "ARIZONA ADMINISTRATIVE CODE".

AMBULATORY CARE	Preventive, diagnostic and treatment services provided on an outpatient basis by physicians, nurse practitioners, physician assistants and/or other health care providers.
AMERICAN INDIAN HEALTH PROGRAM (AIHP)	An acute care Fee-For-Service program administered by AHCCCS for Title XIX/XXI eligible American Indians which reimburses for physical and behavioral health services provided by and through the Indian Health Service (IHS), tribal health programs operated under 638 or any other AHCCCS registered provider.
AMERICANS with DISABILITIES ACT (ADA)	The ADA prohibits discrimination on the basis of disability and ensures equal opportunity for individuals with disabilities in employment, State and local government services, public accommodations, commercial facilities transportation, and telecommunications. Refer to the Americans with Disabilities Act of 1990, as amended, in 42 U.S.C. 126 and 47 U.S.C. 5.
APPEAL	The request for review of an adverse benefit determination.
APPEAL RESOLUTION	The written determination by the Contractor concerning an appeal.
ARIZONA ADMINISTRATIVE CODE (A.A.C.)	State regulations established pursuant to relevant statutes. Referred to in Contract as "Rules." AHCCCS Rules are State regulations which have been promulgated by the AHCCCS Administration and published by the Arizona Secretary of State.
ARIZONA DEPARTMENT OF HEALTH SERVICES (ADHS)	The State agency that has the powers and duties set forth in A.R.S. §36-104 and A.R.S. Title 36, Chapters 5 and 34.
ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM (AHCCCS)	Arizona's Medicaid Program, approved by the Centers for Medicare and Medicaid Services as a Section 1115 Waiver Demonstration Program, and described in A.R.S. Title 36, Chapter 29.
ARIZONA LONG TERM CARE SYSTEM (ALTCS)	An AHCCCS program which delivers long-term, acute, behavioral health and case management services as authorized by A.R.S. §36-2931 et seq., to eligible members who are either elderly and/or have physical disabilities, and to members with developmental disabilities, through contractual agreements and other arrangements.
ARIZONA REVISED STATUTES (A.R.S.)	Laws of the State of Arizona.

ATTACHMENT	Any item labeled as an Attachment in the Contract or placed in the Attachments section of the Contract.
AUTHORIZED REPRESENTATIVE	Authorized representative means an individual who is authorized to apply for medical assistance or act on behalf of another individual (A.A.C. R9-22-101).
BALANCED BUDGET ACT (BBA)	See "MEDICAID MANAGED CARE REGULATIONS."
BEHAVIORAL HEALTH (BH)	Mental health and substance use collectively.
BEHAVIORAL HEALTH DISORDER	Any behavioral, mental health, and/or substance use diagnoses found in the most current version of the Diagnostic and Statistical Manual of International Classification of Disorders (DSM) excluding those diagnoses such as intellectual disability, learning disorders and dementia, which are not typically responsive to mental health or substance use treatment.
BEHAVIORAL HEALTH PROFESSIONAL	<p>a. An individual licensed under A.R.S. Title 32, Chapter 33, whose scope of practice allows the individual to:</p> <ul style="list-style-type: none"> i. Independently engage in the practice of behavioral health as defined in A.R.S. §32-3251, or ii. Except for a licensed substance abuse technician, engage in the practice of behavioral health as defined in A.R.S. §32-3251 under direct supervision as defined in A.A.C. R4-6-101, <p>b. A psychiatrist as defined in A.R.S. §36-501, c. A psychologist as defined in A.R.S. §32-2061, d. A physician, e. A behavior analyst as defined in A.R.S. §32-2091, f. A registered nurse practitioner licensed as an adult psychiatric and mental health nurse, or g. A registered nurse.</p>
BEHAVIORAL HEALTH SERVICES	Physician or practitioner services, nursing services, health-related services, or ancillary services provided to an individual to address the individual's behavioral health issue. See also "COVERED SERVICES".
BOARD CERTIFIED	An individual who has successfully completed all prerequisites of the respective specialty board and successfully passed the required examination for certification and when applicable, requirements for maintenance of certification.

BORDER COMMUNITIES	Cities, towns, or municipalities located in Arizona and within a designated geographic service area whose residents typically receive primary or emergency care in adjacent Geographic Service Areas (GSA) or neighboring states, excluding neighboring countries, due to service availability or distance.
CAPITATION	Payment to a Contractor by AHCCCS of a fixed monthly payment per person in advance, for which the Contractor provides a full range of covered services as authorized under A.R.S. §36-2904 and A.R.S. §36-2907.
CENTERS OF EXCELLENCE	A facility and/or program that is recognized as providing the highest levels of leadership, quality, and service. Centers of Excellence align physicians and other providers to achieve higher value through greater focus on appropriateness of care, clinical excellence, and patient satisfaction.
CENTERS FOR MEDICARE AND MEDICAID SERVICES (CMS)	An organization within the United States Department of Health and Human Services, which administers the Medicare and Medicaid programs and the State Children’s Health Insurance Program.
CHILD	An individual under the age of 18, unless the term is given a different definition by statute, rule or policies adopted by AHCCCS.
CHILD AND FAMILY TEAM (CFT)	A defined group of individuals that includes, at a minimum, the child and his or her family, a behavioral health representative, and any individuals important in the child’s life that are identified and invited to participate by the child and family. This may include teachers, extended family members, friends, family support partners, healthcare providers, coaches, and community resource providers, representatives from churches, synagogues, or mosques, agents from other service systems like (DCS) Department of Child Safety or the Division of Developmental Disabilities (DDD). The size, scope, and intensity of involvement of the team members are determined by the objectives established for the child, the needs of the family in providing for the child, and by who is needed to develop an effective service plan, and can therefore expand and Contract as necessary to be successful on behalf of the child.
CLAIM DISPUTE	A dispute, filed by a provider or Contractor, whichever is applicable, involving a payment of a claim, denial of a claim, imposition of a sanction or reinsurance.

CLEAN CLAIM	A claim that may be processed without obtaining additional information from the provider of service or from a third party but does not include claims under investigation for fraud or abuse or claims under review for medical necessity, as defined by A.R.S. §36-2904.
CLIENT INFORMATION SYSTEM (CIS)	The centralized processing system for files from each TRBHA/RBHA to AHCCCS as well as an informational repository for a variety of BH related reporting. The CIS system includes Member Enrollment and Eligibility, Encounter processing data, Demographics, and SMI determination processes.
CODE OF FEDERAL REGULATIONS (CFR)	The general and permanent rules published in the Federal Register by the departments and agencies of the Federal Government.
COMPREHENSIVE RISK CONTRACT	A risk contract between the State and an MCO that covers comprehensive services, that is, inpatient hospital services and any of the following services, or any three or more of the following services [42 CFR 438.2]: <ol style="list-style-type: none">1. Outpatient hospital services2. Rural health clinic services3. Federally Qualified Health Center (FQHC) services4. Other laboratory and X-ray services5. Nursing facility (NF) services6. Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) services7. Family planning services8. Physician services9. Home health services
CONTRACT SERVICES	See "COVERED SERVICES".
CONTRACTOR	An organization or entity that has a prepaid capitated Contract with AHCCCS pursuant to A.R.S. §36-2904, A.R.S. §36-2940, A.R.S. §36-2944, or Chapter 34 of A.R.S. Title 36, to provide goods and services to members either directly or through subcontracts with providers, in conformance with contractual requirements and State and Federal law, rule, regulations, and policies.
CONVICTED	A judgment of conviction has been entered by a Federal, State, or local court, regardless of whether an appeal from that judgment is pending.

COPAYMENT	A monetary amount that a member pays directly to a provider at the time a covered service is rendered (A.A.C. R9-22-711).
CORRECTIVE ACTION PLAN (CAP)	A written work plan that identifies the root cause(s) of a deficiency, includes goals and objectives, actions/ tasks to be taken to facilitate an expedient return to compliance, methodologies to be used to accomplish CAP goals and objectives, and staff responsible to carry out the CAP within established timelines. CAPs are generally used to improve performance of the Contractor and/or its providers, to enhance Quality Management/Process Improvement activities and the outcomes of the activities, or to resolve a deficiency.
COST AVOIDANCE	The process of identifying and utilizing all confirmed sources of first or third-party benefits before payment is made by the Contractor.
COVERED SERVICES	The health and medical services to be delivered by the Contractor as described in Section D, Program Requirements, or the Scope of Work Section.
CREDENTIALING	The process of obtaining, verifying and evaluating information regarding applicable licensure, accreditation, certification, educational and practice requirements to determine whether a provider has the required credentials to deliver specific covered services to members.
DAY	A day means a calendar day unless otherwise specified.
DAY – BUSINESS/WORKING	A business day means a Monday, Tuesday, Wednesday, Thursday, or Friday unless a legal holiday falls on Monday, Tuesday, Wednesday, Thursday, or Friday.
DELEGATED AGREEMENT	A type of subcontract agreement with a qualified organization or individual to perform one or more functions required to be performed by the Contractor pursuant to this Contract.
DIVISION OF BEHAVIORAL HEALTH SERVICES (DBHS)	The State agency that formerly had the duties set forth by the legislature to provide BH services within Arizona.
DEPARTMENT OF ECONOMIC SECURITY/DIVISION OF DEVELOPMENTAL DISABILITIES (DES/DDD)	The Division of a State agency, as defined in A.R.S. Title 36, Chapter 5.1, which is responsible for serving eligible Arizona residents with a developmental/intellectual disability. AHCCCS contracts with DES/DDD to serve Medicaid eligible individuals with a developmental/intellectual disability.

DISENROLLMENT	The discontinuance of a member's eligibility to receive covered services through a Contractor.
DIVISION OF HEALTH CARE MANAGEMENT (DHCM)	The division responsible for Contractor oversight regarding AHCCCS Contractor operations, quality, maternal and child health, behavioral health, medical management, case management, rate setting, encounters, and financial/operational oversight.
DUAL ELIGIBLE	A member who is eligible for both Medicare and Medicaid.
DURABLE MEDICAL EQUIPMENT (DME)	Equipment that provides therapeutic benefits; is designed primarily for a medical purpose; is ordered by a physician/provider; is able to withstand repeated use; and is appropriate for use in the home. See also Medical Equipment and Appliances.
EARLY AND PERIODIC SCREENING, DIAGNOSTIC, AND TREATMENT (EPSDT)	A comprehensive child health program of prevention, treatment, correction, and improvement of physical and behavioral health conditions for AHCCCS members under the age of 21. EPSDT services include screening services, vision services, dental services, hearing services and all other medically necessary mandatory and optional services listed in Federal Law 42 U.S.C. 1396d (a) to correct or ameliorate defects and physical and mental illnesses and conditions identified in an EPSDT screening whether or not the services are covered under the AHCCCS State Plan. Limitations and exclusions, other than the requirement for medical necessity and cost effectiveness, do not apply to EPSDT services.
EMERGENCY MEDICAL CONDITION	A medical condition manifesting itself by acute symptoms of sufficient severity (including severe pain) such that a prudent layperson who possesses an average knowledge of health and medicine could reasonably expect the absence of immediate medical attention to result in: a) placing the patient's health (or, with respect to a pregnant woman, the health of the woman or her unborn child) in serious jeopardy, b) serious impairment to bodily functions, or c) serious dysfunction of any bodily organ or part [42 CFR 438.114(a)].
EMERGENCY MEDICAL SERVICE	Covered inpatient and outpatient services provided after the sudden onset of an emergency medical condition as defined above. These services must be furnished by a qualified provider, and must be necessary to evaluate or stabilize the emergency medical condition [42 CFR 438.114(a)].

EMERGENCY SERVICES	Medical or behavioral health services provided for the treatment of an emergency medical condition.
ENCOUNTER	A record of a health care-related service rendered by a provider or providers registered with AHCCCS to a member who is enrolled with a Contractor on the date of service.
ENROLLEE	A Medicaid recipient who is currently enrolled with a Contractor [42 CFR 438.2].
ENROLLMENT	The process by which an eligible individual becomes a member of a Contractor's plan.
EVIDENCE-BASED PRACTICE	An intervention that is recognized as effective in treating a specific health-related condition based on scientific research; the skill and judgment of health care professionals; and the unique needs, concerns and preferences of the individual receiving services.
EXHIBITS	All items attached as part of the original Solicitation.
EXCLUDED	Services not covered under the State Plan or the 1115 Waiver, including but not limited to, services that are above a prescribed limit, experimental services, or services that are not medically necessary.
FEDERAL FINANCIAL PARTICIPATION (FFP)	FFP refers to the contribution that the Federal government makes to the Title XIX and Title XXI program portions of AHCCCS, as defined in 42 CFR 400.203.
FEE-FOR-SERVICE (FFS)	A method of payment to an AHCCCS registered provider on an amount-per-service basis for services reimbursed directly by AHCCCS for members not enrolled with a managed care Contractor.

FEE-FOR-SERVICE MEMBER	A Title XIX or Title XXI eligible individual who is not enrolled with an AHCCCS Contractor.
FISCAL AGENT	A Contractor that processes or pays vendor claims on behalf of the Medicaid agency, [42 CFR 455.101].
FRAUD	An intentional deception or misrepresentation made by a person with the knowledge that the deception could result in some unauthorized benefit to himself or some other person. It includes any act that constitutes fraud under applicable State or Federal law, as defined in 42 CFR 455.2.
GEOGRAPHIC SERVICE AREA (GSA)	An area designated by AHCCCS within which a Contractor of record provides, directly or through subcontract, covered health care service to a member enrolled with that Contractor of record, as defined in 9 A.A.C. 22, Article 1.
GRIEVANCE	A member's expression of dissatisfaction with any matter, other than an adverse benefit determination.
GRIEVANCE AND APPEAL SYSTEM	A system that includes a process for member grievances and appeals including, SMI grievances and appeals, provider claim disputes. The Grievance and Appeal system provides access to the State fair hearing process.
HEALTH CARE PROFESSIONAL	A physician, podiatrist, optometrist, chiropractor, psychologist, dentist, physician assistant, physical or occupational therapist, therapist assistant, speech language pathologist, audiologist, registered or practical nurse (including nurse practitioner, clinical nurse specialist, certified registered nurse anesthetist and certified nurse midwife), licensed social worker, registered respiratory therapist, licensed marriage and family therapist and licensed professional counselor.
HEALTH INSURANCE	Coverage against expenses incurred through illness or injury of the individual whose life or physical well-being is the subject of coverage.
HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT (HIPAA)	The Health Insurance Portability and Accountability Act; also known as the Kennedy-Kassebaum Act, signed August 21, 1996 as amended and as reflected in the implementing regulations at 45 CFR Parts 160, 162, and 164.
HEALTH PLAN	See "CONTRACTOR."

HOME HEALTH CARE	See "HOME HEALTH SERVICES".
HOME HEALTH SERVICES	Nursing services, home health aide services, therapy services, and medical supplies, equipment, and appliances as described in 42 CFR 440.70 when provided to a member at his place of residence and on his or her physician's orders as part of a written plan of care [42 CFR 440.70].
HOSPICE SERVICES	Palliative and support care for members who are certified by a physician as being terminally ill and having six months or less to live.
HOSPITALIZATION	Admission to, or period of stay in, a health care institution that is licensed as a hospital as defined in R9-22-101.
IN-NETWORK PROVIDER	An individual or entity which has signed a provider agreement as specified in A.R.S. §36-2904 and that has a subcontract with an AHCCCS Contractor to provide services prescribed in A.R.S. §36-2901 et seq.
INSTITUTION FOR MENTAL DISEASE (IMD)	A hospital, nursing facility, or other institution of more than 16 beds that is primarily engaged in providing diagnosis, treatment or care of individuals with mental diseases (including substance use disorders), including medical attention, nursing care and related services. Whether an institution is an institution for mental diseases is determined by its overall character as that of a facility established and maintained primarily for the care and treatment of individuals with mental diseases, whether or not it is licensed as such. An institution for Individuals with Intellectual Disabilities is not an institution for mental diseases [42 CFR 435.1010].
INCURRED BUT NOT REPORTED (IBNR)	Liability for services rendered for which claims have not been received.
INDIVIDUAL RECOVERY PLAN (FORMERLY KNOWN AS THE INDIVIDUAL SERVICE PLAN)	See "SERVICE PLAN"
INDIAN HEALTH SERVICES (IHS)	The operating division within the U.S. Department of Health and Human Services, responsible for providing medical and public health services to members of federally recognized Tribes and Alaska Natives as outlined in 25 U.S.C. 1661.

INFORMATION SYSTEMS	The component of the Contractor’s organization which supports the Information Systems, whether the systems themselves are internal to the organization (full spectrum of systems staffing), or externally contracted (internal oversight and support).
INTERGOVERNMENTAL AGREEMENT (IGA)	When authorized by legislative or other governing bodies, two or more public agencies or public procurement units by direct Contract or agreement may contract for services or jointly exercise any powers common to the contracting parties and may enter into agreements with one another for joint or cooperative action or may form a separate legal entity, including a nonprofit corporation to Contract for or perform some or all of the services specified in the Contract or agreement or exercise those powers jointly held by the contracting parties. A.R.S. Title 11, Chapter 7, Article 3 (A.R.S. §11-952.A).
LIABLE PARTY	An individual, entity, or program that is or may be liable to pay all or part of the medical cost of injury, disease or disability of an AHCCCS applicant or member as defined in A.A.C. R9-22-1001.
LIEN	A legal claim, filed with the County Recorder’s office in which a member resides and in the county an injury was sustained for the purpose of ensuring that AHCCCS receives reimbursement for medical services paid. The lien is attached to any settlement the member may receive as a result of an injury.
LIMITED ENGLISH PROFICIENCY (LEP)	Individuals who do not speak English as their primary language and who have a limited ability to read, write, speak, or understand English may have LEP and may be eligible to receive language assistance for a particular type of service, benefit, or encounter.
LONG -TERM SERVICES AND SUPPORTS (LTSS)	Services and supports provided to members of all ages who have functional limitations and/or chronic illnesses that have the primary purpose of supporting the ability of the member to live or work in the setting of their choice, which may include the individual’s home, a provider-owned or controlled residential setting, a nursing facility, or other institutional setting [42 CFR 438.2].
MAJOR UPGRADE	Any systems upgrade or change to a major business component that may result in a disruption to the following: loading of contracts, providers, or members, issuing prior authorizations or the adjudication of claims.

MANAGED CARE	Systems that integrate the financing and delivery of health care services to covered individuals by means of arrangements with selected providers to furnish comprehensive services to members; establish explicit criteria for the selection of health care providers; have financial incentives for members to use providers and procedures associated with the plan; and have formal programs for quality, medical management and the coordination of care.
MANAGED CARE ORGANIZATION	<p>An entity that has, or is seeking to qualify for, a comprehensive risk Contract under 42 CFR Part 438 and that is [42 CFR 438.2]:</p> <ol style="list-style-type: none">1. A Federally qualified HMO that meets the advance directives requirements of subpart I of 42 CFR Part 489, or2. Any public or private entity that meets the advance directives requirements and is determined by the Secretary to also meet the following conditions:<ol style="list-style-type: none">a. Makes the services it provides to its Medicaid enrollees as accessible (in terms of timeliness, amount, duration, and scope) as those services are to other Medicaid beneficiaries within the area served by the entity.b. Meets the solvency standards of 42 CFR 438.116.
MANAGED CARE PROGRAM	A managed care delivery system operated by a State as authorized under section 1915(a), 1915(b), 1932(a), or 1115(a) of the Social Security Act [42 CFR 438.2].
MANAGEMENT SERVICES AGREEMENT	A type of subcontract with an entity in which the owner of the Contractor delegates all or substantially all management and administrative services necessary for the operation of the Contractor.
MANAGING EMPLOYEE	A general manager, business manager, administrator, director, or other individual who exercises operational or managerial control over or who directly or indirectly conducts the day-to-day operation of an institution, organization, or agency [42 CFR 455.101].

MATERIAL CHANGE TO BUSINESS OPERATIONS

Any change in overall operations that affects, or can reasonably be foreseen to affect, the Contractor's ability to meet the performance standards as required in Contract including, but not limited to, any change that would impact or is likely to impact more than 5% of total membership and/or provider network in a specific GSA. Changes to business operations may include, but are not limited to, policy, process, and protocol, such as prior authorization or retrospective review. Additional changes may also include the addition or change in:

- PBM,
- Dental Benefit Manager,
- Transportation vendor,
- Claims Processing system,
- System changes and upgrades,
- Member ID Card vendor,
- Call center system,
- Covered benefits delivered exclusively through the mail, such as mail order pharmaceuticals or delivery of medical equipment,
- MSA, and
- Any other Administrative Services Subcontract.

MATERIAL CHANGE TO PROVIDER NETWORK

Any change in composition of or payments to a Contractor's provider network that affects, or can reasonably be foreseen to affect, the Contractor's adequacy of capacity and services necessary to meet the performance and/or provider network standards as described in Contract. Changes to provider network may include but not limited to:

- A change that would cause or is likely to cause more than 5% of the members in a GSA to change the location where services are received or rendered.
- Any change impacting 5% or less of the membership but involving a provider or provider group who is the sole provider of a service in a service area, or operates in an area with limited alternate sources of the service.

MATERIAL OMISSION

A fact, data or other information excluded from a report, Contract, etc., the absence of which could lead to erroneous conclusions following reasonable review of such report, Contract, etc.

MEDICAID

A Federal/State program authorized by Title XIX of the Social Security Act, as amended.

MEDICAID MANAGED CARE REGULATIONS	The Federal law mandating, in part, that States ensure the accessibility and delivery of quality health care by their managed care Contractors. These regulations were promulgated pursuant to the Balanced Budget Act (BBA) of 1997.
MEDICAL EQUIPMENT AND APPLIANCES	<p>Any item, appliance, or piece of equipment (pursuant to 42 CFR 440.70) that is not a prosthetic or orthotic; and</p> <ol style="list-style-type: none">1. Is customarily used to serve a medical purpose, and is generally not useful to an individual in the absence of an illness, disability, or injury,2. Can withstand repeated use, and3. Can be reusable by others or removable. <p>Medical equipment and appliances may also be referred to as Durable Medical Equipment (DME).</p>
MEDICAL MANAGEMENT (MM)	An integrated process or system that is designed to assure appropriate utilization of health care resources, in the amount and duration necessary to achieve desired health outcomes, across the continuum of care (from prevention to hospice).
MEDICAL RECORDS	A chronological written account of a patient's examination and treatment that includes the patient's medical history and complaints, the provider's physical findings, behavioral health findings, the results of diagnostic tests and procedures, medications and therapeutic procedures, referrals and treatment plans.
MEDICAL SERVICES	Medical care and treatment provided by a Primary Care Provider (PCP), attending physician, or dentist or by a nurse or other health related professional and technical personnel at the direction/order of a licensed physician or dentist.
MEDICAL SUPPLIES	Health care related items that are consumable or disposable, or cannot withstand repeated use by more than one individual, that are required to address an individual medical disability, illness or injury [42 CFR 440.70].
MEDICALLY NECESSARY	A covered service provided by a physician or other licensed practitioner of the health arts within the scope of practice under State law to prevent disease, disability or other adverse conditions or their progression, or to prolong life (A.A.C. R9-22-101).

MEDICALLY NECESSARY SERVICES	Those covered services provided by qualified service providers within the scope of their practice to prevent disease, disability and other adverse health conditions or their progression or to prolong life.
MEDICARE	A Federal program authorized by Title XVIII of the Social Security Act, as amended.
MEDICATION ASSISTED TREATMENT (MAT)	The use of medications in combination with counseling and behavioral therapies for the treatment of substance use disorders.
MEMBER	An eligible individual who is enrolled in AHCCCS, as defined in A.R.S. §36-2931, §36-2901, §36-2901.01 and A.R.S. §36-2981.
MEMBER INFORMATION MATERIALS	Any materials given to the Contractor's membership. This includes, but is not limited to: member handbooks, member newsletters, provider directories, surveys, on hold messages and health related brochures/reminders and videos, form letter templates, and website content. It also includes the use of other mass communication technology such as e-mail and voice recorded information messages delivered to a member's phone.
NATIONAL PROVIDER IDENTIFIER (NPI)	A unique identification number for covered health care providers, assigned by the CMS contracted national enumerator.
NETWORK	A list of doctors, or other health care providers, and hospitals that a Contractor contracts with directly, or employs through a subcontractor, to provide medical care to its members.
NON-CONTRACTING PROVIDER	An individual or entity that provides services as prescribed in A.R.S. §36-2901 who does not have a subcontract with an AHCCCS Contractor.
OUT OF NETWORK PROVIDER	An individual or entity that has a provider agreement with the AHCCCS Administration pursuant to A.R.S. §36-2904 which does not have a subcontract with an AHCCCS Contractor and which provides services specified in A.R.S. §36-2901 et seq.
PARENT	A biological, adoptive, or custodial mother or father of a child, or an individual who has been appointed as a legal guardian or custodian of a child by a court of competent jurisdiction.

PERFORMANCE IMPROVEMENT PROJECT (PIP)	A planned process of data gathering, evaluation, and analysis to determine interventions or activities that are projected to have a positive outcome. A PIP includes measuring the impact of the interventions or activities toward improving the quality of care and service delivery. Formerly referred to as Quality Improvement Projects (QIP).
PERFORMANCE STANDARDS	A set of standardized measures designed to assist AHCCCS in evaluating, comparing, and improving the performance of its Contractors.
PHYSICIAN SERVICES	Medical assessment, treatments, and surgical services provided by licensed allopathic or osteopathic physicians within the scope of practice.
PLAN	See "SERVICE PLAN".
POSTSTABILIZATION CARE SERVICES	Medically necessary services, related to an emergency medical condition provided after the member's condition is sufficiently stabilized in order to maintain, improve or resolve the member's condition so that the member could alternatively be safely discharged or transferred to another location [42 CFR 438.114(a)].
POTENTIAL ENROLLEE	A Medicaid-eligible recipient who is not yet enrolled with a Contractor [42 CFR 438.10(a)].
PREPAID MEDICAL MANAGEMENT INFORMATION SYSTEM (PMMIS)	An integrated information infrastructure that supports AHCCCS operations, administrative activities, and reporting requirements.
PREMIUM	The amount an individual pays for health insurance every month. In addition to the premium, an individual usually has to pay other costs for his/her health care, including a deductible, copayments, and coinsurance.
PREMIUM TAX	The premium tax is equal to the tax imposed pursuant to A.R.S. §36-2905 and A.R.S. §36-2944.01 for all payments made to Contractors for the Contract Year.
PRESCRIPTION DRUGS	Any prescription medication as defined in A.R.S §32-1901 is prescribed by a health care professional to a subscriber to treat the subscriber's condition.

PRIMARY CARE	All health care services and laboratory services customarily furnished by or through a general practitioner, family physician, internal medicine physician, obstetrician/gynecologist, pediatrician, or other licensed practitioner as authorized by the State Medicaid program, to the extent the furnishing of those services is legally authorized in the State in which the practitioner furnishes them [42 CFR 438.2].
PRIMARY CARE PHYSICIAN	A physician defined as an individual licensed as an allopathic or osteopathic physician according to A.R.S. Title 32, Chapter 13 or Chapter 17 and who otherwise meets the definition of Primary Care Provider (PCP).
PRIMARY CARE PROVIDER (PCP)	An individual who meets the requirements of A.R.S. §36-2901, and who is responsible for the management of the member's health care. A PCP may be a physician defined as an individual licensed as an allopathic or osteopathic physician according to A.R.S. Title 32, Chapter 13 or Chapter 17, or a practitioner defined as a physician assistant licensed under A.R.S. Title 32, Chapter 25, or a certified nurse practitioner licensed under A.R.S. Title 32, Chapter 15. The PCP must be an individual, not a group or association of individuals, such as a clinic.
PRIMARY PREVENTION	The focus on methods to reduce, control, eliminate, and prevent the incidence or onset of physical or mental health disease through the application of interventions before there is any evidence of disease or injury.
PRIOR AUTHORIZATION	Process by which the Administration or contractor, whichever is applicable, authorizes, in advance, the delivery of covered services based on factors including but not limited to medical necessity, cost effectiveness, compliance with this Article and any applicable contract provisions. Prior authorization is not a guarantee of payment (A.A.C. R9-22-101).
PRIOR PERIOD	See "PRIOR PERIOD COVERAGE".

**PRIOR PERIOD
COVERAGE (PPC)**

The period of time prior to the member's enrollment, during which a member is eligible for covered services. The timeframe is from the effective date of eligibility (usually the first day of the month of application) until the date the member is enrolled with the Contractor. Refer to 9 A.A.C. 22 Article 1. If a member made eligible via the Hospital Presumptive Eligibility (HPE) program is subsequently determined eligible for AHCCCS via the full application process, prior period coverage for the member will be covered by AHCCCS Fee-For-Service and the member will be enrolled with the Contractor only on a prospective basis. HPE does not apply to ALTCS members.

**PRIOR QUARTER
COVERAGE**

The period of time prior to an individual's month of application for AHCCCS coverage, during which a member may be eligible for covered services. Prior Quarter Coverage is limited to the three month time period prior to the month of application. An applicant may be eligible during any of the three months prior to application if the applicant:

1. Received one or more covered services described in 9 A.A.C. 22, Article 2 and Article 12, and 9 A.A.C. 28, Article 2 during the month, and
2. Would have qualified for Medicaid at the time services were received if the individual had applied regardless of whether the individual is alive when the application is made. Refer to A.A.C. R9-22-303.

AHCCCS Contractors are not responsible for payment for covered services received during the prior quarter.

PROGRAM CONTRACTOR See "CONTRACTOR"

PROVIDER

Any individual or entity that contracts with AHCCCS or a Contractor for the provision of covered services to members according to the provisions A.R.S. §36-2901 or any subcontractor of a provider delivering services pursuant to A.R.S. §36-2901.

PROVIDER GROUP

Two or more health care professionals who practice their profession at a common location (whether or not they share facilities, supporting staff, or equipment).

PRUDENT LAYPERSON (for purposes of determining whether an emergency medical condition exists)	An individual without medical training who relies on the experience, knowledge and judgment of a reasonable individual to make a decision regarding whether or not the absence of immediate medical attention will result in: 1) placing the health of the individual in serious jeopardy, 2) serious impairment to bodily functions, or 3) serious dysfunction of a bodily part or organ.
QUALIFIED MEDICARE BENEFICIARY DUAL ELIGIBLE (QMB DUAL)	An individual determined eligible under A.A.C. R9-29-101 et seq. for Qualified Medicare Beneficiary (QMB) and eligible for acute care services provided for in A.A.C. R9-22-201 et seq. or ALTCS services provided for in A.A.C. R9-28-201 et seq. A QMB Dual receives both Medicare and Medicaid services and cost sharing assistance.
REFERRAL	A verbal, written, telephonic, electronic, or in-person request for health services.
REGIONAL BEHAVIORAL HEALTH AUTHORITY (RBHA)	A contracted Managed Care Organization (also known as a health plan) responsible for the provision of comprehensive behavioral health services to all eligible individuals assigned by the administration and provision of comprehensive physical health services to eligible individuals with a Serious Mental Illness enrolled by the Administration.
REHABILITATION	Physical, occupational, and speech therapies, and items to assist in improving or restoring an individual's functional level (A.A.C. R9-22-101).
REINSURANCE	A risk-sharing program provided by AHCCCS to Contractors for the reimbursement of certain Contract service costs incurred for a member beyond a predetermined monetary threshold.
RELATED PARTY	A party that has, or may have, the ability to control or significantly influence a Contractor, or a party that is, or may be, controlled or significantly influenced by a Contractor. "Related parties" include, but are not limited to, agents, managing employees, individuals with an ownership or controlling interest in the Contractor and their immediate families, subcontractors, wholly-owned subsidiaries or suppliers, parent companies, sister companies, holding companies, and other entities controlled or managed by any such entities or individuals.

REQUEST FOR PROPOSAL (RFP)	A RFP includes all documents, whether attached or incorporated by references that are used by the Administration for soliciting a Proposal under 9 A.A.C. 22 Article 6 and 9 A.A.C. 28 Article 6.
RISK CONTRACT	<p>A Contract between the State and MCO, under which the Contractor:</p> <ol style="list-style-type: none"> 1. Assumes risk for the cost of the services covered under the Contract; and 2. Incurs loss if the cost of furnishing the services exceeds the payments under the Contract. [42 CFR 438.2]
ROOM AND BOARD (or ROOM)	The amount paid for food and/or shelter. Medicaid funds can be expended for room and board when an individual lives in an institutional setting (e.g. NF, ICF). Medicaid funds cannot be expended for room and board when a member resides in an Alternative HCBS Setting (e.g. Assisted Living Home, Behavioral Health Residential Facilities) or an apartment like setting that may provide meals.
SCOPE OF SERVICES	See "COVERED SERVICES".
SERVICE LEVEL AGREEMENT	A type of subcontract with a corporate owner or any of its Divisions or Subsidiaries that requires specific levels of service for administrative functions or services for the Contractor specifically related to fulfilling the Contractor's obligations to AHCCCS under the terms of this Contract.
SERVICE PLAN	A complete written description of all covered health services and other informal supports which includes individualized goals, family support services, care coordination activities and strategies to assist the member in achieving an improved quality of life.
SPECIAL HEALTH CARE NEEDS (SHCN)	Serious and chronic physical, developmental, or behavioral conditions requiring medically necessary health and related services of a type or amount beyond that required by members generally; that lasts or is expected to last one year or longer and may require ongoing care not generally provided by a primary care provider.
SPECIALIST	A Board-eligible or certified physician who declares himself or herself as a specialist and practices a specific medical specialty. For the purposes of this definition, Board-eligible means a physician who meets all the requirements for certification but has not tested for or has not been issued certification.

SPECIALTY PHYSICIAN	A physician who is specially trained in a certain branch of medicine related to specific services or procedures, certain age categories of patients, certain body systems, or certain types of diseases.
STATE	The State of Arizona and Department or Agency of the State that executes the Contract.
STATEWIDE	Of sufficient scope and breadth to address the health care service needs of members throughout the State of Arizona.
STATE FISCAL YEAR	The budget year-State fiscal year: July 1 through June 30.
STATE PLAN	The written agreements between the State and CMS, which describes how the AHCCCS program meets CMS requirements for participation in the Medicaid program and the State Children's Health Insurance Program.
SUBCONTRACT	An agreement entered into by the Contractor with any of the following: a provider of health care services who agrees to furnish covered services to member; or with any other organization or individual who agrees to perform any administrative function or service for the Contractor specifically related to fulfilling the Contractor's obligations to AHCCCS under the terms of this Contract, as defined in 9 A.A.C. 22 Article 1.
SUBCONTRACTOR	<ol style="list-style-type: none"> 1. A provider of health care who agrees to furnish covered services to members. 2. An individual, agency, or organization with which the Contractor has contracted or delegated some of its management/administrative functions or responsibilities. 3. An individual, agency or organization with which a fiscal agent has entered into a Contract, agreement, purchase order or lease (or leases of real property) to obtain space, supplies equipment or services provided under the AHCCCS agreement.
SUBSIDIARY	An entity owned or controlled by the Contractor.
SUBSTANCE USE DISORDER	A range of conditions that vary in severity over time, from problematic, short-term use/abuse of substances to severe and chronic disorders requiring long-term and sustained treatment and recovery management.

SUPPLEMENTAL SECURITY INCOME (SSI) AND SSI RELATED GROUPS	Eligible individuals receiving income through Federal cash assistance programs under Title XVI of the Social Security Act who are aged, blind or have a disability and have household income levels at or below 100% of the FPL.
THIRD PARTY LIABILITY (TPL)	See "LIABLE PARTY."
TITLE XIX	Known as Medicaid, Title XIX of the Social Security Act provides for Federal grants to the states for medical assistance programs. Title XIX enables states to furnish medical assistance to those who have insufficient income and resources to meet the costs of necessary medical services, rehabilitation, and other services, to help those families and individuals become or remain independent and able to care for themselves. Title XIX members include but are not limited to those eligible under Section 1931 of the Social Security Act, Supplemental Security Income (SSI), SSI-related groups, Medicare cost sharing groups, Breast and Cervical Cancer Treatment Program and Freedom to Work Program. Which includes those populations described in 42 U.S.C. 1396 a (a)(10)(A).
TITLE XIX MEMBER	Title XIX members include those eligible under Section 1931 provisions of the Social Security Act (previously AFDC), Sixth Omnibus Budget Reconciliation Act (SOBRA), Supplemental Security Income (SSI) or SSI-related groups, Medicare Cost Sharing groups, Adult Group at or below 106% Federal Poverty Level (Adults <= 106%), Adult Group above 106% Federal Poverty Level (Adults > 106%), Breast and Cervical Cancer Treatment program, Title IV-E Foster Care and Adoption Subsidy, Young Adult Transitional Insurance, and Freedom to Work.
TREATMENT	A procedure or method to cure, improve, or palliate an individual's medical condition or behavioral health issue. Refer to A.A.C. R9-10-101.
TRIBAL REGIONAL BEHAVIORAL HEALTH AUTHORITY (TRBHA)	A tribal entity that has an intergovernmental agreement with the administration, the primary purpose of which is to coordinate the delivery of comprehensive behavioral health services to all eligible individuals assigned by the administration to the tribal entity. Tribal governments, through an agreement with the State, may operate a Tribal Regional Behavioral Health Authority for the provision of behavioral health services to American Indian members. Refer to A.R.S. §36-3401 and A.R.S. §36-3407.

[END OF PART 1 DEFINITIONS]

PART 2. DEFINITIONS PERTAINING TO ONE OR MORE AHCCCS CONTRACTS

ABUSE (OF A CHILD)	<p>Means the infliction or allowing of physical injury, impairment of bodily function or disfigurement or the infliction of or allowing another person to cause serious emotional damage as evidenced by severe anxiety, depression, withdrawal or untoward aggressive behavior and which emotional damage is diagnosed by a medical doctor or psychologist and is caused by the acts or omissions of an individual who has the care, custody and control of a child. As specified in A.R.S. § 8-201(2), abuse includes:</p> <p>(a) Inflicting or allowing sexual abuse, sexual conduct with a minor, sexual assault, molestation of a child, commercial sexual exploitation of a minor, sexual exploitation of a minor, incest, or child sex trafficking as those acts are described in the Arizona Revised Statutes, Title 13, Chapter 14.</p> <p>(b) Physical injury that results from permitting a child to enter or remain in any structure or vehicle in which volatile, toxic or flammable chemicals are found or equipment is possessed by any person for the purpose of manufacturing a dangerous drug as defined in section 13-3401.</p> <p>(a)(c) Unreasonable confinement of a child.</p>
ABUSE (OFA MEMBER)	<p>Abuse of a Vulnerable Adult or the Abuse of a Child who is a member as specified in A.R.S. §46-451(A)(1), A.R.S. §8-201(2) (A.R.S. §46-451(A)(9)).</p>
ABUSE (OF A VULNERABLE ADULT)	<p>Means intentional infliction of physical harm, injury caused by negligent acts or omissions, unreasonable confinement, and sexual abuse or sexual assault as specified in A.R.S. §46-451(A)(1).</p>
ACTIVE TREATMENT	<p>A current need for treatment. The treatment is identified on the member's service plan to treat a serious and chronic physical, developmental or behavioral condition requiring medically necessary services of a type or amount beyond that generally required by members that lasts, or is expected to last one year or longer, and requires ongoing care not generally provided by a primary care provider</p>

ACUTE CARE ONLY (ACO)	The enrollment status of a member who is otherwise financially and medically eligible for ALTCS but who 1) refuses HCBS offered by the case manager; 2) has made an uncompensated transfer that makes him or her ineligible; 3) resides in a setting in which Long Term Care Services and Supports (LTSS) cannot be provided; or 4) has equity value in a home that exceeds \$552,000. These ALTCS enrolled members are eligible to receive acute medical services but not eligible to receive LTC institutional, alternative residential or HCBS.
ADMINISTRATIVE OFFICE OF THE COURTS (AOC)	The Arizona Constitution authorizes an administrative director and staff to assist the Chief Justice with administrative duties. Under the direction of the Chief Justice, the administrative director and the staff of the Administrative Office of the Courts (AOC) provide the necessary support for the supervision and administration of all State courts.
ADULT GROUP ABOVE 106% FEDERAL POVERTY LEVEL (ADULTS > 106%)	Adults aged 19-64, without Medicare, with income above 106% through 133% of the Federal Poverty Level (FPL).
ADULT GROUP AT OR BELOW 106% FEDERAL POVERTY LEVEL (ADULTS <=/ 106%)	Adults aged 19-64, without Medicare, with income at or below 106% of the Federal Poverty Level (FPL).
AFFILIATED ORGANIZATION	A party that, directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with an entity.
ANNIVERSARY DATE	The anniversary date is 12 months from the date the member is enrolled with the Contractor and annually thereafter. In some cases, the anniversary date will change based on the last date the member changed Contractors or the last date the member was given an opportunity to change.
ANNUAL ENROLLMENT CHOICE (AEC)	The opportunity for an individual to change Contractors every 12 months.

ARIZONA DEPARTMENT OF CHILD SAFETY (DCS)	<p>The department established pursuant to A.R.S. §8-451 to protect children and to perform the following:</p> <ol style="list-style-type: none">1. Investigate reports of abuse and neglect.2. Assess, promote, and support the safety of a child in a safe and stable family or other appropriate placement in response to allegations of abuse or neglect.3. Work cooperatively with law enforcement regarding reports that include criminal conduct allegations.4. Without compromising child safety, coordinate services to achieve and maintain permanency on behalf of the child, strengthen the family, and provide prevention, intervention and treatment services pursuant to this chapter.
ARIZONA DEPARTMENT OF JUVENILE CORRECTION (ADJC)	<p>The State agency responsible for all juveniles adjudicated as delinquent and committed to its jurisdiction by the county juvenile courts.</p>
BED HOLD	<p>A 24 hour per day unit of service that is authorized by an ALTCS member's case manager or the behavioral health case manager or a subcontractor for an acute care member, which may be billed despite the member's absence from the facility for the purposes of short term hospitalization leave and therapeutic leave. Refer to the Arizona Medicaid State Plan, 42 CFR 447.40 and 42 CFR 483.12, 9 A.A.C. 28 and AMPM Chapter 100.</p>
BEHAVIORAL HEALTH PARAPROFESSIONAL	<p>As specified in A.A.C. R9-10-101, an individual who is not a behavioral health professional who provides behavioral health services at or for a health care institution according to the health care institution's policies and procedures that:</p> <ol style="list-style-type: none">1. If the behavioral health services were provided in a setting other than a licensed health care institution, the individual would be required to be licensed as a behavioral professional under A.R.S. Title 32, Chapter 33; and2. Are provided under supervision by a behavioral health professional.
BEHAVIORAL HEALTH RESIDENTIAL FACILITY	<p>As specified in A.A.C. R9-10-101, health care institution that provides treatment to an individual experiencing a behavioral health issue that:</p> <ol style="list-style-type: none">1. Limits the individual's ability to be independent, or2. Causes the individual to require treatment to maintain or enhance independence.

BEHAVIORAL HEALTH TECHNICIAN	<p>As specified in A.A.C. R9-10-101, an individual who is not a behavioral health professional who provides behavioral health services at or for a health care institution according to the health care institution's policies and procedures that:</p> <ol style="list-style-type: none">1. If the behavioral health services were provided in a setting other than a licensed health care institution, the individual would be required to be licensed as a behavioral professional under A.R.S. Title 32, Chapter 33; and2. Are provided with clinical oversight by a behavioral health professional.
BREAST AND CERVICAL CANCER TREATMENT PROGRAM (BCCTP)	<p>Eligible individuals under the Title XIX expansion program for women with income up to 250% of the FPL, who are diagnosed with and need treatment for breast and/or cervical cancer or cervical lesions and are not eligible for other Title XIX programs providing full Title XIX services. Qualifying individuals cannot have other creditable health insurance coverage, including Medicare.</p>
CARE MANAGEMENT PROGRAM (CMP)	<p>Activities to identify the top tier of high need/high cost Title XIX members receiving services within an AHCCCS contracted health plan; including the design of clinical interventions or alternative treatments to reduce risk, cost, and help members achieve better health care outcomes. Care management is an administrative function performed by the health plan. Distinct from case management, Care Managers should not perform the day-to-day duties of service delivery.</p>
CARE MANAGEMENT	<p>A group of activities performed by the Contractor to identify and manage clinical interventions or alternative treatments for identified members to reduce risk, cost, and help achieve better health care outcomes. Distinct from case management, care management does not include the day-to-day duties of service delivery.</p>
CASE MANAGEMENT	<p>A collaborative process which assesses, plans, implements, coordinates, monitors, and evaluates options and services to meet an individual's health needs through communication and available resources to promote quality, cost-effective outcomes. Contractor Case management for DES/DDD is referred to as Support Coordination.</p>
CASH MANAGEMENT IMPROVEMENT ACT (CMIA)	<p>Cash Management Improvement Act of 1990 [31 CFR Part 205]. Provides guidelines for the drawdown and transfer of Federal funds.</p>

CLIENT ASSESSMENT AND TRACKING SYSTEM (CATS)	A component of AHCCCS' data management information system that supports ALTCS and that is designed to provide key information to, and receive key information from ALTCS Contractors.
COMPREHENSIVE MEDICAL AND DENTAL PROGRAM (CMDP)	A Contractor that is responsible for the provision of covered, medically necessary AHCCCS services for foster children in Arizona. Refer to A.R.S. §8-512.
COMPETITIVE BID PROCESS	A State procurement system used to select Contractors to provide covered services on a geographic basis.
COUNTY OF FISCAL RESPONSIBILITY	The county of fiscal responsibility is the Arizona county that is responsible for paying the State's funding match for the member's ALTCS Service Package. The county of physical presence (the county in which the member physically resides) and the county of fiscal responsibility may be the same county or different counties.
DEVELOPMENTAL DISABILITY (DD)	<p>As defined in A.R.S. §36-551, a strongly demonstrated potential that a child under six years of age has a developmental disability or will become a child with a developmental disability, as determined by a test performed pursuant to §36-694 or by other appropriate tests, or a severe, chronic disability that:</p> <ol style="list-style-type: none"> 1. Is attributable to cognitive disability, cerebral palsy, epilepsy, or autism. 2. Is manifested before age eighteen. 3. Is likely to continue indefinitely. 4. Results in substantial functional limitations in three or more of the following areas of major life activity: <ol style="list-style-type: none"> a. Self-care. b. Receptive and expressive language. c. Learning. d. Mobility. e. Self-direction. f. Capacity for independent living. g. Economic self-sufficiency. 5. Reflects the need for a combination and sequence of individually planned or coordinated special, interdisciplinary, or generic care, treatment or other services that are of lifelong or extended duration.
EQUITY PARTNERS	The sponsoring organizations or parent companies of the managed care organization that share in the returns generated by the organization, both profits and liabilities.

FAMILY-CENTERED	Care that recognizes and respects the pivotal role of the family in the lives of members. It supports families in their natural care-giving roles, promotes normal patterns of living, and ensures family collaboration and choice in the provision of services to the member. When appropriate the member directs the involvement of the family to ensure person centered care.
FAMILY OR FAMILY MEMBER	A biological, adoptive, or custodial mother or father of a child, or an individual who has been appointed as a legal guardian or custodian of a child by a court of competent jurisdiction, or other member representative responsible for making health care decisions on behalf of the member. Family members may also include siblings, grandparents, aunts, and uncles.
FAMILY-RUN ORGANIZATION	An entity that has a board of directors made up of more than 50% family members who have primary responsibility for the raising of a child, youth, adolescent or young adult with a serious emotional disturbance, or have the lived experience as a primary natural support for an adult with emotional, behavioral, mental health or substance use needs.
FEDERAL EMERGENCY SERVICES (FES)	A program delineated in A.A.C. R9-22-217, to treat an emergency condition for a member who is determined eligible under A.R.S. §36-2903.03(D).
FEDERALLY QUALIFIED HEALTH CENTER (FQHC)	A public or private non-profit health care organization that has been identified by the HRSA and certified by CMS as meeting criteria under Sections 1861(aa)(4) and 1905(l)(2)(B) of the Social Security Act.
FEDERALLY QUALIFIED HEALTH CENTER LOOK-ALIKE	A public or private non-profit health care organization that has been identified by the HRSA and certified by CMS as meeting the definition of “health center” under Section 330 of the Public Health Service Act, but does not receive grant funding under Section 330.
FIELD CLINIC	A “clinic” consisting of single specialty health care providers who travel to health care delivery settings closer to members and their families than the Multi-Specialty Interdisciplinary Clinics (MSICs) to provide a specific set of services including evaluation, monitoring, and treatment for CRS-related conditions on a periodic basis.

FREEDOM OF CHOICE (FC)	The opportunity given to each member who does not specify a Contractor preference at the time of enrollment to choose between the Contractors available within the Geographic Service Area (GSA) in which the member is enrolled.
GENERAL MENTAL HEALTH/SUBSTANCE USE (GMH/SU)	Behavioral health services provided to adult members age 18 and older who have not been determined to have a Serious Mental Illness.
GENERALIST SUPPORT AND REHABILITATION SERVICES PROVIDERS	Configure their program operations to the needs of the Child and Family Team without arbitrary limits on frequency, duration, type of service, age, gender, population, or other factors associated with the delivery of Support and Rehabilitation Services.
HABILITATION	The process by which an individual is assisted to acquire and maintain those life skills that enable the individual to cope more effectively with personal and environmental demands and to raise the level of the individual's physical, mental and social efficiency (A.R.S. §36-551 (18)).
HOME	A residential dwelling that is owned, rented, leased, or occupied at no cost to the member, including a house, a mobile home, an apartment, or other similar shelter. A home is not a facility, a setting or an institution, or a portion of any of these, licensed or certified by a regulatory agency of the State as a defined in A.A.C. R9-28-101.
HOME AND COMMUNITY BASED SERVICES (HCBS)	Home and community-based services, as defined in A.R.S. §36-2931 and A.R.S. §36-2939.
INTEGRATED MEDICAL RECORD	A single document in which all of the medical information listed in Chapter 900 of the AMPM is recorded to facilitate the coordination and quality of care delivered by multiple providers serving a single patient in multiple locations and at varying times.
INTERDISCIPLINARY CARE	A meeting of the interdisciplinary team members or coordination of care among interdisciplinary treatment team members to address the totality of the treatment and service plans for the member based on the most current information available.
INTERMEDIATE CARE FACILITY FOR PERSONS WITH INTELLECTUAL DISABILITIES (ICF/IID)	A placement setting for persons with intellectual disabilities.

JUVENILE PROBATION OFFICE (JPO)	An officer within the Arizona Department of Juvenile Corrections assigned to a juvenile upon release from a secure facility. Having close supervision and observation over juvenile's who are ordered to participate in the intensive probation program including visual contact at least four times per week and weekly contact with the school, employer, community restitution agency or treatment program. (A.R.S. §8-353)
KIDSCARE (TITLE XXI)	Federal and State Children's Health Insurance Program (Title XXI – CHIP) administered by AHCCCS. The KidsCare program offers comprehensive medical, preventive, treatment services, and behavioral health care services statewide to eligible children under the age of 19, in households with income between 133% and 200% of the Federal Poverty Level (FPL).
MEDICAL PRACTITIONER	A physician, physician assistant or registered nurse practitioner.
MEDICARE MANAGED CARE PLAN	A managed care entity that has a Medicare Contract with CMS to provide services to Medicare beneficiaries, including Medicare Advantage Plan (MAP), Medicare Advantage Prescription Drug Plan (MAPDP), MAPDP Special Needs Plan, or Medicare Prescription Drug Plan.
MULTI-SPECIALTY INTERDISCIPLINARY CLINIC (MSIC)	An established facility where specialists from multiple specialties meet with members and their families for the purpose of providing interdisciplinary services to treat members.
PARENTS/CARETAKER RELATIVES	Eligible individuals and families under Section 1931 of the Social Security Act, with household income levels at or below 100% of the Federal Poverty Level (FPL).
PEER-RUN ORGANIZATION	Peer-Operated Services that are: <ol style="list-style-type: none"> 1. Independent - Owned, administratively controlled, and managed by peers, 2. Autonomous - All decisions are made by the program, 3. Accountable - Responsibility for decisions rests with the program, and 4. Peer – controlled - Governance board is at least 51% peers.
PERSON-CENTERED	An approach to planning designed to assist the member to plan their life and supports. This model enables individuals to increase their personal self-determination and improve their own independence.

PERSON WITH A DEVELOPMENTAL/ INTELLECTUAL DISABILITY	An individual who meets the Arizona definition as outlined in A.R.S. §36-551 and is determined eligible for services through the DES Division of Developmental Disabilities (DDD). Services for AHCCCS-enrolled acute and long term care members with developmental/intellectual disabilities are managed through the DES Division of Developmental Disabilities.
PRE-ADMISSION SCREENING (PAS)	A process of determining an individual's risk of institutionalization at a NF or ICF level of care as specified in 9 A.A.C. 28 Article 1.
PRESCRIPTION DRUG COVERAGE	Prescription medications prescribed by an AHCCCS registered qualified practitioner as a pharmacy benefit, based on medical necessity, and in compliance with Federal and state law including 42 U.S.C 1396r-8 and A.A.C. R9-22-209.
RATE CODE	Eligibility classification for capitation payment purposes.
RISK GROUP	Grouping of rate codes that are paid at the same capitation rate.
ROSTER BILLING	Any claim that does not meet the standardized claim requirements of 9 A.A.C. 22, Article 7 is considered roster billing.
RURAL HEALTH CLINIC (RHC)	A clinic located in an area designated by the Bureau of Census as rural, and by the Secretary of the DHHS as medically underserved or having an insufficient number of physicians, which meets the requirements under 42 CFR 491.
SERIOUS MENTAL ILLNESS (SMI)	A designation as defined in A.R.S. §36-550 and determined in an individual 18 years of age or older.
SMI ELIGIBILITY DETERMINATION	A determination as to whether or not an individual meets the diagnostic and functional criteria established for the purpose of determining an individual's eligibility for SMI services.
SPECIALIST SUPPORT AND REHABILITATION SERVICES PROVIDERS	Provide either a limited scope of Support and Rehabilitation Services (such as primarily specializing in respite services or skills training services) and/or services that may be designed for a specific population, age, gender, frequency, duration or some other factor (such as a service specializing in working with teenagers or those with a history of displaying harmful sexual behaviors).
STATE CHILDREN'S HEALTH INSURANCE PROGRAM (SCHIP)	State Children's Health Insurance Program under Title XXI of the Social Security Act (Also known as CHIP). The Arizona version of CHIP is referred to as "KidsCare." See also "KIDSCARE."

STATE ONLY TRANSPLANT MEMBERS	Individuals who are eligible under one of the Title XIX eligibility categories and found eligible for a transplant, but subsequently lose Title XIX eligibility under a category other than Adult Group due to excess income become eligible for one of two extended eligibility options as specified in A.R.S. §36-2907.10 and A.R.S. §36-2907.11.
SUBSTANCE ABUSE	As specified in A.A.C. R9-10-101, an individual's misuse of alcohol or other drug or chemical that: <ol style="list-style-type: none">1. Alters the individual's behavior or mental functioning;2. Has the potential to cause the individual to be psychologically or physiologically dependent on alcohol or other drug or chemical; and3. Impairs, reduces, or destroys the individual's social or economic functioning.
TITLE XXI	Title XXI of the Social Security Act provides funds to states to enable them to initiate and expand the provision of child health assistance to uninsured, low income children in an effective and efficient manner that is coordinated with other sources of child health benefits coverage.
TITLE XXI MEMBER	Member eligible for acute care services under Title XXI of the Social Security Act, referred to in Federal legislation as the "Children's Health Insurance Program" (CHIP). The Arizona version of CHIP is referred to as "KidsCare."
TREATMENT PLAN	A written plan of services and therapeutic interventions based on a complete assessment of a member's developmental and health status, strengths and needs that are designed and periodically updated by the multi-specialty, interdisciplinary team.
VIRTUAL CLINICS	Integrated services provided in community settings through the use of innovative strategies for care coordination such as Telemedicine, integrated medical records and virtual interdisciplinary treatment team meetings.
VULNERABLE ADULT	Means, as defined in A.R.S. §46-451, an individual who is eighteen years of age or older and who is unable to protect himself from abuse, neglect, or exploitation by others because of a physical or mental impairment. Vulnerable adult includes an incapacitated person as defined in A.R.S. §14-5101.

[END OF PART 2 DEFINITIONS]

[END OF SECTION C: DEFINITIONS]

SECTION D: PROGRAM REQUIREMENTS**1. PURPOSE, APPLICABILITY AND INTRODUCTION****PURPOSE AND APPLICABILITY**

The purpose of the Contract between AHCCCS and the Contractor is to implement and operate the AHCCCS Complete Care Program pursuant to A.R.S. §36-2901 et seq.

The AHCCCS Complete Care Contractor (Contractor) shall be responsible for the provision of integrated care addressing physical health and behavioral health needs for the following Title XIX/XXI populations:

1. Adults who are not determined to have a Serious Mental Illness excluding DES/DDD enrolled members, and
2. Children, including those with special health care needs; excluding DES/DDD and DCS/CMDP enrolled members.

The Contractor shall be responsible for the provision of physical health services for:

1. Members determined to have SMI who opt to transfer to the Contractor as outlined in ACOM Policy 442, and
2. Members determined to have SMI who elect to receive behavioral health from a TRBHA and physical health from the Contractor.

In the event that a provision of Federal or State law, regulation, or policy is repealed or modified during the term of this Contract, effective on the date the repeal or modification by its own terms takes effect:

3. The provisions of this Contract shall be deemed to have been amended to incorporate the repeal or modification, and
4. The Contractor shall comply with the requirements of the Contract as amended, unless AHCCCS and the Contractor otherwise stipulate in writing.

AHCCCS contracts for services as described in this Contract in three Geographic Service Areas that include the 15 Arizona counties.

INTRODUCTION

AHCCCS is Arizona's Title XIX Medicaid program operating under a Section 1115 Waiver and Title XXI program operating under Title XXI State Plan authority. In 1982 Arizona introduced its innovative Medicaid program by establishing the Arizona Health Care Cost Containment System (AHCCCS), a demonstration program based on principles of managed care. In doing so, AHCCCS became the first statewide Medicaid managed care system in the nation.

AHCCCS Mission and Vision: The AHCCCS mission and vision are to reach across Arizona to provide comprehensive quality healthcare to those in need while shaping tomorrow's managed health care from today's experience, quality, and innovation. AHCCCS is dedicated to continuously improving the efficiency and effectiveness of the Medicaid program while

supporting member choice in the delivery of the highest quality care to its customers. Navigating the complex health care system is one of the greatest challenges for individuals in obtaining medically necessary health care. AHCCCS continues its work to reduce fragmentation of service delivery and to create a more effective health care system. AHCCCS' efforts to further integrate care delivery systems and properly align incentives are designed to transition the structure of the Medicaid program to improve health outcomes and better manage limited resources. The Contractor is expected to address the whole health needs of Arizona's Medicaid population and improve the member experience.

AHCCCS continues to pursue multiple long-term strategies that can effectively bend the cost curve including: system alignment and integration, payment modernization, program integrity, health information technology, and continuous quality improvement initiatives.

AHCCCS expects the Contractor to implement program innovation and best practices on an ongoing basis. Furthermore, it is important for the Contractor to continuously develop mechanisms to improve program efficiency and reduce administrative cost. Over the term of the Contract, AHCCCS will work collaboratively with the Contractor to evaluate methods to reduce program complexity, administrative burden, and unnecessary administrative and medical costs; and to improve care coordination, chronic disease management, and leverage joint purchasing power.

AHCCCS has remained a leader in Medicaid Managed Care through the diligent pursuit of excellence and cost effective managed care by its collaboration with Contractors.

The Contractor must continuously add value to the AHCCCS Complete Care Program. A Contractor adds value when it:

1. Recognizes the importance of an integrated delivery system for physical and behavioral health services and demonstrates focused strategies and approaches to assure coordinated service delivery to members,
2. Recognizes and demonstrates the critical importance of care coordination through organizational design and operational processes,
3. Recognizes that Medicaid members are entitled to care and assistance navigating the service delivery system and demonstrates special effort throughout its operations to assure members receive necessary services,
4. Recognizes that Medicaid members with special health care needs or chronic health conditions require care coordination, and provides that coordination,
5. Recognizes that health care providers are an essential partner in the delivery of physical and behavioral health care services, and operates the Health Plan in a manner that is efficient and effective for health care providers as well as the Contractor,
6. Recognizes that performance improvement is both clinical and operational in nature and self-monitors and self-corrects as necessary to improve Contract compliance and/or operational excellence,
7. Recognizes that the program is publicly funded, is subject to public scrutiny, and operates in a manner that promotes cost containment and efficiency, and

8. Recognizes the importance of the System Values and Guiding Principles.

System Values and Guiding Principles: The following values, guiding system principles and goals are the foundation for the development of this Contract. The Contractor shall administer and ensure delivery of services consistent with these values, principles, and goals:

1. Timely access to care,
2. Culturally competent and linguistically appropriate care,
3. Identification of the need for and the provision of comprehensive care coordination for physical and behavioral health service delivery,
4. Integration of clinical and non-clinical health care related services,
5. Education and guidance to providers on service integration and care coordination,
6. Provision of chronic disease management including self-management support,
7. Provision of preventive and health promotion and wellness services,
8. Adherence with the Adult Behavioral Health Service Delivery System-Nine Guiding Principles as described in Section D, Paragraph 11, Behavioral health Services,
9. Adherence with the Arizona Vision-Twelve Principles for Children Behavioral Health Service Delivery as outlined in AMPM Policy 430,
10. Promotion of evidence-based practices through innovation,
11. Expectation for continuous quality improvement,
12. Improvement of health outcomes,
13. Containment and/or reduction of health care costs without compromising quality,
14. Engagement of member and family members at all system levels,
15. Collaboration with the greater community,
16. Maintains, rather than delegates, key operational functions to ensure integrated service delivery,
17. Embraces system transformation, and
18. Implementation of health information technology to link services and facilitate improved communication between treating professionals, and between the health team, the member, and member caregivers.

Integrated Services: The Contractor shall have policies and procedures to describe the implementation of comprehensive and coordinated delivery of integrated services including administrative and clinical integration of health care service delivery. Integration strategies and activities shall focus on improving individual health outcomes, enhancing care coordination, and increasing member satisfaction. The Contractor shall develop specific strategies to promote the integration of physical and behavioral health service delivery and care integration activities. Strategies are expected to focus on, but not be limited to:

1. Implementing care coordination and care management best practices for physical and behavioral health care,
2. Proactive identification of members for engagement in care management,
3. Providing the appropriate level of care management/coordination of services to members with comorbid physical health and behavioral health conditions and collaborating on an ongoing basis with both the member and other individuals involved in the member's care,

4. Ensuring continuity and coordination of physical and behavioral health services and collaboration/communication among physical and behavioral healthcare providers,
5. Operating a single member services toll-free phone line available to all members for physical health and behavioral health services,
6. Operating a single nurse triage line available for all members for physical health and behavioral health services,
7. Developing strategies to encourage members to utilize integrated service settings,
8. Considering the behavioral health and physical health care needs of members during network development and contracting practices that consider providers and settings with an integrated service delivery model to improve member care and health outcomes, and
9. Organizational structure and operational systems and practices that support the delivery of integrated services for physical and behavioral health care.

Initiatives: AHCCCS' focus on continuous system improvement results in the development of initiatives aimed at building a more cohesive and effective health care system in Arizona by reducing fragmentation, structuring provider reimbursements to incentivize quality outcomes, leveraging health information technology, and working with private sector partners to further innovation to the greatest extent. The Contractor is expected to collaborate with AHCCCS and to be innovative in the implementation of these initiatives. AHCCCS initiatives can be found on the AHCCCS website at www.azahcccs.gov, under the *AHCCCS Info* tab and focus on topics such as:

1. Justice system transitions,
2. Payment modernization,
3. Electronic health records,
4. Targeted Investments,
5. Services for children including children in Department of Child Safety (DCS) custody and those diagnosed with Autism Spectrum Disorder (ASD),
6. Arizona Opioid State Targeted Response, and
7. Children at risk of removal from their home by DCS.

The Arizona Association of Health Plans: To assist in reducing the burden placed on providers and to enhance Contractor collaboration, the Contractor is required to be a member of the Arizona Association of Health Plans (AzAHP). AzAHP is an organization dedicated to working with elected officials, AHCCCS, Health Care Plans, health care providers, and consumers to keep quality health care available and affordable for all Arizonans.

2. ELIGIBILITY CATEGORIES

The Contractor is not responsible for determining eligibility.

The following describes the eligibility groups covered under this Contract [42 CFR 434.6(a)(2)]:

Title XIX

Parents/Caretaker Relatives: Eligible individuals under the 1931 provision of the Social Security Act, with income at or below 106% of the Federal Poverty Level (FPL).

SSI Cash: Eligible individuals receiving Supplemental Security Income through Federal cash assistance programs under Title XVI of the Social Security Act who are aged, blind, or who have a disability and have income at or below 100% of the Federal Benefit Rate (FBR).

SSI Medical Assistance Only (SSI MAO) and Related Groups: Eligible individuals who are aged, blind or who have a disability and have household income levels at or below 100% of the FPL.

Freedom to Work (Ticket to Work): Eligible individuals under the Title XIX program that extends eligibility to individuals 16 through 64 years old who meet SSI disability criteria, and whose earned income after allowable deductions is at or below 250% of the FPL, and who are not eligible for any other Medicaid program. These members must pay a premium to AHCCCS, depending on income.

Pregnant Women: Eligible pregnant women, with income at or below 156% of the FPL,

Children: Eligible children with incomes ranging from below 133% to 147% of the FPL, depending on the age of the child.

Breast and Cervical Cancer Treatment Program (BCCTP): Eligible individuals under the Title XIX expansion program for women with incomes at or below 250% of the FPL, who are diagnosed with and need treatment for breast and/or cervical cancer or cervical lesions and are not eligible for other Title XIX programs. Eligible members cannot have other creditable health insurance coverage, including Medicare. See AMPM Policy 320-C.

Title IV-E Foster Care and Adoption Subsidy: Children who are in State foster care or are receiving federally funded adoption subsidy payments.

Young Adult Transitional Insurance (YATI): Transitional medical care for individuals age 18 through age 25 who were enrolled in the foster care program under jurisdiction of the Department of Child Safety in Arizona on their 18th birthday.

Adult Group at or below 106% FPL: Adults aged 19-64, without Medicare, with income at or below 106% of the Federal Poverty Level (Adults \leq 106%).

Adult Group above 106% FPL: Adults aged 19-64, without Medicare, with income above 106% through 133% of the Federal Poverty Level (Adults $>$ 106%).

Title XXI

KidsCare: Federal and State Children's Health Insurance Program (Title XXI – CHIP) administered by AHCCCS. The KidsCare program offers comprehensive medical, preventive, treatment services, and behavioral health care services statewide to eligible children under the age of 19,

in households with income between 133% and 200% of the Federal Poverty Level (FPL). See AMPM Policy 440.

State-Only

State-Only Transplants: Title XIX individuals, for whom medical necessity for a transplant has been established and who subsequently lose Title XIX eligibility under a category other than Adult Group may become eligible for and select one of two extended eligibility options as specified in A.R.S. §36-2907.10 and A.R.S. §36-2907.11. The extended eligibility is authorized only for those individuals who have met all of the following conditions:

1. The individual has been determined ineligible for Title XIX due to excess income,
2. The individual had been placed on a donor waiting list before eligibility expired, and
3. The individual has entered into a contractual arrangement with the transplant facility to pay the amount of income which is in excess of the eligibility income standards (referred to as transplant share of cost).

The following options for extended eligibility are available to these members:

Option 1: Extended eligibility is for one 12-month period immediately following the loss of AHCCCS eligibility. The member is eligible for all AHCCCS covered services as long as they continue to be medically eligible for a transplant. If determined medically ineligible for a transplant at any time during the period, eligibility will terminate at the end of the calendar month in which the determination is made.

Option 2: The member loses AHCCCS eligibility but maintains transplant candidacy status as long as medical eligibility for a transplant is maintained. At the time that the transplant is scheduled to be performed the transplant candidate will reapply and will be re-enrolled with his/her previous Contractor to receive all covered transplant services. Option 2-eligible individuals are not eligible for any non-transplant related health care services from AHCCCS.

3. ENROLLMENT AND DISENROLLMENT

AHCCCS members are enrolled with the Contractor in accordance with the rules set forth in 9 A.A.C. 22 Article 17, and 9 A.A.C. 31 Articles 3 and 17. AHCCCS has the exclusive authority to enroll and disenroll members. AHCCCS operates as a mandatory managed care program and choice of enrollment or auto-assignment (passive enrollment) is used pursuant to the terms of the Arizona Medicaid Section 1115 Demonstration Waiver Special Terms and Conditions [42 CFR 438.54(d)].

The Contractor shall not disenroll any member for any reason unless directed to do so by AHCCCS [42 CFR 438.56(b)(1); 42 CFR 438.56(b)(3)].

The Contractor may not request disenrollment because of an adverse change in the member's health status, or because of the member's utilization of medical services, diminished mental capacity, or uncooperative or disruptive behavior resulting from his or her special needs [42 CFR 438.56(b)(2)].

An AHCCCS member may request disenrollment at the following times (see also ACOM Policy 401) [42 CFR 438.56(c)(1), 42 CFR 438.56(c)(2)(i) - (iii)]:

1. For cause at any time, which includes: poor quality of care, lack of access to services covered under the Contract, or lack of access to providers experienced in addressing the member's care needs [42 CFR 438.56(d)(2)(v)].
2. Without cause 90 days after initial enrollment or during the 90 days following notification of enrollment, whichever is later.
3. Without cause at least once every 12 months.
4. Without cause upon reenrollment if a temporary loss of enrollment has caused the member to miss the annual disenrollment period.

When a member requests disenrollment for cause, the member must use the Contractor's Grievance and Appeal System process for the request and the Contractor shall issue a decision no later than 30 days from the date of the request. If as a result of the grievance process, the Contractor approves the disenrollment, AHCCCS is not required to make a determination [42 CFR 438.56(d)(5)(iii)]. If the Contractor approves a request for disenrollment, the effective date of an approved disenrollment must be no later than the first day of the second month following the month in which the member or Contractor files the request [42 CFR 438.56(e)(1)]. If, as a result of the grievance process, the Contractor denies the request for disenrollment, the Contractor shall notify members of their right to request a State Fair Hearing no later than 30 days from the date of the adverse determination.

AHCCCS will disenroll the member from the Contractor [42 CFR 438.56(d)(2)]:

1. When the member becomes ineligible for the AHCCCS program,
2. In certain situations when the member moves out of the Contractor's service area,
3. When the member changes Contractors during the member's open enrollment and annual enrollment choice period,
4. When the Contractor does not, because of moral or religious objections, cover the service the member seeks unless the Contractor offered a solution that was accepted by AHCCCS in accordance with the requirements in Section D, Paragraph 9, Scope of Services,
5. When the member is approved for a Contractor change through ACOM Policy 401 [42 CFR 438.56],
6. When the member is eligible to transition to another AHCCCS Program,
7. When the member needs related services (for example, a cesarean section and a tubal ligation) to be performed at the same time; not all related services are available within the provider network; and the member's primary care provider or another provider determines that receiving the services separately would subject the member to unnecessary risk, or
8. For cause.

Member Choice of Contractor: AHCCCS members eligible for services covered under this Contract have a choice of available Contractors. Previously enrolled members who have been disenrolled for less than 90 days will be automatically enrolled with the same Contractor, if still

available, pursuant to the terms of the Arizona Medicaid Section 1115 Demonstration Waiver Special Terms and Conditions [42 CFR 438.56(g)].

AHCCCS members eligible under this Contract who become eligible for another AHCCCS Program will be enrolled as follows:

1. Members determined to have a Serious Mental Illness will be enrolled with a RBHA, including members with a CRS designation and KidsCare members; with the exception of members determined to have an SMI who opt to transfer from a RBHA to an AHCCCS Complete Care Contractor for the provision of physical health services only as outlined in ACOM Policy 442.
2. Children in State custody will be enrolled in DCS/CMDP to receive physical health services including CRS services and will be assigned to a RBHA for provision of behavioral health services.
3. Members eligible for Arizona Long Term Care System will be enrolled with DES/DDD or an ALTCS E/PD Contractor, as applicable.

The effective date of enrollment for a new Title XIX member with the Contractor is the day AHCCCS takes the enrollment action. The Contractor is responsible for payment of medically necessary covered services retroactive to the member's beginning date of eligibility, as reflected in PMMIS.

The effective date of enrollment for a Title XXI member will be the first day of the month following notification to the Contractor. In the event that eligibility is determined on or after the 25th day of the month, eligibility will begin on the first day of the second month following the determination [42 CFR 438.56(e)(1)].

Members who do not choose a Contractor prior to AHCCCS being notified of their eligibility are automatically assigned to a Contractor based on re-enrollment rules, family continuity, or the auto-assignment algorithm. If a member is auto-assigned, AHCCCS sends a Choice Notice to the member and allows the member 90 days to choose a different Contractor. See Section D, Paragraph 6, Auto-Assignment Algorithm, for further explanation.

ALTCS Eligibility Determination During Hospitalization: If determined a member may qualify for ALTCS during an individual's acute hospitalization, AHCCCS will process an application for ALTCS eligibility. Enrollment of an applicant who is determined eligible will be effective during the hospital stay.

Prior Quarter Coverage: Pursuant to Federal Regulation 42 CFR 435.915, AHCCCS offers Prior Quarter Coverage eligibility which expands the time period during which AHCCCS pays for covered services for eligible individuals to include services provided during any of the three months prior to the month the individual applied for AHCCCS, if the individual met AHCCCS eligibility requirements during that month. AHCCCS Contractors are not responsible for payment for covered services received during the prior quarter. Upon verification or

notification of Prior Quarter Coverage eligibility, providers will be required to bill AHCCCS for services provided during a prior quarter eligibility period.

Prior Period Coverage: AHCCCS provides Prior Period Coverage for Title XIX members for the period of time prior to the Title XIX member's enrollment during which the member is eligible for covered services. Prior Period Coverage refers to the time frame from the effective date of eligibility (usually the first day of the month of application) until the date the member is enrolled with the Contractor. The Contractor receives notification from AHCCCS of the member's enrollment. The Contractor is responsible for payment of all claims for medically necessary covered services provided to members during prior period coverage, including services provided prior to the Contract year in a Geographic Service Area where the Contractor was not contracted at the time of service delivery, except in certain services for members transitioning to Title XIX from RBHA Non-Title XIX/XXI eligibility as outlined below. AHCCCS Fee-For-Service is responsible for the payment of claims for prior period coverage for members who are found eligible for AHCCCS initially through Hospital Presumptive Eligibility and later are enrolled with the Contractor. Therefore, for those members, the Contractor is not responsible for Prior Period Coverage.

Prior Period Coverage for members who are initially eligible as Non-Title XIX/XXI and assigned to a RBHA and who transition to Title XIX eligibility:

1. The member retains behavioral health assignment with the RBHA Contractor through the Title XIX PPC period.
2. The member is enrolled with the AHCCCS Complete Care Contractor for physical health services through the Title XIX PPC period.
3. The RBHA Contractor is responsible for payment of all behavioral health claims for medically necessary Non-Title XIX/XXI and Title XIX behavioral health covered services provided to members during the prior period coverage timeframe.
4. The AHCCCS Complete Care Contractor is responsible for payment of all physical health claims for medically necessary Title XIX physical health covered services during the PPC period and prospectively.
5. The member is enrolled with the AHCCCS Complete Care Contractor for both physical and behavioral health Title XIX services the day AHCCCS is notified of the member's Title XIX eligibility.

Hospital Presumptive Eligibility: As required under the Affordable Care Act, AHCCCS has established standards for Hospital Presumptive Eligibility (HPE) in accordance with federal requirements. Qualified hospitals that elect to participate in the HPE Program will implement a process consistent with AHCCCS standards which determines applicants presumptively eligible for AHCCCS Medicaid covered services. Individuals determined presumptively eligible who have not submitted a full application to AHCCCS will qualify for Medicaid services from the date the hospital determines the individual to be presumptively eligible through the last day of the month following the month in which the determination of presumptive eligibility was made by the qualified hospital. For individuals who apply for presumptive eligibility and who also submit a full application to AHCCCS, coverage of Medicaid services will begin on the date that the

hospital determines the individual to be presumptively eligible and will continue through the date that AHCCCS issues a determination on that application. All individuals determined presumptively eligible for AHCCCS will be enrolled with AHCCCS Fee-For-Service for the duration of the HPE eligibility period. If a member made eligible via HPE is subsequently determined eligible for AHCCCS via the full application process, Prior Period Coverage for the member will also be covered by AHCCCS Fee-For-Service, and the member will be enrolled with the Contractor only on a prospective basis.

Newborns: Newborns born to AHCCCS eligible mothers enrolled at the time of the child's birth will be enrolled with the mother's Contractor (except as noted in the following paragraph), when newborn notification is received by AHCCCS. The Contractor is responsible for notifying AHCCCS of a child's birth to an enrolled member. Capitation for the newborn will be retroactive to the date of birth if notification is received no later than one day from the date of birth. In all other circumstances, capitation for the newborn will begin on the date notification is received by AHCCCS. The effective date of AHCCCS eligibility for the newborn will be the newborn's date of birth, and the Contractor is responsible for all covered services to the newborn, whether or not AHCCCS has received notification of the child's birth. AHCCCS is available to receive notification 24 hours a day, seven days a week via the AHCCCS website. Each eligible mother of a newborn is sent a Choice notice advising her of her right to choose a different Contractor for her child; the date of the change will be the date of processing the request from the mother. If the mother does not request a change within 90 days, the child will remain with the mother's Contractor.

Babies born to mothers enrolled in the Federal Emergency Services (FES) Program, a RBHA, or CMDP are auto-assigned to an AHCCCS Complete Care Contractor. Mothers of these newborns are sent a Choice Notice advising them of their right to choose a different Contractor for their child, which allows them 90 days to make a choice. In the event the mother chooses a different Contractor, AHCCCS will recoup all capitation paid to the originally assigned Contractor and the baby will be enrolled retroactive to the date of birth with the second Contractor. The second Contractor will receive prior period capitation from the date of birth to the day before assignment and prospective capitation from the date of assignment forward. The second Contractor will be responsible for all covered services to the newborn from date of birth.

Babies born to mothers with an SMI determination who are enrolled with a RBHA are auto-assigned to an AHCCCS Complete Care Contractor. Mothers of these newborns are sent a Choice Notice advising them of their right to choose a different AHCCCS Complete Care Contractor for their child, which allows them 90 days to make a choice.

Enrollment Guarantees: Upon initial capitated enrollment as a Title XIX-eligible member, the member is guaranteed a minimum of five full months of continuous enrollment. Upon initial capitated enrollment as a Title XXI-eligible member, the member is guaranteed a minimum of 12 full months of continuous enrollment. The enrollment guarantee is a one-time benefit. If a member changes from one Contractor to another within the enrollment guarantee period, the remainder of the guarantee period applies to the new Contractor. AHCCCS rules at 9 A.A.C 22

Article 17, and 9 A.A.C. 31 Article 3, describe other reasons for which the enrollment guarantee may not apply.

American Indians: The American Indian Health Program (AIHP) is responsible for integrated care for American Indian adult and child members who select AIHP and who have not determined to have Seriously Mentally Ill. Integrated care services include both physical and behavioral health services, including services related to a CRS condition. American Indians not determined to be SMI can choose to enroll as follows:

1. In an AHCCCS Complete Care Contractor to receive both physical health services and behavioral services,
2. In AIHP for physical and behavioral health services, and
3. In AIHP for physical health services and receive behavioral health services from a TRBHA.

American Indian members who are determined to have an SMI will be assigned to the RBHA for all services but will also have a choice of remaining with the RBHA or selecting AIHP for physical health services and the RBHA or TRBHA (when available) for provision of behavioral health services. American Indian members determined to have an SMI will also be permitted to enroll with the AHCCCS Complete Care Contractor and the TRBHA or opt out of the RBHA as specified in ACOM Policy 442 to be served by the AHCCCS Complete Care Contractor for physical health services and the RBHA for behavioral health services. If a choice is not made prior to AHCCCS being notified of their eligibility, American Indian Title XIX members living on-reservation will be assigned to the AHCCCS American Indian Health Program (AIHP) as FFS members. American Indian Title XIX members living off-reservation who do not make a Contractor choice will be assigned to an available Contractor using the AHCCCS protocol for family continuity and the auto-assignment algorithm. The designation of a zip code as a 'reservation zip code', not the physical location of the residence, is the factor that determines whether a member is considered on or off-reservation for these purposes. Further, if the member resides in a zip code that contains land on both sides of a reservation boundary and the zip code is assigned as off-reservation; the physical location of the residence does not change the off-reservation designation for the member. American Indian members can change enrollment between American Indian Health Program (AIHP) and a Contractor at any time. However, a member can change from one Contractor to another only once a year. American Indian members, title XIX and XXI, on- or off-reservation, eligible to receive services, may choose to receive services at any time from an American Indian Health Facility, Indian Health Service (IHS) Facility, a Tribally-Operated 638 Health Program, or an Urban Indian Health Program (I/T/U) [ARRA Section 5006(d), and SMDL 10-001]. The Contractor shall not impose enrollment fees, premiums, or similar charges on American Indians served by an American Indian Health Facility, Indian Health Service (IHS) Facility, a Tribally-Operated 638 Health Program, or an Urban Indian Health Program (I/T/U) (ARRA Section 5006(d), SMDL 10-001).

4. ANNUAL AND OPEN ENROLLMENT CHOICE

Annual Enrollment Choice: AHCCCS conducts an Annual Enrollment Choice (AEC) for members in Geographic Service Areas (GSAs) that have multiple Contractors on their annual anniversary

date [42 CFR 438.56(c)(2)(ii)]. During AEC, members may change Contractors subject to the availability of other Contractors within their GSA. AHCCCS provides enrollment and other information required by Medicaid Managed Care Regulations 60 days prior to the member's AEC date. The member may choose a new Contractor by contacting AHCCCS to complete the enrollment process. If the member does not participate in the AEC, no change of Contractor will be made (except for approved changes under ACOM Policy 401). This holds true if a Contractor's Contract is renewed and the member continues to live in a Contractor's service area.

Open Enrollment: AHCCCS may hold an open enrollment in any GSA or combination of GSAs as deemed necessary. In the event AHCCCS adds a Contractor to a GSA where choice of Contractor is currently unavailable, members currently enrolled in that GSA may be provided an open enrollment period to choose a Contractor. Members who do not elect to change Contractors will remain with the Contractor of enrollment.

5. MEMBER AND PEER INVOLVEMENT AND PARTICIPATION

The Contractor is required to have member, peer, and/or family member representation on all Contractor Committees, except for those that pertain to issues of member and/or provider confidentiality, to provide input and feedback for decision making. Each Committee shall include at least two peer and/or family members that may not be employed by the Contractor. The Contractor shall submit a Roster of Peer and Family Committee Members as specified in Section F, Attachment F3, Contractor Chart of Deliverables.

Member Advocacy Council: The Contractor must facilitate a Member Advocacy Council (MAC) consisting of adult members, including those receiving behavioral and physical health services, parent/guardian of a child who is or has been a child member with special health care needs, and an individual from the Contractor's Executive Management team. Every effort shall be made to include representation of council members that reflects the population and community served. The MAC may also include professionals and advocacy groups. MAC meeting minutes shall be made available to AHCCCS upon request. Discussion of issues and opportunities resulting from the MAC meetings are to be included on the agenda and addressed by the Contractor's Executive Management Committee. Meeting minutes are to reflect the results of the discussion and any direction of interventions or activities assigned by the Committee to Contractor operational units.

Peer Involvement: The Contractor shall comply with all terms, conditions and requirements in this Contract while embedding the following principles in the design and implementation of an integrated health care service delivery system:

1. Behavioral, physical, and peer support providers must share the same mission to place the member's whole-health needs above all else as the focal of point of care,
2. Utilize peer and family delivered support services/specialists and embed peer and family voice at all levels of the system.
3. Maximize the use of existing behavioral and physical health infrastructure including peer and Family-Run Organizations.

Refer to AMPM Policy 963 and AMPM Policy 964 for requirements regarding the provision of Peer and Recovery Support and Parent/Family Support Services within the AHCCCS program.

The Contractor shall ensure that provider sites where provider case management services are delivered shall have regular and ongoing member and/or family participation in decision making, development and enhancement of customer service.

Governance Committee: The Contractor shall have a formal Governance Committee with a purpose of directing the strategic planning, process improvement, decision making for the physical and behavioral health delivery system. The Governance Committee shall meet at least twice a year and interact with Contractor leadership. The Governance Committee membership shall include at least 25% peers and family members, equally divided, who are or have been participants in the behavioral health community in the Contractor's assigned geographic service area. In addition, all contracted GSAs shall be represented and Contractor staff shall not serve as peer and family member representatives on the Governance Committee.

6. AUTO-ASSIGNMENT ALGORITHM

Members who do not exercise their right to choose and those who are not assigned a Contractor based on family continuity rules are assigned to a Contractor through an auto-assignment algorithm. The algorithm is a mathematical formula used to distribute members to the various Contractors in a manner that is predictable and consistent with AHCCCS goals.

Assignment by the algorithm applies to the following members who do not exercise their right to choose a Contractor within the prescribed time limits:

1. New members and members re-enrolling after the 90-day re-enrollment window.
2. Members enrolled with a Contractor that is not available after the member moves to a new Geographic Service Area (GSA).
3. Infants, born to a mother enrolled in the Federal Emergency Service (FES) Program, CMDP or who is determined to have a Serious Mental Illness (SMI) and enrolled with a RBHA Contractor, with no family continuity with an AHCCCS Complete Care Contractor.
4. Members who were enrolled with a RBHA and who are determined to have an SMI but who have been determined to no longer qualify as SMI and who do not have family continuity with an AHCCCS Complete Care Contractor.

Once auto-assigned, AHCCCS sends a Choice notice to the member, allowing the member 90 days to choose a different Contractor from the auto-assigned Contractor.

AHCCCS may change the auto-assignment algorithm at any time during the term of the Contract in response to Contractor-specific issues (e.g. imposition of an enrollment cap) or in the best interest of the AHCCCS Program and/or the State.

Maximum Enrollment: A Contractor in the Central GSA or Pima County will no longer be eligible for auto-assignment of members once the Contractor's membership reaches 45% of the County's total enrollment. For purposes of the maximum enrollment calculation, Contractor membership is limited to populations covered by the AHCCCS Complete Care Contract. Member choices will not be impacted by the auto-assignment algorithm freeze.

For further details on the AHCCCS Auto-Assignment Algorithm, refer to ACOM Policy 314.

7. ACCOMODATING AHCCCS MEMBERS

The Contractor shall ensure that members are provided covered services without regard to race, color, national origin, sex, sexual orientation, gender identity, age or disability and will not use any policy or practice that has the effect of discriminating on the basis of race, color, or national origin, sex, sexual orientation, gender identity, age or disability [42 CFR 438.3(d), 45 CFR Part 92].

Examples of prohibited practices include, but are not limited to, the following:

1. Denying or not providing a member any covered service or access to an available facility,
2. Providing to a member any medically necessary covered service which is different, or is provided in a different manner or at a different time from that provided to other members, other public or private patients or the public at large, except where medically necessary,
3. Subjecting a member to segregation or separate treatment in any manner related to the receipt of any covered service; restricting a member in any way in his or her enjoyment of any advantage or privilege enjoyed by others receiving any covered service, and
4. Assigning times or places for the provision of services on the basis of the race, color, creed, religion, age, gender, national origin, ancestry, marital status, sexual preference, income status, AHCCCS membership, or physical or mental illnesses of the participants to be served.

The Contractor shall assure members the rights as delineated in 42 CFR 438.100.

The Contractor shall ensure members and individuals with disabilities are accommodated to actively participate in the provision of services and have physical access to facilities, procedures and exams. For example, the Contractor shall provide appropriate auxiliary aids and services to individuals with impaired sensory, manual, or speaking skills. The Contractor shall provide accommodations to members and individuals with disabilities at no cost to afford such individuals an equal opportunity to benefit from the covered services [45 CFR 92.202 – 92.205].

If the Contractor knowingly executes a subcontract with a provider with the intent of allowing or permitting the provider to implement barriers to care (i.e. the terms of the subcontract act to discourage the full utilization of services by some members) the Contractor may be in default of its Contract.

If the Contractor identifies a problem involving discrimination or accommodations for individuals with disabilities by one of its providers, the Contractor shall promptly intervene and require a

corrective action plan from the provider. Failure to take prompt corrective measures may place the Contractor in default of its Contract.

8. TRANSITION ACTIVITIES

The Contractor shall comply with the AMPM and the ACOM standards for member transitions between AHCCCS programs, Contractors, or Geographical Service Areas (GSAs) and upon termination or expiration of a Contract.

When relinquishing members, the relinquishing Contractor is responsible for timely notification to the receiving Contractor regarding pertinent information related to special needs of transitioning members. Relinquishing Contractors who fail to notify the receiving Contractor or FFS Program of transitioning members with special circumstances will be responsible for covering the members' care for up to 30 days following the transition.

Appropriate medical records and Contractor care management and/or provider case management files for the transitioning member shall be transmitted to the receiving Contractor. The cost, if any, of transition activities including reproducing and forwarding medical records shall be the responsibility of the relinquishing Contractor. The Contractor is responsible for coordinating care with the relinquishing Contractor to ensure provision of uninterrupted services, Contractor and service information, emergency numbers, and instructions on how to obtain services. Refer to AMPM Policy 520 and ACOM Policies 401, 402, and 403 for additional Contractor transition requirements.

The Contractor shall implement a transition of care policy consistent with the requirements in 42 CFR 438.62(b)(1), ACOM Policy 402, and AMPM Policy 520. The Contractor shall designate a key staff person with appropriate training and experience to act as the Transition Coordinator. The Transition Coordinator shall interact closely with the Transition Coordinator of the relinquishing Contractor for a safe, timely, and orderly transition. See Section D, Paragraph 15, Staffing Requirements and ACOM Policy 402 for more information regarding the role and responsibilities of the Transition Coordinator.

The Contractor shall develop and implement member transition policies and procedures which include but are not limited to:

1. Members with significant medical conditions such as, a high-risk pregnancy or pregnancy within the third trimester, the need for organ or tissue transplantation, chronic illness resulting in hospitalization or nursing facility placement, etc.,
2. Children under age 19 who are blind, have disabilities, have a CRS condition, are in foster care or other out-of-home placement, or are receiving adoption assistance,
3. Members determined to have a serious or chronic physical, developmental and/or behavioral health condition such as a Serious Mental Illness, serious emotional disorders, autism, intellectual disability,

4. Members who are receiving ongoing services such as dialysis, home health, chemotherapy and/or radiation therapy, end of life care or hospice, or who are hospitalized at the time of transition,
5. Members who have conditions requiring ongoing monitoring or screening such as elevated blood lead levels and members who were in the Neonatal Intensive Care Unit (NICU) after birth,
6. Members who frequently contact AHCCCS, State and local officials, the Governor's Office and/or the media,
7. Members who have received prior authorization for services such as scheduled surgeries, post-surgical follow-up visits, out-of-area specialty services, or nursing home admission,
8. Continuing prescriptions, medical equipment, appliances, supplies and medically necessary transportation ordered for the transitioning member by the relinquishing Contractor, and
9. Medical records of the transitioning member (the cost, if any, of reproducing and forwarding medical records shall be the responsibility of the relinquishing AHCCCS Contractor).

The Contractor shall establish policies and procedures for the transition of American Indian members who transition to AIHP and/or a TRBHA or RBHA for ongoing treatment. The Contractor shall ensure that PCPs maintain continuity of care for these members.

The policies and procedures must address, at a minimum, the following:

1. Guidelines for when a transition of the member to AIHP, TRBHA or RBHA for ongoing treatment is indicated,
2. Protocols for notifying AIHP, TRBHA or RBHA of the member's transfer, including reason for transfer, diagnostic information, and medication history,
3. Protocols and guidelines for the transfer or sharing of medical records information and protocols for responding to AIHP, TRBHA or RBHA requests for additional medical record information,
4. Protocols for transition of prescription services, including but not limited to notification to the TRBHA or RBHA of the member's current medications and timeframes for dispensing and refilling medications during the transition period. This coordination must ensure at a minimum, that the member does not run out of prescribed medications prior to the first appointment with AIHP, TRBHA or RBHA prescriber and that all relevant member medical information including the reason for transfer is forwarded to AIHP, TRBHA or RBHA prescriber prior to the member's first scheduled appointment with AIHP, TRBHA or RBHA prescriber, and
5. Contractor monitoring activities to ensure that members are appropriately transitioned to AIHP, TRBHA, or RBHA for care.

Member Transitions Due to Contract Termination: In accordance with ACOM Policy 440, in the event that the Contract or any portion thereof is terminated for any reason, or expires, the Contractor shall assist AHCCCS in the transition of its members, and shall abide by standards and protocols as delineated by AHCCCS. In addition, AHCCCS reserves the right to extend the term of the Contract on a month-to-month basis to assist with member transitions. AHCCCS may

discontinue enrollment of new members with the Contractor three months prior to the Contract termination date or as otherwise determined by AHCCCS. The Contractor shall make provisions for continuing all management and administrative services until the transition of members is completed and all other requirements of this Contract are satisfied. The Contractor shall submit a detailed plan to AHCCCS for approval regarding the transition of members in the event of Contract expiration or termination. The name and title of the Contractor's Transition Coordinator shall be included in the transition plan.

The Contractor shall be responsible for providing all reports set forth in this Contract and those necessary for the transition process, and shall be responsible for the following [42 CFR 438.610(c)(3); 42 CFR 434.6(a)(6)]:

1. Notifying subcontractors and members.
2. Paying all outstanding obligations for medical care rendered to members until AHCCCS is satisfied that the Contractor has paid all such obligations. The Contractor shall provide a monthly claims aging report including Incurred But Not Reported (IBNR) amounts due the 15th day of the month, for the prior month.
3. Providing Quarterly and Annual Audited Financial Statements up to the date specified by AHCCCS. The financial statement requirement will not be absolved without an official release from AHCCCS.
4. Continuing encounter reporting until all services rendered prior to Contract termination have reached adjudicated status and data validation of the information has been completed, as communicated by a letter of release from AHCCCS.
5. Cooperating with reinsurance audit activities on prior Contract Years until release has been granted by AHCCCS.
6. Cooperating with AHCCCS to complete and finalize any open reconciliations, until release has been granted by AHCCCS. AHCCCS will work to complete any pending reconciliations as timely as can be completed, allowing for appropriate lag time for claims run-out and/or changes to be entered into the system.
7. Submitting quarterly Quality Management and Medical Management reports as required by Section D, Paragraph 22, Quality Management and Performance Improvement, and Section D, Paragraph 23, Medical Management, as appropriate to provide AHCCCS with information on services rendered up to the date of Contract termination. This shall include Quality of Care (QOC) concern reporting based on the date of service.
8. Participating in and closing out Performance Measures and Performance Improvement Projects as requested by AHCCCS.
9. Maintaining a Performance Bond as long as the Contractor has liabilities of \$50,000 or more outstanding or 15 months following the termination date of this Contract, whichever is later. At that time, a formal request to release the performance bond, as well as a balance sheet, must be submitted.
10. Indemnifying AHCCCS for any claim by any third party against the State or AHCCCS arising from the Contractor's performance of this Contract and for which the Contractor would otherwise be liable under this Contract.

11. Returning to AHCCCS, any funds advanced to the Contractor for coverage of members for periods after the date of termination. Funds must be returned to AHCCCS within 30 days of termination of the Contract.
12. Providing a monthly accounting of member grievances and provider claim disputes and their disposition.
13. Retaining, preserving and making available records, within the timeframes required by State and Federal law, including but not limited to, 45 CFR 164.530(j)(2) and 42 CFR 438.3(u).

The above list is not exhaustive; additional information may be requested to ensure that all operational and reporting requirements have been met. Any dispute by the Contractor, with respect to termination or suspension of this Contract by AHCCCS, shall be exclusively governed by the provisions of Section E, Paragraph 19, Disputes.

9. SCOPE OF SERVICES

The Contractor shall provide covered services to AHCCCS members in accordance with all applicable Federal and State laws, Arizona Section 1115 Waiver demonstration, regulations, Contract, and policies, including those incorporated by reference in this Contract. The services are described in detail in AHCCCS rules including but not limited to AHCCCS regulations in A.A.C. R9-22 Article 2, 12, and 13, the AHCCCS Medical Policy Manual (AMPM), AHCCCS Behavioral Health Covered Service Guide, and the AHCCCS Contractor Operations Manual (ACOM), all of which are incorporated herein by reference, and may be found on the AHCCCS website [42 CFR 438.210(a)(1)]. To be covered, services must be medically necessary and cost effective. Covered services are briefly described below. See also AMPM Exhibit 300-1 and AMPM Exhibit 300-2A.

The Contractor shall ensure the coordination of services it provides with services the member receives from other entities. The Contractor shall ensure that, in the process of coordinating care, each member's privacy is protected in accordance with the privacy requirements including, but not limited to, 45 CFR Parts 160 and 164, Subparts A and E, and Arizona statute, to the extent that they are applicable [42 CFR 438.208 (b)(2) and (b)(4) and 438.224].

The Contractor is prohibited from paying for an item or service (other than an emergency item or service, not including items or services furnished in an emergency room of a hospital) with respect to any amount expended for which funds may not be used under the Assisted Suicide Funding Restriction Act of 1997 [Section 1903(i) final sentence and 1903(i)(16) of the Social Security Act].

Services must be rendered by providers that are appropriately licensed or certified, operating within their scope of practice, and registered as an AHCCCS provider. The Contractor shall provide the same standard of care for all members, regardless of the member's eligibility category. The Contractor shall ensure that the services are sufficient in amount, duration and scope to reasonably be expected to achieve the purpose for which the services are furnished [42 CFR 434.6(a)(4)]. The Contractor shall not arbitrarily deny or reduce the amount, duration, or scope of a required service solely because of diagnosis, type of illness, or condition of the

member [42 CFR 438.210(a)(3)(ii)]. The Contractor may place appropriate limits on a service on the basis of criteria such as medical necessity; or for utilization control, provided the services furnished can reasonably be expected to achieve their purpose [42 CFR 438.210(a)(3)(i), 42 CFR 438.210(a)(4)].

Moral or Religious Objections: The Contractor shall notify AHCCCS if, on the basis of moral or religious grounds, it elects to not provide or reimburse for a covered service [42 CFR 438.102(a)(2)]. The Contractor shall submit a Proposal addressing members' access to the services [Section 1932(b)(3)(B)(i) of the Social Security Act, 42 CFR 438.102(b)(1)(i)(A)(2)]. AHCCCS does not intend to offer the services on a Fee-For-Service basis to the Contractor's members. In the event the Proposal is not approved, AHCCCS will notify the Contractor. In these circumstances AHCCCS may disenroll members who are seeking these services from the Contractor and assign members to another Contractor. AHCCCS also reserves the right to withhold assignment of new members until such time as there is an approved Proposal [42 CFR 438.56]. The Proposal must:

1. Be submitted to AHCCCS in writing prior to entering into a Contract with AHCCCS or at least 60 days prior to the intended effective date of the change in the scope of services based on moral or religious grounds,
2. Place no financial or administrative burden on AHCCCS,
3. Place no significant burden on members' access to the services,
4. Be accepted by AHCCCS in writing, and
5. Acknowledge an adjustment to capitation, depending on the nature of the proposed solution.

If AHCCCS approves the Contractor's Proposal for its members to access the services, the Contractor must immediately develop a policy implementing the Proposal along with notification to members of how to access these services. The notification and policy must be consistent with the provisions of 42 CFR 438.10 and shall be approved by AHCCCS prior to dissemination. The notification must be provided to newly assigned members within 12 days of enrollment, and must be provided to all current members at least 30 days prior to the effective date of the Proposal [42 CFR 438.102, 42 CFR 438.102(b)(1)(i)(B), 42 CFR 438.10(g)(4)].

Authorization of Services: The Contractor shall have in place and follow written policies and procedures for the processing of requests for initial and continuing authorizations of services [42 CFR 438.210(b)(1), 42 CFR 438.910(d)]. The Contractor shall have mechanisms in place to ensure consistent application of review criteria for authorization decisions [42 CFR 438.210(b)(2)(i)]. The Contractor shall consult with the requesting provider for medical services when appropriate [42 CFR 438.210(b)(2)(ii)]. Any decision to deny a service authorization request or to authorize a service in an amount, duration or scope that is less than requested, shall be made by a health care professional who has appropriate clinical expertise in treating the member's condition or disease [42 CFR 438.210(b)(3)]. Refer to AMPM Chapter 1000 and Attachment F1, member Grievance and Appeal System Standards for additional service authorization requirements.

Notice of Adverse Benefit Determination: The Contractor shall notify the requesting provider and give the member written notice of any decision by the Contractor to deny, reduce, suspend or terminate a service authorization request, or to authorize a service in an amount, duration, or scope that is less than requested [42 CFR 438.400(b)]. The notice shall meet the requirements of 42 CFR 438.404, AHCCCS rules and ACOM Policy 414. The notice to the provider must also be in writing as specified in Section F, Attachment F1, Member Grievance and Appeal System Standards of this Contract [42 CFR 438.210(c)]. The Contractor must comply with all decision timelines outlined in ACOM Policy 414.

The Contractor shall ensure that its providers, acting within the lawful scope of their practice are not prohibited or otherwise restricted from advising or advocating, on behalf of a member who is his or her patient, for [Section 1932(b)(3)(A) of the Social Security Act, 42 CFR 438.102(a)(1)(i)-(iv)]:

1. The member's health status, medical care or treatment options, including any alternative treatment that may be self-administered [42 CFR 438.102(a)(i)],
2. Any information the member needs in order to decide among all relevant treatment options,
3. The risks, benefits, and consequences of treatment or non-treatment, and
4. The member's right to participate in decisions regarding his or her health care, including the right to refuse treatment, and to express preferences about future treatment decisions [42 CFR 438.100(b)(2)(iv)].

Ambulatory Surgery: The Contractor shall provide surgical services for either emergency or scheduled surgeries when provided in an ambulatory or outpatient setting, such as a freestanding surgical center or a hospital-based outpatient surgical setting.

American Indian Member – Service Provision: American Indian members, title XIX and XXI, on- or off-reservation, eligible to receive services, may choose to receive services at any time from an American Indian Health Facility, Indian Health Service (IHS) Facility, a Tribally-Operated 638 Health Program, or an Urban Indian Health Program (I/T/U) [ARRA Section 5006(d), and SMDL letter 10-001]. The Contractor shall not impose enrollment fees, premiums, or similar charges on American Indians served by an American Indian Health Facility, Indian Health Service (IHS) Facility, a Tribally-Operated 638 Health Program, or an Urban Indian Health Program (I/T/U) (ARRA Section 5006(d), SMDL letter 10-001).

AHCCCS/DFSM will reimburse for medically-necessary, acute-care services (including physical and behavioral health services) that are eligible for 100% Federal reimbursement and are provided by an IHS or 638 tribal facility to a Title XIX member enrolled with the Contractor who is eligible to receive services through an IHS or 638 tribal facility. Encounters for Title XIX services billed by IHS or 638 tribal facilities will not be accepted by AHCCCS or considered in capitation rate development.

The Contractor is responsible for reimbursement (including physical and behavioral health services) to IHS or 638 tribal facilities for services provided to Title XXI American Indian members

enrolled with the Contractor. Payment rates must be at least equal to the AHCCCS Fee-For-Service rates. The Contractor may choose to subcontract with an IHS or 638 tribal facility as part of its provider network for the delivery of Title XXI covered services. Expenses incurred by the Contractor for Title XXI services billed by an IHS or 638 tribal facility shall be encountered and considered in capitation rate development.

The Contractor shall demonstrate that there are sufficient Indian Health Care Providers (IHCPs) contracted in the provider network to ensure timely access to services available under the Contract from such providers for American Indian members who are eligible to receive services [42 CFR 438.14(b)(1), 42 CFR 438.14(b)(5)]. For the purposes of this section, "IHCP" does not include health care programs operated by the Indian Health Service or a 638 tribal facility that provide services to Title XIX members enrolled with the Contractor that are reimbursed by AHCCCS/DFSM and are eligible for 100% Federal reimbursement.

The Contractor will make payment to IHCPs for covered services provided to American Indian members who are eligible to receive services through the IHCP regardless of whether the IHCP is an in-network provider. The Contractor may negotiate a rate for the services provided by an IHCP or, in the absence of a negotiated rate, the Contractor will reimburse the IHCP for its services at a rate not less than the level and amount the Contractor would pay to the same type of in-network provider that is not an IHCP [42 CFR 438.14(b)(2)(i) - (ii)]. In the event the amount the IHCP receives from the Contractor is less than the amount the IHCP would have received under FFS or the applicable encounter rate published annually in the Federal Register by the IHS, AHCCCS will make a supplemental payment to the IHCP to make up the difference between the amount the Contractor pays and the amount the IHCP would have received under FFS or the applicable encounter rate [42 CFR 438.14(c)(3)].

American Indian members shall be permitted to obtain covered services from out-of-network IHCPs from whom the member is otherwise eligible to receive such services [42 CFR 438.14(b)(4)]. The Contractor must permit an out-of-network IHCP to refer an American Indian member to a network provider [42 CFR 438.14(b)(6)].

Anti-Hemophilic Agents and Related Services: The Contractor shall provide services for the treatment of hemophilia and von Willebrand's disease. See Section D, Paragraph 53, Reinsurance.

Audiology Services: The Contractor shall provide medically necessary audiology services to evaluate hearing loss for all members, on both an inpatient and outpatient basis. Hearing aids are covered only for members under the age of 21 receiving EPSDT services.

Breast Reconstruction: Breast reconstruction surgery for the purposes of breast reconstruction post-mastectomy is a covered service for AHCCCS eligible members consistent with AMPM Policy 310-C.

Behavioral Health Services: The Contractor shall provide medically necessary behavioral health services to all members in accordance with AHCCCS policies and A.A.C. R9-22, Article 12. Refer

also to the AHCCCS Covered Behavioral Health Services Guide and the AMPM Chapter 300. Behavioral health services, including Exhibit 300-2A. Behavioral Health services include but are not limited to the following:

Behavioral Health Day Program Services: Include services such as therapeutic nursery, in-home stabilization, after school programs, and specialized outpatient substance use/abuse programs.

Behavioral Health Residential Facility Services: Services provided by a licensed behavioral health service agency that provides treatment to an individual experiencing a behavioral health symptom that:

1. Limits the individual's ability to be independent, or
2. Causes the individual to require treatment to maintain or enhance independence (A.A.C. R9-10-101).

Refer to AMPM Policy 320-V.

The Contractor shall develop, and publish to its website, admission criteria for medical necessity which at a minimum includes the elements as outlined in AMPM Policy 320-V. The Contractor shall submit the criteria for prior approval as specified in Attachment F3, Contractor Chart of Deliverables.

Crisis Services: Crisis services shall be community based, recovery-oriented, and member focused and shall work to stabilize individuals as quickly as possible to assist them in returning to their baseline of functioning. The Regional Behavioral Health Authorities (RBHAs) within the Contractor's geographic service area(s) are responsible for the delivery of timely crisis services, including telephone, community-based mobile and facility-based stabilization (including observation not to exceed 24 hours). See the AHCCCS Covered Behavioral Health Services Guide, Section II. E. The RBHAs are responsible for notifying the Contractor within 24 hours of a member engaging in crisis services so subsequent services can be initiated by the Contractor.

The Contractor is responsible for all other medically necessary services related to a crisis episode. The Contractor shall develop policies and procedures to ensure timely communication with RBHAs for members that have engaged crisis services. The Contractor shall ensure timely follow up and care coordination, including care coordination for Medication Assisted Treatment (MAT) for members after receiving crisis services, whether the member received services within, or outside the Contractor's GSA at the time services were provided, to ensure stabilization of the member and appropriate delivery of ongoing necessary treatment and services. Prior authorization is not required for emergency behavioral health services (A.A.C. R9-22-210.01); including Crisis services.

The Contractor shall:

1. Assess the member's needs, identify the supports and services that are necessary to meet those needs, and connect the member to appropriate services,
2. Provide solution-focused and recovery-oriented interventions designed to avoid unnecessary hospitalization, incarceration, or placement in a more restricted setting, and
3. Engage peer and family support services when responding to crisis situations, as preferred and identified by the member.

Court Ordered Evaluation and Court Ordered Treatment: The Contractor shall develop a collaborative process with the counties to ensure coordination of care and information sharing for timely access to pre-petition screening, Court Ordered Evaluation (COE), and Court Ordered Treatment (COT) provided. Reimbursement for pre-petition screening and COE services are the responsibility of the County pursuant to A.R.S. §36-545 unless the county has an agreement with AHCCCS under A.R.S. §36-545.07 to provide those services for the county. If such an agreement exists, the RBHA Contract includes those services within the scope of the RBHA's responsibilities. Refer to ACOM Policy 437 for clarification regarding financial responsibility for the provision of medically necessary behavioral health services rendered after the completion of a COE, and ACOM Policy 423 for clarification regarding the financial responsibility for the provision of specific behavioral health treatment/care when such treatment is ordered as a result of a judicial ruling. See also AMPM Policy 320-U. For additional information regarding behavioral health services refer to A.A.C. R9-22 Article 2 and Article 12. The Contractor is responsible for medically necessary, covered behavioral health services and treatment that is court ordered, but is not responsible for services associated with the pre-petition screening and COE for members. Services that are AHCCCS-covered for an AHCCCS member that are separate from the COE services and medically necessary physical health services are the responsibility of the Contractor during the COE time period.

See also network requirements regarding COE Providers and care coordination under Section D, Paragraph 26, Network Development.

For purposes of care coordination with the DES/Division of Developmental Disabilities, the Contractor shall submit a report of all members under outpatient Court Ordered Treatment (COT) to AHCCCS. The Contractor shall submit the Outpatient Commitment COT Monitoring Report as required in Attachment F3, Contractor Chart of Deliverables. The Outpatient Commitment COT Monitoring Report shall contain the following information:

1. Health plan sub population, health plan sub population description,
2. Record number,
3. Contractor ID, Name,
4. Date by year and month,
5. Member name and demographics,
6. Member CIS and/or AHCCCS identification number,

7. New or existing court order and court order description,
8. COT start date, end date, court order reason and court order reason description,
9. Re-Hospitalization, re-hospitalization description and date,
10. Incarcerated and date,
11. Court order expired,
12. COT review and court order treatment review description,
13. Transferred to IHS,
14. Non-compliant,
15. Court order amended due to non-compliance,
16. Contractor contact person, email address,
17. Behavioral health category, behavioral health category description,
18. Age, age band, age band description, and
19. Funding source, funding source description.

The Contractor and its providers must comply with State recognized tribal court orders for members. When tribal providers are also involved in the care and treatment of court ordered tribal members, the Contractor and its providers must involve tribal providers to ensure the coordination and continuity of care of the members for the duration of COT and when members are transitioned to services on the reservation, as applicable. The Contractor is encouraged to enter into agreements with tribes to address behavioral health needs and improve the coordination of care for tribal members. See also, AMPM Policy 320-U and ACOM Policy 423.

The Contractor shall develop policies that outline the Contractor's role and responsibility related to the treatment of individuals who are unable or unwilling to consent to treatment. The policy must address the processes provided for in A.R.S. Title 36, Chapter 5, Article 4 :

1. Involuntary pre-petition screening, evaluation, and treatment processes,
2. Processes for tracking the status of court orders,
3. Execution of court orders, and
4. Judicial review processes.

Refer to ACOM Policy 437 for clarification regarding financial responsibility for the provision of medically necessary behavioral health services rendered after the completion of a COE. Refer to ACOM Policy 423 regarding financial responsibility for the provision of DUI and Domestic Violence Offender Treatment. For more information, refer to the AHCCCS Covered Behavioral Health Services.

The Contractor shall submit a report to AHCCCS of members in out of state placement for behavioral health treatment as specified in Section F, Attachment F3, Contractor Chart of Deliverables. See AMPM Policy 450.

Inpatient Behavioral Health Services for Members in an IMD who are between the Ages of 21 and 64: The Contractor may provide members aged 21-64 inpatient

treatment in an Institution for Mental Diseases, so long as the facility is a hospital providing psychiatric or substance use disorder inpatient care or a sub-acute facility providing psychiatric or substance use disorder crisis residential services, and length of stay in the IMD is for no more than 15 cumulative days during the calendar month. AHCCCS considers the following provider types to be IMDs: B1-Residential Treatment CTR-Secure (17+Beds), B3-Residential Treatment Center-Non-Secure, B6-Subacute Facility (17+Beds), and 71-Psychiatric Hospital. When the length of stay is no more than 15 cumulative days during the calendar month, AHCCCS shall pay the Contractor the full monthly capitation [42 CFR 438.6(e)]. The Contractor may not require the member to use an IMD. Services may be provided in an IMD only when the services meet the requirements for in lieu of services at 42 CFR 438.3(e)(2)(i) through (iii).

When the length of stay in the IMD is more than 15 cumulative days during the calendar month, AHCCCS shall recoup the full monthly capitation from all Contractors regardless of whether the Contractor is responsible for inpatient behavioral health services and regardless of whether the Contractor authorized the IMD stay. AHCCCS shall pay all Contractors pro-rated capitation based on any days during the month the member was not an inpatient in the IMD when the IMD stay(s) exceeds 15 days.

When the length of stay in the IMD is more than 15 cumulative days during the calendar month, the Contractor must provide the member all medically necessary services during the IMD stay that are covered under this Contract and that would be Title XIX compensable but for the IMD stay. The Contractor shall submit encounters for all services provided during the IMD stay.

The Contractor shall submit notification of an IMD Placement Exceeding 15 Days as specified in Section F, Attachment F3, Contractor Chart of Deliverables. Refer to ACOM Policy 109 for further information on the IMD 15 day limit.

Inpatient Services: Inpatient services provided by a Level I licensed behavioral health agencies including the following:

1. Hospitals (including room and board)
2. Subacute Facilities
3. Residential Treatment Centers (RTC)

These facilities provide a structured treatment setting with 24 hour supervision and an intensive treatment program, including medical support services.

In accordance with 42 CFR 438.3(e)(2)(i) through (iii), the Contractor may provide services in alternative inpatient settings that are licensed by ADHS/DLS, in lieu of services in an inpatient hospital.

Rehabilitation Services: The Contractor shall provide rehabilitation services which include the provision of educating, coaching, training and demonstrating. Other services

include securing and maintaining employment to remediate residual or prevent anticipated functional deficits. Rehabilitation services include:

1. Skills Training and Development and Psychosocial Rehabilitation Living Skills Training,
2. Cognitive Rehabilitation,
3. Behavioral Health Prevention/Promotion Education and Medication Training and Support (Health Promotion), and
4. Supported Employment [Psychoeducational Service (Pre-Job Training and Job Development) and Ongoing Support to Maintain Employment (Job Coaching and Employment Support)].

Support Services: Support services are provided to facilitate the delivery of, or enhance the benefit received from, other behavioral health services. These services include but are not limited to:

1. Provider Case Management,
2. Personal Care Services,
3. Home Care Training Family Services (Family Support),
4. Self-Help/Peer Services (Peer Support),
5. Home Care Training to Home Care Client (HCTC),
6. Unskilled Respite Care,
7. Sign Language or Oral Interpretation Services, and
8. Transportation.

The Contractor shall provide access to peer support services for members to assist with effectively utilizing the service delivery system and/or understanding and coping with the stressors of a member's disability. The Contractor shall provide access to peer support services for members with Opioid Use Disorders (OUDs) for the purposes of navigating members to Medication Assisted Treatment (MAT), and increasing participation and retention in MAT treatment and recovery supports. See AMPM Policy 660 for information related to Mid-Level Practitioner Exemption Requests for Opioid Treatment Programs.

Treatment Services: Treatment services are provided by or under the supervision of behavioral health professionals to reduce symptoms and improve or maintain functioning. These services include:

1. Behavioral Health Counseling and Therapy,
2. Assessment, Evaluation and Screening Services, and
3. Other Professional.

The Contractor shall also provide behavioral health services as described in Section D, Paragraph 11, Behavioral Health Service Delivery.

Children's Rehabilitative Services: The Contractor shall refer children to AHCCCS/DMS who are potentially in need of services related to CRS qualifying conditions, as specified in A.A.C. R9-22 Article 13, and A.R.S. Title 36. The Contractor shall notify the member, or his/her parent/guardian/designated representative, when a referral to a specialist for an evaluation of a CRS condition will be made. See ACOM Policy 426 for the processes used to process referrals for a CRS designation. The Contractor shall provide covered services necessary to treat the CRS qualifying condition as well as other services described within this Contract. The Contractor shall establish a process for the identification of members under the age of 21 with a CRS designation who have completed treatment for the CRS condition, and do not have any other CRS eligible conditions. The Contractor is responsible for notifying the DMS of the date when a member with a CRS designation is no longer in need of treatment for the CRS qualifying condition(s) as specified in Section F, Attachment F3, Contractor Chart of Deliverable and ACOM Policy 426. The notification requirements described above are applicable only to members under 21 years of age. In addition, the Contractor shall consider members with a CRS qualifying condition as members with special health care needs. Refer to Section D, Paragraph 10, Special Health Care Needs. The Contractor shall accept historical CRS identification numbers (ID's) as alternative member ID's for claims processing, as applicable.

Chiropractic Services: The Contractor shall provide chiropractic services to members under age 21 when prescribed by the member's PCP and approved by the Contractor in order to ameliorate the member's medical condition. For Qualified Medicare Beneficiaries, regardless of age, Medicare approved chiropractic services shall be covered subject to limitations specified in 42 CFR 410.21.

Dental Services: The Contractor shall adhere to the Dental Uniform Prior Authorization List (List) and the Uniform Warranty List as outlined in AMPM Policy 431. Requests for changes to the List must be submitted to AHCCCS as specified in Section F, Attachment F3, Contractor Chart of Deliverables.

For members under the age of 21: The Contractor shall provide all members under the age of 21 years with all medically necessary dental services including emergency dental services, dental screening, preventive services, therapeutic services and dental appliances in accordance with the AHCCCS Dental Periodicity Schedule. The Contractor shall monitor compliance with the AHCCCS Dental Periodicity Schedule for dental screening services. The Contractor must develop processes to assign members to a dental home by one year of age and communicate that assignment to the member. The Contractor must regularly notify the oral health professional which members have been assigned to the provider's dental home for routine preventative care as outlined in AMPM Policy 431. The Contractor is required to meet specific utilization rates for members as described in Section D, Paragraph 22, Quality Management and Performance Improvement. The Contractor shall ensure that members are notified in writing when dental screenings are due, if the member has not been scheduled for a visit. If a dental screening is not received by the member, a second written notice must be sent. Members under the age of 21 may request dental services without referral and may choose a dental provider from the Contractor's provider network.

For members 21 years of age and older: Pursuant to A.A.C. R9-22-207, for members who are 21 years of age and older, the Contractor shall cover medical and surgical services furnished by a dentist only to the extent such services may be performed under State law either by a physician or by a dentist. These services would be considered physician services if furnished by a physician. Limited dental services are covered as described in AMPM Policy 310-D1.

Pursuant to A.R.S §36-2907(A) as amended by Arizona Senate Bill 1527 (2017), the Contractor shall provide adult members 21 years of age and older with emergency dental services, limited to a \$1,000 per member per contract year as outlined in AMPM Policy 310-D1.

Dialysis: The Contractor shall provide medically necessary dialysis, supplies, diagnostic testing and medication for all members when provided by Medicare-certified hospitals or Medicare-certified End Stage Renal Disease (ESRD) providers. Services may be provided on an outpatient basis or on an inpatient basis if the hospital admission is not solely to provide chronic dialysis services.

Early and Periodic Screening, Diagnostic and Treatment (EPSDT) Services: The Contractor shall provide comprehensive health care services through primary prevention, early intervention, diagnosis and medically necessary treatment to correct or ameliorate defects and physical or mental illnesses discovered by the screenings for members under age 21. The Contractor shall ensure that these members receive required health screenings, including developmental and behavioral health screenings, in compliance with the AHCCCS EPSDT Periodicity Schedule, and the AHCCCS Dental Periodicity Schedule (AMPM Attachment 430-A and AMPM Exhibit 430-1A), including appropriate oral health screening intended to identify oral pathology, including tooth decay and/or oral lesions, and the application of fluoride varnish conducted by a physician, physician's assistant or nurse practitioner. The Contractor shall ensure the initiation and coordination of behavioral health referrals when determined necessary through the screening process.

Early Detection Health Risk Assessment, Screening, Treatment and Primary Prevention: The Contractor shall provide health care services through screening, diagnostic and medically necessary treatment for members 21 years of age and older. These services include, but are not limited to, screening and treatment for hypertension, elevated cholesterol, colon cancer, sexually transmitted diseases, tuberculosis, HIV/AIDS, breast cancer, cervical cancer, and prostate cancer. Nutritional assessment and treatment are covered when medically necessary to meet the needs of members who may have a chronic debilitating disease. Physical examinations, diagnostic work-ups, and medically necessary immunizations are also covered as specified in A.A.C. R9-22-202.

Emergency Services: The Contractor shall provide emergency services per the following [Section 1852(d)(2) of the Social Security Act, 42 CFR 438.114(b), 42 CFR 422.113(c)]:

1. Emergency services facilities adequately staffed by qualified medical professionals to provide pre-hospital, emergency care on a 24-hour-a-day, seven-day-a-week basis, for an emergency medical condition as defined by A.A.C. R9-22 Article 1. Emergency medical (physical and

behavioral health) services, including Crisis Intervention Services are covered without prior authorization. The Contractor shall be responsible for educating members and providers regarding appropriate utilization of emergency room services including behavioral health emergencies. The Contractor shall monitor emergency service utilization (by both provider and member) and shall have guidelines for implementing corrective action for inappropriate utilization. For utilization review, the test for appropriateness of the request for emergency services shall be whether a prudent layperson, similarly situated, would have requested such services. For the purposes of this Contract, a prudent layperson is an individual who possesses an average knowledge of health and medicine,

2. All medical services necessary to rule out an emergency condition, and
3. Emergency transportation.

Per the Medicaid Managed Care regulations, 42 CFR 438.114, 422.113, and 422.133 the following conditions apply with respect to coverage and payment of emergency services:

The Contractor must cover and pay for emergency services regardless of whether the provider that furnishes the service has a Contract with the Contractor. The Contractor may not deny payment for treatment obtained under either of the following circumstances [Section 1932(b)(2) of the Social Security Act, 42 CFR 438.114(c)(1)(i), 42 CFR 438.114(c)(1)(ii)(A) - (B)]:

1. A member had an emergency medical condition, including cases in which the absence of medical attention would not have resulted in the outcomes identified in the definition of emergency medical condition under 42 CFR 438.114.
2. A representative of the Contractor (an employee or subcontracting provider) instructs the member to seek emergency medical services.

Additionally, the Contractor may not:

1. Limit what constitutes an emergency medical condition as defined in 42 CFR 438.114, on the basis of lists of diagnoses or symptoms [42 CFR 438.114(d)(1)(i)].
2. Refuse to cover emergency services based on the failure of the emergency room provider, hospital, or fiscal agent to notify the Contractor of the member's screening and treatment within 10 calendar days of presentation for emergency services. Claims submission by the hospital within 10 calendar days of the member's presentation for the emergency services constitutes notice to the Contractor. This notification stipulation is only related to the provision of emergency services [42 CFR 438.114(d)(1)(ii)].
3. Require notification of Emergency Department treat and release visits as a condition of payment unless the plan has prior approval from AHCCCS.

A member who has an emergency medical condition may not be held liable for payment of subsequent screening and treatment needed to diagnose the specific condition or stabilize the patient [42 CFR 438.114(d)(2)].

The attending emergency physician, or the provider actually treating the member, is responsible for determining when the member is sufficiently stabilized for transfer or discharge, and such

determination is binding on the Contractor responsible for coverage and payment. The Contractor shall comply with Medicaid Managed Care guidelines regarding the coordination of poststabilization care [42 CFR 438.114, 42 CFR 422.113].

For additional information and requirements regarding emergency services, refer to AHCCCS Rules A.A.C. R9-22-201 et seq. and 42 CFR 438.114.

End of Life Care: A concept of care, for the duration of the member's life, that focuses on Advance Care Planning, the relief of stress, pain, or life limiting effects of illness to improve quality of life for a member at any age who is currently or is expected to experience declining health, or is diagnosed with a chronic, complex or terminal illness. See AMPM Policy 310-HH.

Experimental Services: AHCCCS does not cover experimental services (A.A.C. R9-22-203). However, refer to AMPM Policy 320-B for additional requirements and considerations for AHCCCS members who participate in experimental services.

Family Planning Services: The Contractor shall provide family planning services in accordance with the AMPM, and consistent with the terms of the Section 1115 Waiver Demonstration, for all members who choose to delay or prevent pregnancy. These include medical, surgical, pharmacological and laboratory services, as well as contraceptive devices. Information and counseling, which allow members to make informed decisions regarding family planning methods, are also included. If the Contractor does not provide family planning services due to moral and religious objections, it must Contract for these services through another health care delivery system or have an approved alternative in place, or AHCCCS will disenroll members who are seeking these services from the Contractor and assign them to another Contractor. The Contractor shall submit a Sterilization Report as specified in AMPM Policy 420 and Section F, Attachment F3, Contractor Chart of Deliverables.

Genetic Testing: Genetic testing and counseling are considered medically necessary when criteria are met as delineated in AMPM Policy 310-II.

Home and Community Based Services: Assisted living facility, alternative residential setting, or Home and Community Based Services (HCBS) as defined in A.A.C. R9-22 Article 2, and A.A.C. R9-28 Article 2 that meet the provider standards described in A.A.C. R9-28 Article 5, and subject to the limitations set forth in the AMPM. These services are covered in lieu of a nursing facility. Refer also to Section D, Paragraph 40, Responsibility for Nursing Facility Reimbursement for notification requirements.

The Contractor shall notify the Assistant Director of AHCCCS/DMS, by Email, when a member has been residing in a nursing facility, alternative residential facility or receiving home and community based services for 45 days. This will allow AHCCCS time to follow-up on the status of the ALTCS application and to consider potential Fee-For-Service coverage, if the stay goes beyond the 90 day per Contract year maximum. The notice shall be sent via e-mail to HealthPlan45DayNotice@azahcccs.gov.

Notifications must include:

1. Member Name,
2. AHCCCS ID,
3. Date of Birth,
4. Name of Facility,
5. Admission Date to the Facility,
6. Date the member will reach the 90 days, and
7. Name of Contractor of enrollment.

Home Health Services: This service shall be provided under the direction of a physician to prevent hospitalization or institutionalization and may include nursing, therapies, supplies and home health aide services. It shall be provided on a part-time or intermittent basis. Refer to the AMPM for additional requirements for services provided under the home health benefit. The Contractor is prohibited from paying for an item or service (other than an emergency item or service, not including items or services furnished in an emergency room of a hospital) for home health care services provided by an agency or organization, unless AHCCCS Provider Registration verifies compliance with the surety bond requirements specified in Sections 1861(o)(7) and 1903(i)(18) of the Social Security Act. See AMPM Policy 310-I.

Hospice Services: Hospice services provide palliative and support care for terminally ill members and their family members or caregivers in order to ease the physical, emotional, spiritual and social stresses, which are experienced during the final stages of illness and during dying and bereavement. These services are covered for members who are certified by a physician as being terminally ill and having six months or less to live. See the AMPM for details on covered hospice services. See AMPM Policy 310-J.

Hospital: The Contractor shall provide hospital services as outlined in Contract and policy. Inpatient services include semi-private accommodations for routine care, intensive and coronary care, surgical care, obstetrics and newborn nurseries, and behavioral health emergency/crisis services. If the member's medical condition requires isolation, private inpatient accommodations are covered. Nursing services, dietary services and ancillary services such as laboratory, radiology, pharmaceuticals, medical supplies, blood and blood derivatives, etc. are also covered. See AMPM Policy 310-K. For requirements regarding member transfers between facilities, see AMPM Policy 530. Outpatient hospital services include any of the above services which may be appropriately provided on an outpatient or ambulatory basis (i.e. laboratory, radiology, therapies, ambulatory surgery). Observation services may be provided on an outpatient basis, if determined reasonable and necessary to decide whether the member should be admitted for inpatient care. Observation services include the use of a bed and periodic monitoring by hospital nursing staff and/or other staff to evaluate, stabilize or treat medical conditions of a significant degree of instability and/or disability. Refer to the AMPM for limitations on hospital stays. See AMPM Policy 310-S.

Hysterectomy: AHCCCS covers medically necessary hysterectomy services as authorized by federal regulations 42 CFR 441.250 et seq. See AMPM Policy 310-L.

Immunizations: The Contractor shall provide medically necessary immunizations for adults 21 years of age and older. The Contractor is required to meet specific immunization rates for members under the age of 21, which are described in Section D, Paragraph 22, Quality Management and Performance Improvement. See also AMPM Policy 310-M and AMPM Policy 430.

Incontinence Briefs: In general, incontinence briefs (diapers) are not covered for members unless medically necessary to treat a medical condition. However, for AHCCCS members over three years of age and under 21 years of age incontinence briefs, including pull-ups and incontinence pads, are also covered to prevent skin breakdown and to enable participation in social community, therapeutic, and educational activities under limited circumstances. For members in the ALTCS Program who are 21 years of age and older, incontinence briefs, including pull-ups and incontinence pads are also covered in order to prevent skin breakdown as outlined in AMPM Policy 310-P. See A.A.C. R9-22-212 and AMPM Chapters 300 and 400.

Laboratory Services: Laboratory services for diagnostic, screening and monitoring purposes are covered when ordered by the member's PCP, other attending physician or dentist, and provided by a free-standing laboratory or hospital laboratory, clinic, physician office or other health care facility laboratory with Clinical Laboratory Improvement Act (CLIA) licensure or a Certificate of Waiver. See AMPM Policy 310-N.

Upon written request, the Contractor may obtain laboratory test data on members from a laboratory or hospital-based laboratory subject to the requirements specified in A.R.S. §36-2903(Q) and (R). The data shall be used exclusively for quality improvement activities and health care outcome studies required and/or approved by AHCCCS.

Lung Volume Reduction Surgery (LVRS): LVRS, or reduction pneumoplasty, is covered for persons with severe emphysema when performed at a facility approved by Medicare to perform this surgery and in accordance with all of the established Medicare guidelines and in accordance with AMPM Policy 320-G.

Maternity Services: The Contractor shall provide pregnancy identification, prenatal care, treatment of pregnancy related conditions, labor and delivery services, and postpartum care for members. Services may be provided by physicians, physician assistants, nurse practitioners, certified nurse midwives, or licensed midwives. Members may select or be assigned to a PCP specializing in obstetrics while they are pregnant. Members anticipated to have a low-risk delivery, may elect to receive labor and delivery services in their home from their maternity provider, if this setting is included in the allowable settings for the Contractor, and the Contractor has providers in its network that offer home labor and delivery services. Members receiving maternity services from a certified nurse midwife or a licensed midwife must also be assigned to a PCP for other health care and medical services. A certified nurse midwife may provide those primary care services that they are willing to provide and that the member elects to receive from the certified nurse midwife. Members receiving care from a certified nurse midwife may also elect to receive some or all her primary care from the assigned PCP. Licensed

midwives may not provide any additional medical services as primary care is not within their scope of practice. Members who transition to a new Contractor or become enrolled during their third trimester must be allowed to complete maternity care with their current AHCCCS registered provider, regardless of contractual status, to ensure continuity of care. See AMPM Policy 410.

For stillbirths meeting the medical criteria outlined in AMPM Policy 410, the Contractor shall submit maternal and newborn delivery record as specified in Section F, Attachment F3, Contractor Chart of Deliverables.

The Contractor shall allow women and their newborns to receive no less than 48 hours of inpatient hospital care after a routine vaginal delivery and no less than 96 hours of inpatient care after a cesarean delivery. The attending health care provider, in consultation with an agreement by the mother, may discharge the mother or newborn prior to the minimum length of stay. A normal newborn may be granted an extended stay in the hospital of birth when the mother's continued stay in the hospital is beyond the minimum 48 or 96 hour stay, whichever is applicable.

The Contractor shall inform all assigned AHCCCS pregnant women of voluntary prenatal HIV/AIDS testing and the availability of medical counseling, if the test is positive. The Contractor shall provide information in the Member Handbook and annually in the member newsletter, to encourage pregnant women to be tested and instructions about where to be tested. The Contractor shall report to AHCCCS the number of pregnant women who have been newly diagnosed as HIV/AIDS-positive for each quarter during the Contract Year as specified in Section F, Attachment F3, Contractor Chart of Deliverables and AMPM Policy 410.

Medical Equipment, Medical Supplies, and Prosthetic Devices: Medical equipment including appliances and medical supplies are covered under the home health benefit. Medical equipment including appliances, medical supplies, and prosthetic devices are covered when prescribed by the member's PCP, attending physician or practitioner, or by a dentist as described in the AMPM. Prosthetic devices must be medically necessary and meet criteria as described in the AMPM. Prosthetic devices must be medically necessary and meet criteria as described in the AMPM. For persons age 21 or older, AHCCCS will not pay for microprocessor controlled lower limbs and microprocessor controlled joints for lower limbs. Medical equipment may be rented or purchased only if other sources are not available which provide the items at no cost. The total cost of the rental must not exceed the purchase price of the item. Reasonable repairs or adjustments of purchased equipment are covered to make the equipment serviceable and/or when the repair cost is less than renting or purchasing another unit. See AMPM Policy 310-JJ and AMPM Policy 310-P.

The Contractor shall ensure the provider network includes a choice of subcontractors for customized medical equipment and corrective appliances for members with special healthcare needs. The Contractor shall include, in the contract with the subcontractor, timeliness standards for creation, repair and delivery of customized medical equipment and appliances.

The Contractor shall monitor the standards and take action when the subcontractor is found to be out of compliance.

Medical Marijuana: AHCCCS does not cover medical marijuana as a medical or pharmacy benefit. See AMPM Policy 320-M.

Metabolic Medical Foods: Medical foods are covered within limitations defined in the AMPM for members diagnosed with a metabolic condition included under the ADHS Newborn Screening Program and as specified in the AMPM. The medical foods, including metabolic formula and modified low protein foods, must be prescribed or ordered under the supervision of a physician. See AMPM Policy 310-GG.

Nursing Facility Services: The Contractor shall provide services in nursing facilities, including religious non-medical health care institutions, for members who require short-term convalescent care not to exceed 90 days per Contract year. In lieu of a nursing facility, the member may be placed in an assisted living facility, an alternative residential setting, or receive Home and Community Based Services (HCBS) as defined in A.A.C. R9-22 Article 2 and A.A.C. R9-28 Article 2 that meet the provider standards described in A.A.C. R9-28 Article 5, and subject to the limitations set forth in the AMPM. See AMPM Policy 310-R.

Nursing facility services must be provided in a dually-certified Medicare/Medicaid nursing facility, which includes in the per-diem rate: nursing services; basic patient care equipment and sickroom supplies; dietary services; administrative physician visits; non-customized DME; necessary maintenance and rehabilitation therapies; over-the-counter medications; social, recreational and spiritual activities; and administrative, operational medical direction services. See Section D, Paragraph 40, Responsibility for Nursing Facility Reimbursement, for further details.

The Contractor shall ensure members are screened using the Pre-Admission Screening and Resident Review (PASRR) prior to admission to a nursing facility as specified in AMPM Policy 680-C. The PASRR screening consists of a two-stage identification and evaluation process (Level I and Level II screening) and is conducted to assure appropriate placement and treatment for those identified with Mental Illness (MI) and Intellectual Disability (ID). Level I screening is required for members entering a nursing facility to determine the presence of a diagnosis or other presenting evidence that suggests the possibility of a mental illness or intellectual disability. Level II screening, if indicated, is conducted by DES for members with an intellectual disability or by AHCCCS for members with a mental illness to further evaluate and make a determination as to whether the member is indeed mentally ill or has an intellectual disability. It also determines whether the member needs the level of care provided in a nursing facility and/or needs specialized services. Failure to have the proper PASRR screening prior to placement of members in a nursing facility may result in Federal Financial Participation (FFP) being withheld from AHCCCS. Should withholding of FFP occur, AHCCCS will recoup the withheld amount from a Contractor's subsequent capitation payment. The Contractor may, at its option, recoup the withholding from the nursing facility which admitted the member without the proper PASRR.

The Contractor shall notify the Assistant Director of AHCCCS/DMS, by Email, when a member has been residing in a nursing facility, alternative residential facility or receiving home and community based services for 45 days. This will allow AHCCCS time to follow-up on the status of the ALTCS application and to consider potential Fee-For-Service coverage, if the stay goes beyond the 90 day per Contract year maximum. The notice shall be sent via e-mail to HealthPlan45DayNotice@azahcccs.gov.

Notifications must include:

1. Member Name
2. AHCCCS ID
3. Date of Birth
4. Name of Facility
5. Admission Date to the Facility
6. Date the member will reach the 90 days
7. Name of Contractor of enrollment

Nutritional Assessments and Nutritional Therapy: Nutritional assessments are conducted as a part of the EPSDT screenings for members under age 21, and to assist members 21 years of age and older whose health status may improve with over- and under- nutritional intervention. Assessment of nutritional status on a periodic basis may be provided as determined necessary, and as a part of the health risk assessment and screening services provided by the member's PCP. Assessments may also be provided by a registered dietitian when ordered by the member's PCP. AHCCCS covers nutritional therapy on an enteral, parenteral or oral basis, when determined medically necessary, according to the criteria specified in the AMPM, to provide either complete daily dietary requirements or to supplement a member's daily nutritional and caloric intake. See AMPM Policy 310-GG.

Orthotics: Orthotics are covered for AHCCCS members under the age of 21 as outlined in AMPM Policy 430. Orthotics are covered for AHCCCS members 21 years of age and older if all of the following apply, see AMPM Policy 310-JJ:

1. The use of the orthotic is medically necessary as the preferred treatment option and consistent with Medicare guidelines,
2. The orthotic is less expensive than all other treatment options or surgical procedures to treat the same diagnosed condition, and
3. The orthotic is ordered by a physician or primary care practitioner.

Medical equipment may be rented or purchased only if other sources, which provide the items at no cost, are not available. The total cost of the rental must not exceed the purchase price of the item. Reasonable repairs or adjustments of purchased equipment are covered for all members over and under the age of 21 to make the equipment serviceable and/or when the repair cost is less than renting or purchasing another unit. The component will be replaced if at the time authorization is sought documentation is provided to establish that the component is not operating effectively.

Physician Services: The Contractor shall provide physician services to include medical assessment, treatments and surgical services provided by licensed allopathic or osteopathic physicians within the scope of practice.

Podiatry Services: Pursuant to A.R.S. §36-2907, podiatry services performed by a podiatrist licensed pursuant to A.R.S. Title 32, Chapter 7 are covered for members when ordered by a primary care physician or primary care practitioner.

Poststabilization Care Services: Pursuant to A.A.C. R9-22-210 and 42 CFR 438.114, 42 CFR 422.113(c), and 42 CFR 422.133 the following conditions apply with respect to coverage and payment of emergency and of poststabilization care services, except where otherwise noted in the Contract.

The Contractor must cover and pay for poststabilization care services without authorization, regardless of whether the provider that furnishes the service has a Contract with the Contractor, for the following situations:

1. Poststabilization care services that were pre-approved by the Contractor.
2. Poststabilization care services that were not pre-approved by the Contractor because the Contractor did not respond to the treating provider's request for pre-approval within one hour after being requested to approve such care or could not be contacted for pre-approval.
3. The Contractor representative and the treating physician cannot reach agreement concerning the member's care and a Contractor physician is not available for consultation. In this situation, the Contractor must give the treating physician the opportunity to consult with a Contractor physician and the treating physician may continue with care of the patient until a Contractor physician is reached or one of the criteria in 42 CFR 422.113(c)(3) is met.

Pursuant to 42 CFR 422.113(c)(3), the Contractor's financial responsibility for poststabilization care services that have not been pre-approved ends when:

1. A Contractor physician with privileges at the treating hospital assumes responsibility for the member's care,
2. A Contractor physician assumes responsibility for the member's care through transfer,
3. A Contractor representative and the treating physician reach an agreement concerning the member's care, or
4. The member is discharged.

Pregnancy Terminations: AHCCCS covers pregnancy termination if the pregnant member suffers from a physical disorder, physical injury, or physical illness, including a life endangering physical condition caused by or arising from the pregnancy itself, that would, as certified by a physician, place the member in danger of death unless the pregnancy is terminated; or the pregnancy is a result of rape or incest [42 CFR 441.202, Consolidated Appropriations Act of 2008].

The attending physician must acknowledge that a pregnancy termination has been determined medically necessary by submitting the Certificate of Necessity for Pregnancy Termination. This certificate must be submitted to the Contractor's Medical Director and meet the requirements specified in the AMPM. The Certificate must certify that, in the physician's professional judgment, the criteria have been met. See AMPM Policy 410.

Prescription Medications: Medications ordered by a PCP, attending physician, dentist or other authorized prescriber and dispensed under the direction of a licensed pharmacist are covered subject to limitations related to prescription supply amounts, Contractor formularies and prior authorization requirements. An appropriate over-the-counter medication may be prescribed as defined in the AMPM when it is determined to be a lower-cost alternative to a prescription medication. The Contractor shall comply with AMPM Policy 310-V and AMPM Policy 1020.

The Contractor shall make available on the Contractor's website and in electronic or hard copy form, the following information about its drug list [42 CFR 438.10(i)(1)-(2)]:

1. The Contractor's drug list(s) of medications that includes both the reference brand and generic name of each drug,
2. The tier of each covered drug shall be notated on the drug list,
3. Each drug that requires prior authorization approval prior to dispensing shall be notated on the drug list,
4. The process for obtaining federally reimbursable medications that are not listed on the drug list,
5. The prior authorization form with directions for non-urgent and urgent requests, and
6. The prior authorization criteria for drugs evaluated for coverage under the Contractor's prior authorization program.

Contractor drug lists shall be made available on the Contractor's website in a machine-readable file and format as specified by the Secretary [42 CFR 438.10(i)(3)]. See ACOM Policy 404.

Pharmaceutical Rebates: The Contractor, including the Contractor's Pharmacy Benefit Manager (PBM), is prohibited from collecting and negotiating any rebates with drug manufacturers for preferred or other pharmaceutical products when AHCCCS has a supplemental rebate Contract for the product(s). A listing of products covered under supplemental rebate agreements will be available on the AHCCCS website under the Pharmacy Information section. The "preferred" products shall be available on the Contractors' Drug Lists exactly as they are listed on the AHCCCS Drug List(s). The Contractor shall comply with AMPM Policy 310-V. If the Contractor or its PBM has an existing rebate agreement with a manufacturer, all outpatient drug claims, including provider-administered drugs for which AHCCCS is obtaining supplemental rebates, must be excluded from such rebate agreements. For pharmacy related encounter data information see Section D, Paragraph 61, Encounter Data Reporting.

Medicare Part D: The Medicare Modernization Act of 2003 (MMA) created the Medicare Part D prescription drug benefit for individuals enrolled in Medicare Part A and Medicare Part B coverages. Medicare Part D drug benefit plans cover offered prescription drugs as approved by

the Centers for Medicare and Medicaid Services (CMS). For full benefit dual eligible members, AHCCCS covers only those clinically necessary, federally reimbursable prescription drugs that are not covered by their Medicare Part D benefit plan – as ordered by a PCP, attending physician, dentist or other authorized prescribing clinician and dispensed by or under the direction of a licensed pharmacist, in accordance with Arizona State Board of Pharmacy Rules and Regulations, subject to prescription supply amounts limitations, and a Contractor’s prior authorization requirements. Prescription drugs that are covered by a full benefit dual eligible member’s Medicare Part D drug benefit plan, but not specifically listed in its formulary, are considered to be covered by the Medicare Part D drug benefit plan, and are *not covered* by AHCCCS. See AMPM Policy 310-V.

340B Drug Pricing Program: All federally reimbursable drugs identified in the 340B Drug Pricing Program are required to be billed and reimbursed as noted in the table below. The Contractor is required to comply with any changes to reimbursement methodology for 340B entities. See A.R.S. §36-2930.03 and A.A.C. R9-22-710 (C) for further details.

The Contractor is required to reimburse 340B entities and their employed or contracted prescribing clinicians in accordance with the payment methodology below:

1. Drugs dispensed by the 340B entity pharmacy shall be reimbursed at the lesser of the actual acquisition cost or the 340B ceiling price, plus a professional (dispensing) fee, and
2. Physician administered drugs shall be reimbursed at the lesser of the actual acquisition cost or the 340B ceiling price.
 - a. No professional (dispensing) fee is required; a fee payable to the physician for a covered administration procedure is permitted

340B entity hospitals, and outpatient facilities owned and operated by the a 340B entity hospital, are exempt from this payment methodology.

The Contractor is required to comply with any changes to reimbursement methodology for 340B entities.

Direct Acting Antiviral Medication Treatment: For AHCCCS prior authorization requirements for Title XIX and XXI members 12 years and older for coverage of direct acting antiviral medications for treatment of Hepatitis C Virus (HCV), see AMPM Policy 320-N.

Primary Care Provider Services: Primary Care Provider (PCP) services are covered when provided by a physician, physician assistant or nurse practitioner selected by, or assigned to, the member. The PCP provides primary health care and serves as a coordinator in referring the member for specialty medical services [42 CFR 438.208(b)(1)]. The PCP is responsible for maintaining the member’s primary medical record, which contains documentation of all health risk assessments and health care services of which they are aware whether or not they were provided by the PCP.

Except for annual well woman exams, behavioral health and children's dental services, and consistent with the terms of the Section 1115 Waiver demonstration, covered services must be provided by or coordinated with a Primary Care Provider.

Radiology and Medical Imaging: These services are covered when ordered by the member's PCP, attending physician or dentist and are provided for diagnosis, prevention, treatment or assessment of a medical condition.

Rehabilitation Therapy: The Contractor shall provide occupational, physical and speech therapies. Therapies must be prescribed by the member's PCP or attending physician for an acute condition and the member must have the potential for improvement due to the rehabilitation. Therapies provided under the home health benefit shall adhere to the requirements outlined in AMPM Policy 310-X.

Occupational therapy is covered for all members in both inpatient and outpatient settings. Outpatient occupational therapy for acute care members 21 years of age or older are subject to visit limits per Contract year as described in the AMPM.

Physical Therapy is covered for all members in both inpatient and outpatient settings. Outpatient physical therapy for members 21 years of age or older is subject to visit limits per Contract year as described in the AMPM.

Speech therapy is covered for all members receiving inpatient hospital (or nursing facility services). Speech therapy services provided on an outpatient basis are only covered for members under the age of 21.

Respiratory Therapy: Respiratory therapy is covered when prescribed by the member's PCP or attending physician, and is necessary to restore, maintain or improve respiratory functioning.

Substance Abuse Transitional Facility: A class of health care institution that provides behavioral health services to an individual over 18 years of age who is intoxicated or may have a substance abuse problem (A.A.C. R9-10-101).

Organ and Tissue Transplants, and Related Immunosuppressant Drugs: These services are covered within limitations defined in the AMPM for members diagnosed with specified medical conditions. Services include: pre-transplant inpatient or outpatient evaluation, donor search, organ/tissue harvesting or procurement, preparation and transplantation services, and convalescent care. In addition, if a member receives a transplant covered by a source other than AHCCCS, medically necessary non-experimental services are provided, within limitations, after the discharge from the acute care hospitalization for the transplantation. AHCCCS maintains specialty Contracts with transplantation facility providers for the Contractor's use or the Contractor may select its own transplantation provider. Refer to Section D, Paragraph 53, Reinsurance. See AMPM Policy 310-DD.

Transplant Services and Immunosuppressant Medications: AHCCCS covers medically necessary transplant services and related immunosuppressant medications in accordance with Federal and State law and regulations. The Contractor shall not make payments for organ transplants not provided for in the State Plan except as otherwise required pursuant to 42 USC 1396d(r)(5) for individuals receiving services under EPSDT. The Contractor must follow the written standards that provide for similarly situated individuals to be treated alike and for any restriction on facilities or practitioners to be consistent with the accessibility of high quality care to members per Sections (1903(i) and 1903(i)(1)) of the Social Security Act. Refer AMPM Policy 310-DD and the AHCCCS Reinsurance Policy Manual.

Transportation: These services include emergency and non-emergency medically necessary transportation. Emergency transportation, including transportation initiated by an emergency response system such as 911, may be provided by ground, air or water ambulance to manage an AHCCCS member's emergency medical condition at an emergency scene and transport the member to the nearest appropriate medical facility. Non-emergency transportation shall be provided for members who are unable to provide or secure their own transportation for medically necessary services using the appropriate mode based on the needs of the member. See AMPM Policy 310-BB. The Contractor shall ensure that members have coordinated, reliable, medically necessary transportation to ensure members arrive on-time for regularly scheduled appointments and are picked up upon completion of the entire scheduled treatment. For information regarding Contractor reimbursement of ground ambulance and emergency care transportation when a contract does not exist between the Contractor and the transportation provider, refer to ACOM Policy 205.

Treat and Refer Services: Interaction with an individual who has accessed 911 or a similar public emergency dispatch number, but whose illness or injury does not require ambulance transport to an emergency department based on the clinical information available at that time. The interaction must include:

1. Documentation of an appropriate clinical and/or social evaluation,
2. A treatment/referral plan for accessing social, behavioral, and/or healthcare services that address the patient's immediate needs,
3. Evidence of efforts to follow-up with the patient to ascertain adherence with the treatment plan, and
4. Documentation of efforts to assess customer satisfaction with the treat and refer visit. Treat and Refer standing orders shall be consistent with medical necessity and consider patient preference when the clinical condition allows.

Triage/Screening and Evaluation of Emergency Medical Conditions: These are covered services when provided by an acute care hospital, an IHS or 638 tribal facility, and urgent care centers to determine whether or not an emergency exists, assess the severity of the member's medical condition and determine and provide services necessary to alleviate or stabilize the emergent condition. Triage/screening services must be reasonable, cost effective and meet the criteria for severity of illness and intensity of service.

Vision Services/Ophthalmology/Optomety: The Contractor shall provide emergency eye care, and all medically necessary vision examinations, prescriptive lenses, frames, and treatments for conditions of the eye for all members under the age of 21. For members who are 21 years of age and older, the Contractor shall provide emergency care for eye conditions which meet the definition of an emergency medical condition. In addition, cataract removal, and medically necessary vision examinations, prescriptive lenses and frames are covered if required following cataract removal.

Members shall have full freedom to choose, within the Contractor's network, a practitioner in the field of eye care, acting within the scope of their practice, to provide the examination, care or treatment for which the member is eligible. A "practitioner in the field of eye care" is defined to be either an ophthalmologist or an optometrist.

Well Preventative Care: Well visits, such as, but not limited to, well woman exams, breast exams, and prostate exams are covered for members 21 years of age and older; refer to AMPM Policy 411. For members under 21 years of age, AHCCCS continues to cover medically necessary services under the EPSDT Program; Refer to AMPM Policy 430.

10. SPECIAL HEALTH CARE NEEDS

AHCCCS has specified in its *Quality Assessment and Performance Improvement Strategy* certain populations with special health care needs and the mechanisms used to identify individuals with special health care needs as defined by the State [42 CFR 438.208(c)(1)].

Members with special health care needs are those members who have serious and chronic physical, developmental, and/or behavioral conditions requiring medically necessary services of a type or amount beyond that required by members generally, that lasts or is expected to last one year or longer, and may require ongoing care not generally provided by a primary care provider.

AHCCCS has determined that the following populations meet this definition:

1. Members with qualifying Children's Rehabilitative Services (CRS) conditions,
2. Members diagnosed with HIV/AIDS,
3. Members diagnosed with opioid use disorder, separately tracking pregnant members and members with co-occurring pain and opioid use disorder,
4. Members who are being considered for or are actively engaged in a transplant process and for up to one year post transplant,
5. Arizona Long Term Care System:
 - a. Members enrolled in the ALTCS program who are elderly and/or have a physical disability, and
 - b. Members enrolled in the ALTCS program who have a developmental disability,
6. Members who are engaged in care or services through the Arizona Early Intervention Program (AzEIP),
7. Members who are enrolled in the Comprehensive Medical and Dental Program (CMDP),

8. Members who transition out of the Comprehensive Medical and Dental Program (CMDP) up to one year post transition,
9. Members determined to have a Serious Mental Illness (SMI),
10. Any child that has a CASII level of 4+,
11. Members who have a Seriously Emotionally Disturbed (SED) diagnosis flag in the system,
12. Substance exposed newborns and infants diagnosed with neonatal abstinence syndrome (NAS),
13. Members diagnosed with Severe Combined Immunodeficiency (SCID), and
14. Members with a diagnosis of autism or at risk for autism.

Many children with Special Health Care Needs, including children with CRS-qualifying medical conditions typically require complex care and are medically fragile. For these children, health care service delivery involves multiple clinicians, covering the entire continuum of care. In addition to a primary care provider, these children may receive services from subspecialists who manage care related to their condition(s) and coordinate with other specialty services including but not limited to behavioral health, pharmacy, medical equipment and appliances, therapies, diagnostic services, and telemedicine visits. Comprehensive care includes a multi-disciplinary team made up of subspecialists and caregivers such as pulmonologists, cardiologists, nutritionists, psychologists, and therapists. Because of the complexity of the needs of these children requiring multiple surgeries, hospitalization, and clinical care it is imperative that there be integrated health information and care coordination for the member. Services shall be provided using an integrated family-centered, culturally competent, multi-specialty, interdisciplinary approach that includes the following elements:

1. A process for using a centralized, integrated medical record that is accessible to the Contractor and service providers consistent with Federal and State privacy laws to facilitate well-coordinated, interdisciplinary care,
2. A process for developing and implementing a Service Plan accessible to the Contractor and service providers that is consistent with Federal and State privacy laws that contains the clinical, medical, and administrative information necessary to monitor coordinated treatment plan implementation, and
3. Collaboration with individuals, groups, providers, organizations and agencies charged with the administration, support or delivery of services for persons with special health care needs.

AHCCCS monitors quality and appropriateness of care/services for routine and special health care needs members through annual Operational Reviews of Contractors and the review of required Contractor deliverables set forth in Contract, program specific performance measures, and performance improvement projects.

The Contractor shall implement mechanisms to comprehensively assess each member identified as having special health care needs, in order to identify any ongoing special conditions of the member which require a course of treatment or regular care monitoring, or transition to another AHCCCS program [42 CFR 438.208(c)(2), 42 CFR 438.240(b)(4)]. The assessment mechanisms must use appropriate health care professionals with the appropriate expertise [42 CFR 438.240(c)(2) and 42 CFR 438.208(c)(2)]. The Contractor shall share with other entities

providing services to that member the results of its identification and assessment of that member's needs so that those activities need not be duplicated [42 CFR 438.208(b)(4) and (c)(3)].

The Contractor shall ensure that members with special health care needs that are determined through assessment to need a course of treatment or regular care monitoring have an individualized physical and behavioral treatment or service plan. In addition, the Contractor shall conduct multi-disciplinary staffings for members with challenging behaviors or health care needs [42 CFR 438.208(c)(3)].

For members with special health care needs determined to need a specialized course of treatment or regular care monitoring, the Contractor must have procedures in place to allow members to directly access a specialist (for example through a standing referral or an approved number of visits) as appropriate for the member's condition and identified needs [42 CFR 438.208(c)(4)]. For members transitioning, see Section D, Paragraph 8, Transition Activities.

The Contractor shall have a methodology to identify providers willing to provide a patient centered medical home for members with special health care needs that offers comprehensive, continuous medical care and extended access to services with the goal of obtaining maximized health outcomes.

The American Academy of Pediatrics (AAP) describes care from a medical home as:

1. Accessible,
2. Continuous,
3. Coordinated,
4. Family-centered,
5. Comprehensive,
6. Compassionate, and
7. Culturally effective.

The Contractor shall submit reports as specified in Section F, Attachment F3, Contractor Chart of Deliverables.

11. BEHAVIORAL HEALTH SERVICE DELIVERY

AHCCCS members enrolled with the Contractor receive behavioral health services through the Contractor, or for American Indians, through the Contractor and/or an IHS or 638 tribal facility.

Behavioral health needs shall be assessed and services provided in collaboration with the member, the member's family and all others involved in the member's care, including other agencies or systems. See AMPM Policy 541. Services shall be accessible and provided by competent individuals who are adequately trained and supervised. The strengths and needs of the member and their family shall determine the types and intensity of services. Services should be provided in a manner that respects the member and family's cultural heritage and appropriately utilizes natural supports in the member's community.

The Contractor shall adhere to the following requirements with respect to delivery of behavioral health services. Regardless of the type, amount, duration, scope, service delivery method, and population served, the Contractor's behavioral health service delivery system shall incorporate the following elements:

1. Coordinate and provide access to quality health care services informed by evidence-based practice guidelines in a cost effective manner,
2. Coordinate and provide access to quality health care services that are culturally and linguistically appropriate, maximize personal and family voice and choice, and incorporate a trauma-informed care approach,
3. Coordinate and provide access to preventative and health promotion services, including wellness services.
4. Coordinate and provide access to comprehensive care coordination and transitional care across settings; follow-up from inpatient to other settings; participation in discharge planning; and facilitating transfer from the children's system to the adult system of health care,
5. Coordinate and provide access to chronic disease management support, including self-management support,
6. Coordinate and provide access to peer and family delivered support services,
7. Require covered services to be medically necessary and cost effective and to be provided by or coordinated by a primary care provider except for annual well woman exams, behavioral health and children's dental services, and consistent with the terms of the demonstration, covered services must be provided by or coordinated with a primary care provider,
8. Provide covered services to members in accordance with all applicable Federal and State laws, regulations and policies, including those listed by reference in attachments and this Contract,
9. Develop service plans that maximize personal and family voice and choice,
10. Adhere to General and Informed Consent requirements as outlined in AMPM Policy 320-Q,
11. Coordinate and integrate clinical and non-clinical health-care related needs and services,
12. Implement health information technology to link services, facilitate communication among treating professionals, and between the health team and individual and family caregivers,
13. Deliver services by providers that are appropriately licensed or certified, operating within their scope of practice, and registered as an AHCCCS provider,
14. Ensure that its providers, acting within the lawful scope of their practice, are not prohibited or otherwise restricted from communicating freely with members regarding their health care, medical needs and treatment options, even if needed services are not covered by the Contractor [42 CFR 438.102]:
 - a. The member's health status, medical care or treatment options, including any alternative treatment that may be self-administered, [42 CFR 438.102 (a)(1)(i)],
 - b. Information the member needs in order to decide among all relevant treatment options,
 - c. The risks, benefits, and consequences of treatment or non-treatment, the member's right to participate in decisions regarding his or her health care, including the right to refuse treatment, and to express preferences about future treatment decisions, [42 CFR 438.100(b)(2)(iv)].

- d. Deliver covered health services in accordance with the requirements of any other funding source.

Adult System of Care: For adult members, the Contractor shall adhere to the Adult Service Delivery System Nine Guiding Principles that were developed to promote recovery in the adult behavioral health system; system development efforts, programs, service provision, and stakeholder collaboration must be guided by these nine principles:

1. **Respect**

Respect is the cornerstone. Meet the person where they are without judgment, with great patience and compassion.

2. **Persons In Recovery Choose Services And Are Included In Program Decisions And Program Development Efforts**

A person in recovery has choice and a voice. Their self-determination in driving services, program decisions, and program development is made possible, in part, by the ongoing dynamics of education, discussion, and evaluation, thus creating the “informed consumer” and the broadest possible palette from which choice is made. Persons in recovery should be involved at every level of the system, from administration to service delivery.

3. **Focus On Individual As A Whole Person, While Including And/or Developing Natural Supports**

A person in recovery is held as nothing less than a whole being: capable, competent, and respected for their opinions and choices. As such, focus is given to empowering the greatest possible autonomy and the most natural and well-rounded lifestyle. This includes access to and involvement in the natural supports and social systems customary to an individual’s social community.

4. **Empower Individuals Taking Steps Towards Independence And Allowing Risk Taking Without Fear Of Failure**

A person in recovery finds independence through exploration, experimentation, evaluation, contemplation, and action. An atmosphere is maintained whereby steps toward independence are encouraged and reinforced in a setting where both security and risk are valued as ingredients promoting growth.

5. **Integration, Collaboration, And Participation With The Community Of One’s Choice**

A person in recovery is a valued, contributing member of society and, as such, is deserving of and beneficial to the community. Such integration and participation underscores one’s role as a vital part of the community, the community dynamic being inextricable from the human experience. Community service and volunteerism is valued.

6. **Partnership Between Individuals, Staff, And Family Members/Natural Supports For Shared Decision Making With A Foundation Of Trust**

A person in recovery, as with any member of a society, finds strength and support through partnerships. Compassion-based alliances with a focus on recovery optimization bolster self-

confidence, expand understanding in all participants, and lead to the creation of optimum protocols and outcomes.

7. Persons In Recovery Define Their Own Success

A person in recovery -- by their own declaration -- discovers success, in part, by quality of life community, and greater self-determination. Persons in recovery are the experts on themselves, defining their own goals and desired outcomes.

8. Strengths-Based, Flexible, Responsive Services Reflective Of An Individual's Cultural Preferences

A person in recovery can expect and deserves flexible, timely, and responsive services that are accessible, available, reliable, accountable, and sensitive to cultural values and mores. A person in recovery is the source of his/her own strength and resiliency. Those who serve as supports and facilitators identify, explore, and serve to optimize demonstrated strengths in the individual as tools for generating greater autonomy and effectiveness in life.

9. Hope Is The Foundation For The Journey Towards Recovery

A person in recovery has the capacity for hope and thrives best in associations that foster hope. Through hope, a future of possibility enriches the life experience and creates the environment for uncommon and unexpected positive outcomes to be made real. A person in recovery is held as boundless in potential and possibility.

The Contractor shall ensure use of:

1. *Standardized validated screening instruments by PCPs*

The contractor shall implement validated behavioral health screening tools for Primary Care Providers (PCPs) to utilize for all adults to determine if further assessment for behavioral health services is necessary.

2. *Streamlined service referral mechanism for PCPs*

The Contractor shall implement a streamlined mechanism for PCPs to refer adults who are screened at risk for a behavioral health need to the appropriate behavioral health provider for further assessment.

3. *Psychosocial rehabilitation*

4. *Centers of Excellence*

Refer to Section D, Paragraph 72, Value-Based Purchasing.

5. *Fidelity Monitoring*

6. *Adult Clinical Teams Consistent with Substance Abuse and Mental Health Services Administration (SAMHSA) Best Practices*

The Contractor shall:

1. Deliver services to adults in conformance with Section D, Paragraph 11, Behavioral Health Service Delivery, Nine Guiding Principles for Recovery-Oriented Adult Behavioral Health Services and Systems,
2. Employ a phased-in implementation approach, as directed by AHCCCS:
 - a. Utilize the American Society of Addiction Medicine (ASAM) Criteria (Third Edition, 2013) in substance use disorder assessments, service planning, and level of care placement, and
 - b. Monitor fidelity of ASAM implementation.
3. Implement Supported Employment.

Children's System of Care: For child members, the Contractor shall ensure delivery of services in conformance with Arizona Vision-Twelve Principles for Children Behavioral Health Service Delivery as outlined in AMPM Policy 430, and abide by AHCCCS Appointment Standards outlined in ACOM Policy 417.

The following AHCCCS Behavioral Health Practice Tools shall be utilized:

1. Youth Involvement in the Children's Behavioral Health System,
2. Child and Family Team,
3. Children's Out of Home Services,
4. Family and Youth Involvement in the Children's Behavioral Health System,
5. Psychiatric Best Practice for Children Birth to Five Years of Age,
6. Support and Rehabilitation Services for Children, Adolescents, and Young Adults,
7. Transition to Adulthood,
8. The Unique Behavioral Health Services Needs of Children, Youth, and Families Involved with DCS, and
9. Working with the Birth to Five Population.

The Contractor shall ensure use of:

1. *Standardized validated screening instruments by PCPs*
The contractor shall implement validated behavioral health screening tools for Primary Care Providers (PCPs) to utilize for all children to determine if further assessment for behavioral health services is necessary.
2. *Streamlined service referral mechanism for PCPs*
The Contractor shall implement a streamlined mechanism for PCPs to refer children who are screened at risk for a behavioral health need to the appropriate behavioral health provider for further assessment.
3. *Standardized validated instruments to assess member behavioral health service intensity needs*
The Contractor shall implement the following validated service intensity instruments for all children accessing behavioral health services:
 - a. Child and Adolescent Service Intensity Instrument (CASII): Children six through 17 years of age.

4. *High needs case management (provider level)*

The Contractor shall comply with the following requirements for high needs case managers at the provider level assigned to serve children with high service intensity needs:

- a. Children with high service intensity needs who require the assignment of a high needs case manager are identified as:
 - i. Children 0 through five years of age with one or more of the following:
 - Other agency involvement; specifically: AzEIP, DCS, and/or DDD, and/or
 - Out of home placement (within past six months), and/or
 - Psychotropic medication utilization (two or more medications), and/or
 - Evidence of severe psycho-social stressors (e.g. family member serious illness, disability, death, job loss, eviction)
 - ii. Children six through 17 years of age: CASII level of 4, 5, or 6
- b. High needs case managers must:
 - i. For a full FTE (1.0), have a caseload ratio of high needs children not less than 1:8 and not more than 1:20, with 1:15 being the desired target. The caseload cap is 20 to allow for continuity of care for children who have been receiving high needs case management, but are not ready to begin transition from that level of care and for high needs case management of siblings.
 - ii. Provide case management and other support and rehabilitation services to their assigned members.

The Contractor shall report, as specified in Section F, Attachment F3, Contractor Chart of Deliverables, caseload inventories and provider case manager ratios.

5. *Community-Based Behavioral Health Services*

For a complete description of Generalist and Specialized support and rehabilitation services, refer to the AHCCCS Behavioral Health System Practice Tool: Support and Rehabilitation Services for Children, Adolescents, and Young Adults, and the on-line Meet Me Where I Am (MMWIA) training modules.

- a. The Contractor shall develop and maintain minimum network capacity standards for Specialist Support and Rehabilitation Services Providers, and
- b. The Contractor shall develop and maintain minimum network capacity standards for Generalist Support and Rehabilitation Services Providers.
- c. The Contractor shall utilize Home Care Training to be the Home Care Client (HCTC) as an alternative to more restrictive levels of care when clinically indicated.

6. *Centers of Excellence*

Refer to Section D, Paragraph 72, Value-Based Purchasing.

7. *Fidelity Monitoring*

- a. Implement AHCCCS' method for in-depth quality review of Children's System of Care Practice Reviews, including necessary practice improvement activities as directed by AHCCCS

- i. The Contractor shall ensure that Performance Improvement Plans, based on the findings of the System of Care Practice Reviews (SOCPRs), are created and submitted to AHCCCS within 30 days of their SOCPR provider feedback meetings as specified in Section F, Attachment F3, Contractor Chart of Deliverables.
 - b. Implement protocols for Child and Family Team training/supervision and fidelity monitoring as directed by AHCCCS,
 - c. Implement AHCCCS-approved methodology for fidelity review of Generalist Direct Support Services (MMWIA).
8. *Implement AHCCCS-approved methodology for fidelity review of CASII completion and scoring.*
9. *Submit according to instructions provided by AHCCCS, System of Care Planning deliverables, as specified in Section F, Attachment F3, Contractor Chart of Deliverables, that contains Children's System of Care activities with the following:*
- a. Action steps and measureable outcomes that are aligned with the goals and objectives as identified in the SOC deliverables template,
 - b. Identifies and addresses regional needs and incorporates region-wide program specific goals and objectives,
 - c. Incorporates changes to the service delivery system based upon guidance contained in SOC deliverables template,
 - d. Updates reflecting System of Care Planning and activities are to be provided to AHCCCS as specified in Section F, Attachment F3, Contractor Chart of Deliverables (or otherwise on a schedule as determined by AHCCCS),
 - e. Evidence that the Contractor has included family and youth representatives and stakeholder input in their planning processes.

Mental Health Parity: The Contractor shall demonstrate that services are delivered in compliance with mental health parity consistent with 42 CFR Part 438 and ACOM Policy 110. The Contractor shall submit documentation which demonstrates compliance with mental health parity as promulgated under 42 CFR Part 438 and as specified in Attachment F3, Contractor Chart of Deliverables. Additionally, the Contractor shall submit a Parity Analysis Deficiency Report as specified in Section F, Attachment F3, Contractor Chart of Deliverables identifying parity deficiencies and a plan of how the Contractor will come into compliance within the same quarter as the submission. The Contractor may be required to participate with and respond to inquiries from AHCCCS and/or an AHCCCS contracted consultant regarding Contractor policies and procedures requiring review to determine compliance with mental health parity regulations.

Further, in the event that a Contract modification, amendment, novation or other legal act changes, limits, or impacts compliance with the mental health parity requirement, the Contractor agrees to conduct an additional analysis for mental health parity in advance of the execution of the Contract change. Further, the Contractor shall provide documentation of how the requirements of 42 CFR 438 are met with submission of the contract change; and how sustained compliance shall be achieved. The Contractor shall certify compliance with mental health parity requirements before contract changes become effective.

The Contractor may be required to cover, in addition to services covered under the state plan, any services necessary for compliance with the requirements for parity in mental health and substance use disorder benefits in 42 CFR part 438, subpart K, and the contract identifies the types and amount, duration and scope of services consistent with the analysis of parity compliance conducted by either the State or the MCO [42 CFR 438.3(e)(1)(ii)].

Contractor Responsibilities: For all enrolled members, the Contractor is responsible for the following:

Access to Behavioral Health Services: Members may self-refer to a behavioral health provider, or be referred by providers, schools, State agencies, or other parties. The Contractor shall be responsible for meeting the appointment standards found in Section D, Paragraph 32, Appointment Standards.

Arizona State Hospital Discharges: For enrolled members who are inpatient at the Arizona State Hospital (AzSH), the Contractor is required to follow AMPM Policy 1020 regarding care coordination by the Contractor care manager and the provider case management for these members and the following:

AHCCCS enrolled members who are residing in the AzSH and who require physical health services that are not provided by AzSH during their stay, will receive services at Maricopa Integrated Health Systems (MIHS) clinics and/or Maricopa Medical Center (MMC). The Contractor shall provide reimbursement for medically necessary physical health services for populations served under this Contract under one of the two following arrangements:

1. A contractual agreement with MIHS clinics including MMC and MIHS physicians, to provide all medically necessary services. MIHS will be assigned to provide primary care services for all members residing in AzSH.
2. In the absence of a contractual agreement, the Contractor shall be responsible for coordination of care, prior authorization processes, claims payments, and provider and member issues for all services delivered by MIHS. The Contractor shall provide a seamless and obstacle free process for the provision of services and payment.

Emergency services for AzSH residents will be provided by the Maricopa Medical Center and shall be reimbursed by the Contractor regardless of prior authorization or notification. Physical health related pharmacy services for AzSH residents will be provided by AzSH in consultation with the Contractor. The Contractor is responsible for such payment.

Children at Risk of Removal from Own Home: The Contractor shall provide mental health and substance use services to the Title XIX/XXI parent/guardian/custodian of a child/children who is at risk of being removed from his/her home by the Department of Child Safety (DCS). AHCCCS shall provide the Contractor with monthly "Fast Pass" data

files that include information about children who are at risk of being removed from their home.

The Contractor shall ensure the Title XIX/XXI parents, guardians, or custodians of a child who is at risk of being removed from the family receive the services and supports needed to preserve the family unit and enable the child to remain in the home. These services should include, but are not limited to; parental coaching, peer support, skill building, anger management, substance use services, counseling, and transportation.

The Contractor shall develop family centered processes that promote and support family independence, stability, self-sufficiency, and child safety.

The Contractor shall designate staff who shall be responsible for care coordination to ensure the Title XIX/XXI parent, guardian, or custodian has access to available services and resources.

The Contractor's designated staff shall maintain documentation of the following:

1. Identify the child at risk of being removed,
2. Identify the child's Title XIX/ XXI parent/guardian/custodian,
3. Develop and distribute evidence based outreach materials to support the parent/guardian/custodian,
4. Engage the child's parent/guardian/custodian,
5. Seek agreement from the parent/guardian/custodian to make a behavioral health referral,
6. Offer to facilitate a warm transfer to assist with scheduling the intake appointment with a the behavioral health provider,
7. Follow up to ensure the provider contacts the parent/guardian/custodian as expeditiously as the situation requires but no later than 72 hours of receipt of the referral,
8. Assist the parent/guardian/custodian in removing any barriers in scheduling an intake appointment and subsequent appointments, including transportation,
9. Ensure an assessment and preliminary Service Plan is developed as expeditiously as the situation requires but no later than seven days of the initial intake appointment that identifies interventions and services,
10. Ensure the first service begins as expeditiously as the situation requires but no later than 23 days of the completed assessment,
11. Coordinate with the parent/guardian/custodian.

The Contractor's designated staff shall also maintain documentation of parent/guardian/custodian who refuse to enter into services and efforts made by the Contractor designated staff to encourage engagement.

The Contractor shall submit a report as specified in Section F, Attachment F3, Contractor Chart of Deliverables, the number of Title XIX/XXI parents/guardians/custodians in the report to the AHCCCS System of Care and Grants Unit as follows:

1. The number of children identified as being at risk of being removed from their home,
2. The number of parents who agree to receive services,
3. The number of referrals made to intake,
4. The number of parents/guardians/custodians,
5. The types of services provided,
6. The number of parents/guardians/custodians contacted by the provider within 72 hours of receiving the referral,
7. The number of parents/guardians/custodians with a developed Service Plan within 7 days of the initial intake appointment, and
8. The number of parents/guardians/custodians whose services began within 23 days of the assessment.

The number of:

- a. Children eventually removed from home by DCS, and
- b. Parents/guardians/custodians who complete services and exit the pre-removal initiative.

Community Service Agencies: The Contractor may contract with community service agencies for the delivery of covered behavioral health services. Refer to the AHCCCS Covered Behavioral Health Services Guide, available on the AHCCCS website, for more information and limitations.

Conditional Release: The Contractor shall, in accordance with AMPM Policy 1020, provide high touch Contractor care management or other behavioral health and related services to members on Conditional Release from the Arizona State Hospital (AzSH) consistent with the Conditional Release Plan (CRP) issued by the PSRB. This includes but is not limited to coordination with AzSH for discharge planning; participating in the development of conditional release plans; member outreach and engagement to assist the Psychiatric Review Board (PSRB) in evaluating compliance with the approved conditional release plan; attendance in outpatient staffings at least once per month; care coordination with the member's treatment team and providers of both physical and behavioral health services, and routine delivery of comprehensive status reporting to the PSRB. The Contractor shall submit deliverables as specified in Section F, Attachment F3, Contractor Chart of Deliverables, to support an individual's conditional release into the community. The Contractor shall also identify a key clinical single point of contact at the Contractor as outlined in AMPM Policy 1020 who is responsible for collaboration with AzSH and the PSRB and remediation of identified concerns. The Contractor may not delegate the Contractor care management functions to a subcontracted provider. In the event a member violates any term of his or her CRP the Contractor shall immediately notify the PSRB and provide a copy to AHCCCS and AzSH. The Contractor further agrees and understands it shall follow all obligations, including those stated above, applicable to it as set forth in A.R.S. §13-3994.

The Contractor shall develop policies that outline its role and responsibility related to the treatment of individuals who are unable or unwilling to consent to treatment. The policy must address:

1. Involuntary evaluation/petitioning
2. Court ordered process, including tracking the status of court orders
3. Execution of court order, and
4. Judicial review

Integrated Services: The Contractor is encouraged to develop specific strategies to promote care integration activities such as establishing integrated settings which serve members' primary care and behavioral health needs and encouraging member utilization of these settings. The Contractor shall consider the behavioral health needs, in addition to the primary health care needs, of members during network development and provider contracting to ensure member access to care, care coordination and management, and to reduce duplication of services.

PCP Medication Management Services: In addition to treating physical health conditions, the Contractor shall allow PCPs to treat behavioral health conditions within their scope of practice. Such treatment shall include but not be limited to substance use disorders, anxiety, depression, and Attention Deficit Hyperactivity Disorder (ADHD). For purposes of medication management, it is not required that the PCP be the member's assigned PCP. PCPs who treat members with these behavioral health conditions may provide medication management services including prescriptions, laboratory and other diagnostic tests necessary for diagnosis, and treatment. For the antipsychotic class of medications, prior authorization may be required. For PCPs prescribing medications to treat Opioid Use Disorder (OUD), the PCP must refer the member to a behavioral health provider for the psychological and/or behavioral therapy component of the Medication Assisted Treatment (MAT) model and coordinate care with the behavioral health provider. See AMPM Policy 660 for information related to Mid-Level Practitioner Exemption Requests for Opioid Treatment Programs. The Contractor is responsible for these services both in the prospective and prior period coverage timeframes.

Transfer of Care: When a PCP has initiated medication management services for a member to treat a behavioral health disorder, and it is subsequently determined by the PCP that the member should be transferred to behavioral health provider (including RBHA, AIHP, or TRBHA providers) for evaluation and/or continued medication management services, the Contractor shall require and ensure that the PCP coordinates the transfer of care. All affected subcontracts shall include this provision. The Contractor shall establish policies and procedures for the transition of these members for ongoing treatment. The Contractor shall ensure that PCPs maintain continuity of care for these members. Refer to AMPM Policy 510 and 520.

Member Education: The Contractor shall be responsible for including information in the Member Handbook and other materials to inform members how to access covered behavioral health services. Materials shall include, but not be limited to, information about behavioral health conditions that may be treated by a Primary Care Provider (PCP) within their scope of practice. Refer to the AMPM Chapter 300 for covered behavioral health services.

Monitoring, Training and Education: The Contractor is responsible for training staff and providers, in sufficient detail and frequency, to identify and screen for members' behavioral health needs. At a minimum, training shall include information regarding covered behavioral health services and referrals, how to access services, including the petitioning process, how to involve the member and their family in decision-making and service planning. The Contractor shall establish policies and procedures for referral and consultation and shall describe them in its provider manual. Training for staff and providers may be provided through employee orientation, clinical in-services and/or information sharing via newsletters, brochures, etc.

Non-Title XIX/XXI Services for Enrolled Members: Service provision for Non-Title XIX/XXI services for Contractor enrolled members is provided by the RBHAs. Non-title XIX/XXI services include, but are not limited to, room and board, mental health services (formerly known as traditional healing), auricular acupuncture, and supportive housing rent/utility subsidies and relocation services. The Contractor shall have established processes in place to refer members to the RBHA for Non-Title XIX/XXI services. The Contractor shall assist members with how to access these services and shall coordinate care for the member as appropriate.

Supported Housing: The Contractor is responsible for the provision of Title XIX/XXI wrap-around services to assist members with identifying independent living goals and providing members information about local resources which may help the member to obtain, and maintain, housing in an independent community setting (e.g. rehabilitation and support services). The Contractor is also required to maintain ongoing communication with the RBHA(s) for Contractor/RBHA shared members who are in need of, who qualify for, and who are currently receiving Non-Title XIX/XXI supported housing services (rent/utility subsidies and relocation services) in order to ensure adequate coordination of care for these members. The Contractor shall have policies in place outlining coordination of care processes for these members, including procedures for collaboration with the RBHA. The Contractor shall identify members with housing needs and develop a monitoring process to support transition or post-transition activities including, but not limited to, requests and referrals, transition wait times, transition barriers and special needs, rent amount, monthly income amounts, location of housing options chosen, and counties chosen for transition. The Contractor shall attend the quarterly AHCCCS Housing Meeting and submit a Housing Report as specified in Section F, Attachment F3, Contractor Chart of Deliverables. The report shall include information regarding members who have been identified as having an affordable housing need, through

the Contractor's established process/system for members to request and be referred to affordable housing resources, including those members referred to the RBHA for Non-Title XIX/XXI supported housing services (rent/utility subsidies and relocation services) and at a minimum shall include:

1. Member Name referred,
2. AHCCCS ID,
3. Date of Person's Request,
4. Date of Housing Referral to Housing Provider,
5. Date Housing Provider made direct contact with Referred Person or designated representative (voice message/email/regular mail do not qualify),
6. Outcome of Housing Referral,
7. Date Housed, and
8. New Address.

The Contractor shall also ensure that a staff person(s) is designated as the expert(s) on housing and education resources within the Contractor's service area. In general, this individual must be available to assist members with up to date information designed to aid members in making informed decisions about their independent living goals. See also Section D, Paragraph 15, Staff Requirements.

Pre-Admission Screening and Resident Review Requirements: The Contractor shall ensure members are screened using the Pre-Admission Screening and Resident Review (PASRR) prior to admission to a nursing facility as specified in the AMPM Policy 680-C. The PASRR screening consists of a two-stage identification and evaluation process (Level I and Level II screening) and is conducted to assure appropriate placement and treatment for those identified with Mental Illness (MI) and Intellectual Disability (ID). Level I screening is required for members entering a nursing facility to determine the presence of a diagnosis or other presenting evidence that suggests the possibility of a mental illness or intellectual disability. Level II screening, if indicated, is conducted by DES for members with an intellectual disability or by AHCCCS for members with a mental illness to further evaluate and make a determination as to whether the member is indeed mentally ill or has an intellectual disability. It also determines whether the member needs the level of care provided in a nursing facility and/or needs specialized services. Failure to have the proper PASRR screening prior to placement of members in a nursing facility may result in Federal Financial Participation (FFP) being withheld from AHCCCS. Should withholding of FFP occur, AHCCCS will recoup the withheld amount from a Contractor's subsequent capitation payment. The Contractor may, at its option, recoup the withholding from the nursing facility which admitted the member without the proper PASRR.

Referrals: The Contractor shall develop, monitor, and continually evaluate its processes for timely referral, evaluation and treatment planning for behavioral health services. The Contractor shall have identified staff members to ensure that requests for behavioral health services made by the member, family, guardian, or any health care professional are referred within one business day to ensure that the request results in the member

receiving a referral to a behavioral health provider. See Paragraph 32, Appointment standards and ACOM Policy 417. A direct referral for a behavioral health assessment/evaluation may be made by the member. A direct referral for a behavioral health assessment/evaluation may be made by any health care professional in coordination with the provider case manager and PCP assigned to the member. See AMPM Policy 320-O for provisions regarding behavioral health assessment and treatment/service planning.

For referrals received from a PCP requesting a member receive a psychiatric evaluation or medication management, the appointments with a behavioral health medical professional shall be provided according to the needs of the member and within AHCCCS appointment standards with appropriate interventions to prevent a member from experiencing a lapse in medically necessary psychotropic medications.

See AMPM Policy 520 for information regarding additional requirements for referrals resulting in Out of Service Area Placement for Members with SMI.

Sharing of Data: On a recurring basis (no less than quarterly based on adjudication date), AHCCCS shall provide the Contractor an electronic file of claims and encounter data for members enrolled with the Contractor who have received services, during the member's enrollment period, from another contractor or through AHCCCS FFS for purposes of member care coordination. Data sharing will comply with Federal privacy regulations.

SMI Eligibility: For TXIX/TXXI eligible adults enrolled with the Contractor who, after enrollment, are determined to have a Serious Mental Illness (SMI), the member shall be transitioned to a RBHA for both physical health and behavioral health service provision; or to AIHP and a TRBHA or RBHA for American Indian members who elect this option. If elected, AIHP will provide all physical health services and the RBHA or TRBHA will provide behavioral health services for the member. Members who are determined to have an SMI may later request, and be granted, the option to transfer his or her physical health care services (opt-out) from the assigned RBHA to an AHCCCS Complete Contractor. See ACOM Policy 442.

SMI Eligibility Evaluations and Determination: The Contractor shall ensure persons who may meet the SMI eligibility criteria are identified and assessed by qualified clinicians in accordance with AHCCCS Policy on SMI Eligibility Determinations. See AMPM Policy 320-P. Payment for evaluations conducted for the purpose of an SMI eligibility determination is the responsibility of the Contractor and may not be conducted by Contractor staff. The Contractor shall ensure evaluations and all required documentation is referred timely and comprehensively to the AHCCCS designee which conducts SMI eligibility determinations.

Specific Requirements for Services to American Indians: The Contractor shall ensure that all covered behavioral health services are available to American Indian members,

whether they live on or off reservation. The Contractor is not responsible for payment of behavioral health services provided to Title XIX American Indian members by an IHS or 638 tribal facility, even if the member is enrolled with the Contractor. The Contractor is responsible for payment of behavioral health services provided to Title XXI American Indian members by an IHS or 638 tribal facility, when the member is enrolled with the Contractor.

12. AHCCCS GUIDELINES, POLICIES AND MANUALS

All AHCCCS guidelines, policies, and manuals, including but not limited to, ACOM, AMPM, and Reporting Guides, are hereby incorporated by reference into this Contract. Guides and manuals are available on the AHCCCS website. Refer to ACOM Policy 100 and AMPM Policy 100 for an overview of the principles of service delivery; an outline of the ACOM and AMPM layout; and processes for policy development. The Contractor is responsible for ensuring that its subcontractors are notified when modifications are made to the AHCCCS guidelines, policies, and manuals. The Contractor is responsible for complying with all requirements set forth in these sources as well as with any updates. In addition, linkages to AHCCCS rules, statutes and other resources are available through the AHCCCS website. Upon adoption by AHCCCS, updates will be available on the AHCCCS website.

13. MEDICAID SCHOOL BASED CLAIMING

Pursuant to an Intergovernmental Agreement with the Department of Education, and a Contract with a Third Party Administrator, AHCCCS pays participating school districts for specifically identified Medicaid services when provided to Medicaid eligible children who are included under the Individuals with Disabilities Education Act (IDEA). The Medicaid services must be identified in the member's Individualized Education Program (IEP) as medically necessary for the child to obtain a public school education. See AMPM Chapter 700.

Medicaid School Based (MSB) services are provided in a school setting or other approved setting specifically to allow children to receive a public school education. They do not replace medically necessary services provided outside the school setting or other MSB approved alternative setting. Currently, services include: audiology, therapies (OT, PT and speech/language), behavioral health evaluation and counseling, nursing and attendant care (health aid services provided in the classroom), and specialized transportation to and from school on days when the child receives an AHCCCS-covered MSB service.

The Contractor's evaluations and determinations of medical necessity shall be made independent of the fact that the child is receiving MSB services. If a request is made for services that also are covered under the MSB program for a child enrolled with the Contractor, the request shall be evaluated on the same basis as any request for a covered service.

The Contractor and its providers shall coordinate with schools and school districts that provide MSB services to the Contractor's enrolled members. Services should not be duplicative. Contractor care managers and provider case managers working with children who have special

needs, shall coordinate with the appropriate school staff working with these members. Transfer of member medical information and progress toward treatment goals between the Contractor and the member's school or school district is required as appropriate and shall be used to enhance the services provided to members.

14. PEDIATRIC IMMUNIZATIONS AND THE VACCINES FOR CHILDREN PROGRAM

Through the Vaccines for Children (VFC) program, the Federal and State governments purchase, and make available to providers at no cost, vaccines for AHCCCS children under age 19. The Contractor shall not utilize AHCCCS funding to purchase vaccines for members under the age of 19. If vaccines are not available through the VFC program, the Contractor shall contact AHCCCS/DHCM, Clinical Quality Management for guidance. Any provider licensed by the State to administer immunizations, may register with Arizona Department of Health Services (ADHS) as a VFC provider to receive these free vaccines. The Contractor shall not reimburse providers for the administration of the vaccines in excess of the maximum allowable as set by CMS. The Contractor shall comply with all VFC requirements and monitor contracted providers to ensure that providers are registered as VFC providers when acting as Primary Care Providers (PCP) for members under the age of 19 years.

Due to low numbers of children in their panels, providers in certain Geographic Service Areas may choose not to provide vaccinations. Whenever possible, members shall be assigned to VFC registered providers within the same or a nearby community. When that is not possible, the Contractor shall develop processes to ensure vaccinations are available through a VFC enrolled provider or through the appropriate County Health Department. In all instances, the vaccines are to be provided through the VFC program. The Contractor shall develop processes to pay the administration fee to whoever administers the vaccine regardless of their Contract status with the Contractor.

Arizona State law requires the reporting of all immunizations given to children under the age of 19. Immunizations must be reported at least monthly to the ADHS Immunization Registry. Reported immunizations are held in a central database known as ASIIS (Arizona State Immunization Information System), which can be accessed by providers to obtain complete, accurate immunization records. Software is available from ADHS to assist providers in meeting this reporting requirement. The Contractor shall educate its provider network about these reporting requirements and the use of this resource.

15. STAFFING REQUIREMENTS

The Contractor shall have in place the organizational, operational, managerial, and administrative systems capable of fulfilling all Contract requirements. For the purposes of this Contract, the Contractor shall not employ or contract with any individual who has been debarred, suspended or otherwise lawfully prohibited from participating in any public procurement activity or from participating in non-procurement activities under regulations issued under Executive Order No. 12549 or under guidelines implementing Executive Order 12549 [42 CFR 438.610 (a) and (b), 42 CFR 1001.1901(b), 42 CFR 1003.102(a)(2)]. The

Contractor is obligated to screen employees and subcontractors to determine whether they have been excluded from participation in Federal health care programs as outlined in Section D, Paragraph 58, Corporate Compliance.

The Contractor shall employ sufficient staff and utilize appropriate resources to achieve contractual compliance. The Contractor's resource allocation must be adequate to achieve outcomes in all functional areas within the organization. Adequacy will be evaluated based on outcomes and compliance with contractual and AHCCCS policy requirements. If the Contractor does not achieve the desired outcomes or maintain compliance with contractual obligations, additional monitoring and regulatory action may be employed by AHCCCS as outlined in Section D, Paragraph 68, Administrative Actions of the Contract.

The Contractor shall have local staff available 24 hours per day, seven days per week to work with AHCCCS and/or other State agencies, such as Arizona Department of Health Services (ADHS)/Bureau of Medical Facilities on urgent issue resolutions. Urgent issue resolutions include Immediate Jeopardies (IJ), fires, or other public emergency situations. These staff shall have access to information necessary to identify members who may be at risk and their current health/service status, the ability to initiate new placements/services, and have the ability to perform status checks at affected facilities and perform ongoing monitoring, if necessary. The Contractor shall provide the contact information for these staff as specified in Section F, Attachment F3, Contractor Chart of Deliverables. At a minimum the contact information shall include a current 24/7 telephone number. AHCCCS must be notified and provided back up contact information when the primary contact individual will be unavailable.

For functions not required to be in State, the Contractor shall notify AHCCCS as specified in Section F, Attachment F3, Contractor Chart of Deliverables, prior to moving functions outside the State of Arizona. The notification shall include an implementation plan for the transition. The Contractor shall be responsible for any additional costs associated with on-site audits or other oversight activities which result when required systems are located outside of the State of Arizona.

Except as otherwise specified below, an individual staff member is limited to occupying a maximum of two Key Staff positions, which may include a staff member occupying two positions within a single line of business or one position across two lines of business (including non-AHCCCS lines of business), unless prior approval is obtained by AHCCCS/DHCM. For Contractors who also have an RBHA line of business, AHCCCS will consider the AHCCS Complete Care (ACC) and RBHA Contracts as a single line of business for positions required under both Contracts.

The Contractor shall inform AHCCCS/DHCM, in writing as specified in Section F, Attachment F3, Contractor Chart of Deliverables, when an employee leaves one of the Key Staff positions listed below. The Contractor shall include the name of the interim contact person with the notification. Unless otherwise approved by AHCCCS, an individual staff member is limited to occupying an interim position for no longer than six months from the date of notification submitted to AHCCCS. The name and resume of the permanent employee is to be submitted as

soon as the new hire has taken place along with a revised Organization Chart complete with Key Staff.

The Contractor shall inform AHCCCS/DHCM, in writing as specified in Section F, Attachment F3, Contractor Chart of Deliverables when any of the following contact information for an individual holding a Key Staff position changes: the individual's name, the individual's telephone number, the individual's email address, or the individual's location.

AHCCCS has the discretion to review all submitted Key Staff positions and reserves the right to direct Contractor actions regarding staffing decisions it deems are in the best interest of the State. AHCCCS will not permit any Contractor staff to hold positions which may present a conflict of interest.

At a minimum, the following staff is required:

Key Staff Positions

1. **Administrator/Chief Executive Officer (CEO)** who is located in Arizona and must directly oversee the entire operation of the Contractor on a day-to-day basis, including actively, directing and prioritizing work and operations of the organization, regardless of where that work is performed or the site of operations. The Contractor's Administrator/CEO is accountable to AHCCCS for compliance with the requirements and obligations under this Contract. If the Contractor also holds a RBHA Contract with AHCCCS this position will fulfill the duties under that Contract as well.
2. **Chief Medical Officer (CMO)** who is located in Arizona and who is an Arizona-licensed physician in good standing. The CMO shall provide oversight and management of the Clinical, Quality Management and Medical Management components of the Contractor; this includes direct oversight of the Adult and Children's Healthcare Administrators and both physical and behavioral health services. The CMO is responsible for designing the appropriate infrastructure and staffing resources under the Adult and Children's Healthcare Administrators in order to ensure that expertise for both physical and behavioral health services are available and integrated within the organization.
3. **Adult Healthcare Administrator** who is located in Arizona and is an Arizona-licensed health care professional, in good standing, with expertise in both physical and behavioral healthcare delivery systems. The Adult Healthcare Administrator is responsible for oversight of both physical and behavioral health programs for members 18 years of age and older and reports directly to the CMO. The Adult Healthcare Administrator shall ensure coordination of needed crisis services, address barriers to delivery of health care services, and ensure coordination of care with system stakeholders.
4. **Children's Healthcare Administrator** who is located in Arizona and is an Arizona-licensed health care professional, in good standing, with expertise in the children's physical and behavioral healthcare systems. The Children's Healthcare Administrator is responsible for

oversight of both physical and behavioral health programs for members birth through 20 years of age and reports directly to the CMO. The Children's Healthcare Administrator shall oversee the children's physical and behavioral health service delivery system.

5. **Chief Financial Officer (CFO)** who is responsible for oversight of the budget, accounting systems, and financial reporting requirements.
6. **Pharmacy Coordinator/Pharmacy Director** who is an Arizona licensed pharmacist or physician in good standing, who oversees and administers the prescription drug and pharmacy benefits. The Pharmacy Coordinator/Director may be an employee or subcontractor of the Contractor.
7. **Dental Director** who is located in Arizona, is an Arizona licensed general or pediatric dentist in good standing, and who is responsible for leading and coordinating the dental activities of the Contractor including review and denial of dental services, provider consultation, utilization review, and participation in tracking and trending of quality of care issues as related to dental services. The Dental Director may be an employee or subcontractor of the Contractor but may not be from the Contractor's delegated dental subcontractor.
8. **Corporate Compliance Officer** who is located in Arizona and who implements and oversees the Contractor's Compliance Program. The Corporate Compliance Officer shall be a management official, available to all employees, with designated and recognized authority to access records and make independent referrals to the AHCCCS Office of the Inspector General. See Section D, Paragraph 58, Corporate Compliance for more information. The Corporate Compliance Officer shall not hold any other position other than the Contract Compliance Officer position.
9. **Contract Compliance Officer** who is located in Arizona and who serves as the primary point-of-contact for all Contractor operational issues. The primary functions of the Contract Compliance Officer include, but are not limited to, coordination of the tracking and submission of all Contract deliverables, fielding and coordinating responses to AHCCCS inquiries, coordinating the preparation and execution of Contract requirements such as Operational Reviews (ORs), random and periodic audits and ad hoc visits.
10. **Quality Management Manager** who is located in Arizona, and an Arizona-licensed registered nurse, physician or physician's assistant in good standing or a Certified Professional in Healthcare Quality (CPHQ) by the National Association for Health Care Quality (NAHQ) and/or Certified in Health Care Quality and Management (CHCQM) by the American Board of Quality Assurance and Utilization Review Providers. The QM Manager must have experience in quality management and quality improvement. If the Contractor also holds a RBHA Contract with AHCCCS this position will fulfill the duties under that Contract as well. Quality Management must have sufficient local staffing who are licensed clinical or behavioral health professionals to meet the requirements of the quality management program. Staff must report directly to the Quality Management Manager.

The primary functions of the Quality Management Manager position are:

- a. Ensure individual and systemic quality of care,
- b. Conduct comprehensive quality-of-care investigations,
- c. Conduct onsite quality management visits/reviews,
- d. Conduct Care Needed Today/Immediate Jeopardy investigations,
- e. Integrate quality throughout the organization,
- f. Implement process improvement, and
- g. Resolve, track and trend quality of care grievances.

11. **Performance/Quality Improvement Coordinator** who is located in Arizona and who is a Certified Professional in Healthcare Quality (CPHQ) by the National Association for Health Care Quality (NAHQ) or Certified in Health Care Quality and Management (CHCQM) by the American Board of Quality Assurance and Utilization Review Providers, or comparable education and experience in health plan data and outcomes measurement. Staff reporting to this position must be appropriate to meet the AHCCCS quality improvement contractual and policy requirements and must be located in Arizona.

The primary functions of the Performance/Quality Improvement Coordinator are:

- a. Focus organizational efforts on improving clinical quality performance measures,
- b. Develop and implement performance improvement projects,
- c. Utilize data to develop intervention strategies to improve outcomes, and
- d. Report quality improvement/performance outcomes.

12. **Credentialing Coordinator** who is located in Arizona and who has appropriate education and/or experience to effectively complete all requirements of the position.

The primary functions of the Credentialing Coordinator are:

- a. Serve as the single point of contact to AHCCCS for credentialing-related questions and concerns,
- b. Responsible for timely and accurate completion of all credentialing-related deliverables,
- c. Ensure all credentialing requirements, including timeframes, are adhered to by the Contractor, and
- d. Provide a detailed, transparent description of the credentialing process to providers and serve as the single point of contact for the Contractor to address provider questions about the credentialing process.

13. **Maternal Child Health (MCH)/EPSDT Coordinator** who is located in Arizona and who is an Arizona licensed nurse, physician or physician's assistant in good standing; or has a Master's degree in health services, public health, health care administration or other related field, and/or a CPHQ or CHCQM certification. Staff reporting to this position must be appropriate to meet the AHCCCS MCH/EPSDT contractual and policy requirements, and quality and performance measure goals, and must be located in Arizona. MCH/EPSDT staff must either report directly to the MCH/EPSDT Coordinator or the MCH/EPSDT Coordinator must have the ability to ensure that AHCCCS MCH/EPSDT requirements are met.

The primary functions of the MCH/EPSTDT Coordinator are:

- a. Ensure receipt of EPSTDT services,
- b. Ensure receipt of maternal and postpartum care,
- c. Promote family planning services,
- d. Promote preventive health strategies,
- e. Promote access to oral health care services,
- f. Identify and coordinate assistance for identified member needs, and
- g. Interface with community partners.

14. **Member Liaison Coordinator** who is located in Arizona and who is experienced in working with individuals including members with special healthcare needs, families, youth, advocates and key stakeholders. The Member Liaison Coordinator shall ensure that staff members directly reporting to this position are sufficient to fulfill the responsibilities of this role. At a minimum, the following staff shall report directly to the Member Liaison Coordinator:

- a. CRS Member Liaison, and
- b. Veteran Liaison.

The primary functions of the Member Liaison Coordinator are:

- a. Oversee the organization's advocacy program for members with special healthcare needs involved in CRS and Veteran's Affairs,
- b. Communicate and disseminate information to members with special healthcare needs and families to identify concerns and remove barriers that affect service delivery or member satisfaction,
- c. Collaborate with the organization's other member support areas, including but not limited to Individual and Family Affairs, Member Services and Provider Services, and
- d. Collaborate with the AHCCCS Office of Human Rights, the Independent Oversight Committee (IOC), provide information to regional IOCs, and attend IOC meetings.

15. **Individual and Family Affairs Administrator** who is located in Arizona and who has lived experience receiving behavioral health services in and/or navigating a public behavioral health system; and who is experienced in working with individuals including members, families, youth, advocates and key stakeholders. The Individual and Family Affairs Administrator shall ensure that staff members directly reporting to this position are sufficient to fulfill the responsibilities of the role. Reports directly to the Contractor's Senior Management.

At a minimum, the following staff shall report directly to the Individual and Family Affairs Administrator:

- a. Adult Behavioral Health Member Liaison, and
- b. Child Behavioral Health member Liaison.

The Individual and Family Affairs Administrator, and sufficient staff under this position, shall:

- a. Build partnerships with individuals, families, youth, and key stakeholders to promote recovery, resiliency and wellness,

- b. Establish structure and mechanisms to increase the member and family voice in areas of leadership, service delivery and Contractor decision-making committees and boards,
 - c. Advocate for service environments that are supportive, welcoming and recovery oriented by implementing Trauma Informed Care service delivery approaches and other initiatives,
 - d. Communicate and collaborate with members and families to identify concerns and remove barriers that affect service delivery or member satisfaction,
 - e. Oversee the provision and utilization of Peer and Family Support services, and
 - f. Actively collaborates and participates with AHCCCS' Office of Individual and Family Affairs in projects, initiatives, and events.
16. **Medical Management Manager** who is located in Arizona and is a registered nurse, physician, or physician's assistant in good standing. This position manages all medical management requirements under AHCCCS policies, State regulations and Contract, including but not limited to: application of appropriate medical necessity criteria, concurrent review, discharge planning, care coordination, disease management, prior authorization functions, and coordination of admissions, ongoing care and discharges for members in the Arizona State Hospital. This position shall serve as the single point of contact for out of home and out of state placements. Medical Management must have sufficient local staff reporting to this position with appropriate physical and behavioral health knowledge and expertise to support whole-person health and to comply with AHCCCS medical management contractual and policy requirements.
17. **Transition Coordinator** who is a health care professional or who possesses the appropriate education and experience and is supported by a health care professional to effectively coordinate and oversee all member transition issues, responsibilities and activities. The Transition Coordinator shall ensure safe, timely, and orderly member transitions. Refer to ACOM Policy 402.
18. **Transplant Coordinator** who is an Arizona licensed registered nurse in good standing and who is responsible for the timely review and authorization of transplant services in accordance with AHCCCS policy and State regulations. Refer to AMPM Policy 310-DD.
19. **Justice System Liaison** who is located in Arizona, is the single point of contact for communication with the justice system; is the interagency liaison with the Arizona Department of Corrections (ADOC), County Jails, Sherriff's Office, Correctional Health Services, Arizona Department of Juvenile Corrections (ADJC), Arizona Office of the Courts (AOC) and Probation Departments; and is responsible for Justice System reach-in initiatives.
20. **Court Coordinator** who is located in Arizona and who is the single point of contact for information specific to the court's disposition for eligible members (e.g. Drug Court, Mental Health Court, Criminal Proceedings), coordination of court ordered evaluation and treatment, and who communicates court related follow-up/requirements to Contractor staff.

21. **Employment/Vocational Administrator** who is located in Arizona and who acts as the liaison with ADES/RSA. The Employment/Vocational Administrator is responsible for managing and overseeing employment support programs, business development services, and rehabilitation-related activities. Sufficient staffing under this position must be in place to ensure contractual employment service requirements are met, taking into account service area size and member enrollment numbers.
22. **Network Administrator** who is located in Arizona and who manages and oversees network development, network sufficiency and network reporting functions. This position ensures network adequacy and appointment access, develops network resources in response to identified unmet needs, and ensures a member's choice of providers.
23. **Member Services Manager** who is located in Arizona and who coordinates communications with members, coordinates issues with appropriate areas within the organization, resolves member inquiries/problems, and meets standards for resolution, telephone abandonment rates and telephone hold times.
24. **Provider Services Manager** who is located in Arizona and coordinates communications between the Contractor and providers. This position ensures that providers receive prompt resolution to their problems and inquiries and appropriate education about participation in the AHCCCS Program. Sufficient local staffing under this position must be in place to ensure providers receive assistance and appropriate and prompt responses. See Section D, Paragraph 28, Network Management.
25. **Claims Administrator** who shall ensure prompt and accurate provider claims processing. Sufficient staffing under this position must be in place to ensure the timely and accurate processing of original claims, resubmissions and overall adjudication of claims.

The primary functions of the Claims Administrator are:

- a. Develop and implement claims processing systems capable of paying claims in accordance with State and Federal requirements,
 - b. Develop processes for cost avoidance,
 - c. Ensure minimization of claims recoupments, and
 - d. Ensure claims processing timelines are met.
26. **Encounter Manager** who shall ensure AHCCCS encounter reporting requirements are met. Sufficient staffing under this position must be in place to ensure timely and accurate processing and submission of encounter data and reports to AHCCCS.
 27. **Provider Claims Educator** who is located in Arizona and who facilitates the exchange of information between the grievances, claims processing, and provider relations systems.

The primary functions of the Provider Claims Educator are:

- a. Educate contracted and non-contracted providers (professional and institutional) regarding appropriate claims submission requirements, coding updates, electronic claims transactions and electronic fund transfer,
 - b. Educate contracted and non-contracted providers on available Contractor resources such as provider manuals, website, fee schedules, etc.,
 - c. Interface with the Contractor's call center to compile, analyze, and disseminate information from provider calls,
 - d. Identify trends and guide the development and implementation of strategies to improve provider satisfaction, and
 - e. Frequently communicate with providers, including conducting on-site visits, to assure the effective exchange of information and gain feedback regarding the extent to which providers are informed about appropriate claims submission practices.
28. **Dispute and Appeal Manager** who is located in Arizona, is responsible for managing and adjudicating member grievances and appeals, and provider claim disputes, arising under the Grievance and Appeal System and who is responsible for forwarding all requests for hearing to AHCCCS Office of Administrative Legal Services (OALS) with the required information. Any staff reporting to this position who manage and adjudicate disputes and appeals must also be located in Arizona. See Section D, Paragraph 25, Grievance and Appeal System.
29. **Information Systems (IS) Administrator** who is responsible for information system management including coordination of the technical aspects of application infrastructure, server and storage needs, reliability and survivability of all data and data exchange elements. Sufficient staffing reporting to this position must be in place to ensure timely and accurate information systems management to meet system and data exchange requirements.
30. **Continuity of Operations and Recovery Coordinator** who is located in Arizona, and who is responsible for the coordination and implementation of the Contractor's Continuity of Operations and Recovery Plan, and training and testing of the Plan, as outlined in ACOM Policy 104.
31. **Cultural Competency Coordinator** who is responsible for implementation and oversight of the Contractor's Cultural Competency Program and the Cultural Competency Plan.
32. **Communications Administrator** who is responsible for media inquiries, public relations, policy development, implementation and oversight of all social networking and marketing activities.
33. **Management Services Agreement Administrator** who is responsible for oversight of the Management Services Agreement (MSA) subcontractor and who is the Contractor's Key Contact for AHCCCS coordination and who is not employed by the MSA. This position is only required when the Contractor operates under a subcontract with an MSA.

34. **Tribal Coordinator** who is located in Arizona and who acts as the liaison with tribal nations and tribal providers, promoting services and programs to improve the health of American Indian members as outlined in Section D, Paragraph 23, Medical Management, *Collaboration with Tribal Nations and Providers*. The Tribal Coordinator shall also attend all AHCCCS Tribal Consultation meetings.

Additional Required Staff

35. **Prior Authorization staff** to authorize health care services. This staff shall include but is not limited to Arizona-licensed nurses and/or licensed behavioral health professionals in good standing. The staff will work under the direction of an Arizona-licensed physician.
36. **Concurrent Review staff** who are located in Arizona and who conducts inpatient medical necessity reviews. This staff shall include but is not limited to Arizona-licensed nurses and/or licensed behavioral health professionals in good standing. This staff will work under the direction of an Arizona-licensed physician.
37. **Member Services staff** to enable members to receive prompt resolution of their inquiries/problems.
38. **Care Management staff** who are located in Arizona and who provide care coordination for members with special health care needs.
39. **Housing and Education staff** designated as the subject matter expert(s) on the provision of housing and education issues and resources to members within the Contractor's service area.
40. **Workforce Development Specialist/Administrator** who is responsible for coordinating and overseeing contractually required workforce development activities.
41. **DES/APS Liaison** who is responsible for coordinating with DES/Adult Protective Services (APS) for adult members. The Contractor shall provide the contact information for this staff position as specified in Section F, Attachment F3, Contractor Chart of Deliverables.

The Contractor must submit the following items as specified in Section F, Attachment F3, Contractor Chart of Deliverables:

1. An organization chart complete with the Key Staff positions. The chart must include the individual's name, title, location and portion of time allocated to each Medicaid Contract and other non-Medicaid lines of business.
2. A functional organization chart of the key program areas, responsibilities and reporting lines.
3. A listing of all Key Staff to include the following:
 - a. Individual's name,
 - b. Individual's title,

- c. Individual's telephone number,
 - d. Individual's email address,
 - e. Individual's location(s),
 - f. Documentation confirming applicable Key Staff functions are filled by individuals who are in good standing (for example, a printout from the Arizona Medical Board webpage showing the CMO's active license), and
4. A list of all Key Staff functions and their locations; and a list of any functions that have moved outside of the State of Arizona in the past Contract year.

The Contractor is responsible for maintaining a significant local presence within the State of Arizona. Positions performing functions related to this Contract must have a direct reporting relationship to the local Administrator/Chief Executive Officer (CEO). The local CEO shall have the authority to direct, implement and prioritize work to ensure compliance with Contract requirements. The local CEO shall have the authority and ability to prioritize and direct work performed by Contractor staff and work performed under this Contract through a management service agreement or through a delegated agreement.

Staff Training and Meeting Attendance: The Contractor shall ensure that all staff members have appropriate training, education, experience and orientation to fulfill the requirements of the Contract.

The Contractor shall provide initial and ongoing staff training that includes an overview of AHCCCS, AHCCCS Policy and Procedure Manuals, Contract requirements, and State and Federal requirements specific to individual job functions. The Contractor shall ensure that all staff members having contact with members or providers receive initial and ongoing training with regard to the appropriate identification and handling of quality of care/service concerns.

All transportation, prior authorization and member services representatives must be trained in the geography of any/all GSA(s) in which the Contractor holds a Contract, and must have access to mapping search engines and/or applications for the purposes of authorizing services in, recommending providers in, and transporting members to, the most geographically appropriate location.

The Contractor shall provide the appropriate staff representation for attendance and participation in meetings and/or events scheduled by AHCCCS. AHCCCS may require attendance by subcontractors when deemed necessary. All meetings shall be considered mandatory unless otherwise indicated.

Preventing Suicide Among AHCCCS Members: The Contractor shall require its staff who have direct contact with members (e.g. case/care managers, customer/member service staff, etc.) to be trained in identification of suicide risk using nationally recognized training materials (e.g. *SafeTalk*).

16. WRITTEN POLICIES AND PROCEDURES

The Contractor shall develop and maintain written policies and procedures for each functional area consistent in format and style. The Contractor shall maintain written guidelines for developing, reviewing and approving all policies and procedures. All policies and procedures shall be reviewed by the Contractor at least annually to ensure that the Contractor's written policies reflect current practices. All medical and quality management policies shall be approved and signed by the Contractor's Medical Director/Chief Medical Officer. All other policies shall be dated and signed by the Contractor's Administrator or appropriate executive officer or minutes shall be held on file reflecting the review and approval of the policies by an appropriate committee, chaired by the Contractor's Chief Executive Officer/Administrator, Medical Director/Chief Medical Officer or Chief Financial Officer.

If AHCCCS deems a Contractor's policy or process to be inefficient and/or place an unnecessary burden on members or providers, the Contractor shall work with AHCCCS to change the policy or procedure within a time period specified by AHCCCS.

17. MEMBER INFORMATION

In addition to compliance with other pertinent federal laws and regulations, the Contractor shall ensure its member communications comply with Title VI of the Civil Rights Act of 1964, Section 1557 of the Affordable Care Act, 45 CFR Part 92, 42 CFR Part 438 and related state requirements including ACOM Policy 404, ACOM Policy 406 and ACOM Policy 433. The Contractor shall ensure that it takes reasonable steps to provide meaningful access to each individual with Limited English Proficiency eligible to be served or likely to be encountered in its health programs and activities. As part of this obligation, the Contractor shall identify the prevalent non-English languages spoken by members in its service area and develop and implement an effective written language access plan as specified in Section F, Attachment F3, Contractor Chart of Deliverables. Language assistance services must be provided free of charge, be accurate and timely, and protect the privacy and independence of the individual with Limited English Proficiency [45 CFR 92.201(c)]. For significant communications and publications, the Contractor shall comply with the nondiscrimination notice provisions in 45 CFR 92.8. In addition to the general requirements set forth in Section D, Paragraph 17, Member Information, the Contractor shall implement all other activities necessary to comport with federal and state requirements.

The Contractor shall provide members the Contractor's toll free and TTY/TDY telephone numbers for customer service which shall be available during normal business hours. In addition, the Contractor shall provide members the Contractor's toll free TTY/TDY nurse triage line telephone number which shall be available 24hours a day, 7days a week. The Contractor is prohibited from having separate phone numbers for physical health and behavioral health services or issues.

All informational materials prepared by the Contractor shall be approved by AHCCCS as specified in Section F, Attachment F3, Contractor Chart of Deliverables. Refer to ACOM Policy 404 and ACOM Policy 406 for further information and requirements for member communications.

The Contractor shall make interpretation services available to its members free of charge including: written translation of vital materials in prevalent non-English languages in its service area, availability of oral interpretation services in all languages, and use of auxiliary aids such as TTY/TDY and American Sign Language [42 CFR 438.10(d)(4)].

The Contractor shall notify its members of the following upon request and at no cost:

1. That oral interpretation is available for any language,
2. That written translation is available in each of the prevalent non-English languages in the Contractor's service area,
3. That auxiliary aids and services are available for members with disabilities, and
4. How members may access the services above [42 CFR 438.10(d)(5)].

All written materials to members must be written in easily understood language, use font size of at least 12 points, and be available in alternative formats and through provision of auxiliary aids and services that take into account the special needs of members with disabilities or Limited English Proficiency. All written materials must also include large print taglines and information (in font size of at least 18 point) explaining how to request auxiliary aids and services, including the provision of materials in alternative formats [42 CFR 438.10(d)(6)].

The Contractor shall make its written materials that are critical to obtaining services (also known as vital materials) available in the prevalent non-English language spoken for each LEP population in the Contractor's service area [42 CFR 438.3(d)(3)]. These written materials must also be made available in alternate formats upon request at no cost. Auxiliary aids and services must also be made available upon request and at no cost. Additionally, the materials shall include taglines in the prevalent non-English languages in Arizona and include large print (font size of at least 18 point) explaining the availability of written translation or oral interpretation services to understand the information with the Contractor's toll free and TTY/TDY telephone numbers for customer service. Oral interpretation services shall not substitute for written translation of vital materials.

Vital materials include, at a minimum, the following:

1. Member Handbooks,
2. Provider Directories,
3. Consent forms,
4. Appeal and Grievance Notices, and
5. Denial and Termination Notices.

When there are program changes, notification shall be provided to members at least 30 days before implementation [42 CFR 438.10(g)(4)].

For consistency in the information provided to members, the Contractor is required to utilize the AHCCCS-developed definitions for managed care terminology [42 CFR 438.10(c)(i)]. Refer to ACOM Policy 406.

Social Networking Activities: The Contractor shall participate in Social Networking Activities to support learning and engagement. The Contractor shall adhere to the requirements for Social Networking Activities as described in ACOM Policy 425 and submit deliverables as specified in Section F, Attachment F3, Contractor Chart of Deliverables.

Member Identification Cards: The Contractor is responsible for the production, distribution and cost of AHCCCS Member Identification (ID) Cards and the AHCCCS Notice of Privacy Practices in accordance with ACOM Policy 433. The Contractor shall submit Member ID Cards for AHCCCS approval as specified in Section F, Attachment F3, Contractor Chart of Deliverables.

Member Handbook and Provider Directory: The Contractor shall provide the following information to each member/representative or household within 12 business days of receipt of notification of the enrollment date.

1. A **Member Handbook** which serves as a summary of benefits and coverage. The Contractor is required to use the state developed model Member Handbook (refer to ACOM Policy 406). The content of the Member Handbook must include information that enables the member to understand how to effectively use the managed care program and at a minimum, shall include the information provided in ACOM Policy 406 [42 CFR 438.10(g)(1), 42 CFR 438.10(g)(2), 42 CFR 438.10(c)(4)(ii)].

The Contractor shall review and update the Member Handbook at least once a year. The Handbook must be submitted to AHCCCS for approval as specified in Section F, Attachment F3, Contractor Chart of Deliverables.

The Contractor has the option of providing the Member Handbook in hard copy format with the new member packet, or providing the member written notification of how the Member Handbook information is available to the member on the Contractor's website, via electronic mail or via postal mailing [42 CFR 438.10(g)(3)(i)-(iv)]. Should the Contractor elect not to provide the Member Handbook in hard copy format with the member packet, the following provisions apply:

- a. The member notification must be approved in accordance with ACOM Policy 406, and
- b. The written notification must give the member the option to obtain a printed version of the Member Handbook.

2. A **Provider Directory**, which at a minimum, includes those items listed in ACOM Policy 406 [42 CFR 438.10].

The Contractor has the option of providing the Provider Directory in hard copy format or providing written notification of how the Provider Directory information is available on the Contractor's website, via electronic mail, or via postal mailing as described in ACOM Policy 406. The written notification shall be sent to members within 12 business days of receipt of notification of the enrollment date. The Provider Directory must be made available on the

Contractor's website in a machine readable file and format as specified by the Secretary [42 CFR 438.10(h)(4)].

The Contractor must give written notice about termination of a contracted provider, within 15 days after receipt or issuance of the termination notice, to each member who received their primary care from, or is seen on a regular basis by, the terminated provider [42 CFR 438.10(f)(1)].

The Contractor shall have information available for potential members as described in ACOM Policy 404 and ACOM Policy 406 [42 CFR 438.10(f)(4)].

MCH and EPSDT Member Outreach: The Contractor shall conduct written and other member educational outreach related to MCH and EPSDT as delineated in AMPM Chapter 400 and AMPM Exhibit 400-3.

Member Newsletter: The Contractor must develop and distribute, at a minimum, two member newsletters during the Contract year. Member Newsletters must be developed in accordance with ACOM Policy 404 and 406.

Member Rights: The Contractor shall, on an annual basis, inform all members of their right to request the below information [42 CFR 438.10(g)(2)(ix), 42 CFR 438.100(a)(1) and (2)]. This information may be sent in a separate written communication or included with other written information such as in a Member Newsletter.

1. An updated Member Handbook at no cost to the member, and
2. The Provider Directory as described in ACOM Policy 406.

The Contractor shall ensure compliance with any applicable Federal and State laws that pertain to member rights and ensure that its staff and subcontractors take those rights into account when furnishing services to members [42 CFR 438.100 et. seq].

The Contractor shall ensure that each member is free to exercise their rights and that the exercise of those rights does not adversely affect the way the Contractor or its subcontractors treat the member [42 CFR 438.100(c)].

Website Requirements: The Contractor shall develop and maintain a website that is focused, informational, user-friendly, functional, and provides the information as required in ACOM Policy 404 and submit deliverables as specified in Section F, Attachment F3, Contractor Chart of Deliverables.

As required by 42 CFR 438.10(c)(3), AHCCCS provides a direct URL website hyperlink to the below information to members via the AHCCCS website. The Contractor shall provide notification to AHCCCS when there is a change in a URL for this information as specified in Section F, Attachment F3, Contractor Chart of Deliverables.

1. Contractor's main Arizona Medicaid website,
2. Contractor's Member Handbook , and
3. Contractor's Formulary.

The Contractor shall provide resources including a listing of specialized Autism Spectrum Disorder (ASD) providers to inform members with ASD how to access specialized services. At a minimum the listing shall include the following fields: Group, Address, Phone Number, Doctor Name, Type, and Specialized Age Range. The Contractor shall publish this information on its website and submit the information to AHCCCS as specified in Section F, Attachment F3, Contractor Chart of Deliverables.

18. SURVEYS

The Contractor may be required to perform surveys at AHCCCS' request. AHCCCS may provide the survey tool or require the Contractor to develop the survey tool. The final survey tool shall be approved in advance by AHCCCS as specified in Section F, Attachment F3, Contractor Chart of Deliverables. The results and the analysis of the results shall be submitted to the as specified in Section F, Attachment F3, Contractor Chart of Deliverables. Survey results are to be reported separately by Title XIX and Title XXI categories and in aggregate. The Contractor shall utilize member survey findings to improve care for Title XIX and Title XXI members.

As specified in Section F, Attachment F3, Contractor Chart of Deliverables, the Contractor is required to perform periodic surveys of its membership, as outlined in ACOM Policy 424, in order to verify that members have received services that have been paid for by the Contractor and to identify potential service/claim fraud [42 CFR 455.20, 42 CFR 433.116]. The Contractor, or its subcontractor if the Contractor has delegated its responsibilities for coverage of services and payment of claims, shall perform these surveys [42 CFR 438.608(a)(5)].

For non-AHCCCS required surveys, the Contractor shall provide notification as specified in Section F, Attachment F3, Contractor Chart of Deliverables, prior to conducting any Contractor initiated member or provider survey. The notification must include a project scope statement, project timeline and a copy of the survey. Survey results are to be reported separately by Title XIX and Title XXI categories and in aggregate. The Contractor shall utilize member survey findings to improve care for Title XIX and Title XXI members. The results and analysis of the results of any Contractor initiated surveys shall be submitted as specified in Section F, Attachment F3, Contractor Chart of Deliverables. Surveys performed by the Contractor to evaluate Plan satisfaction for previous members (exit surveys), are subject to the above notification requirement for non-AHCCCS required surveys and are not subject to AHCCCS Marketing Committee approval.

AHCCCS may conduct surveys of a representative sample of the Contractor's membership and/or providers. The results of AHCCCS conducted surveys will become public information and available to all interested parties on the AHCCCS website. The Contractor may be responsible for reimbursing AHCCCS for the cost of such surveys based on its share of AHCCCS enrollment.

The Contractor shall participate in the delivery and/or results review of member surveys as requested by AHCCCS. Surveys may include Home and Community Based (HCBS) Member Experience surveys, HEDIS Experience of Care (Consumer Assessment of Healthcare Providers and Systems–CAHPS) surveys, and/or any other tool that AHCCCS determines will benefit quality improvement efforts. While not included as an official performance measure, survey findings or performance rates for survey questions may result in regulatory action including, but not limited to, the Contractor being required to develop a Corrective Action Plan (CAP) and/or participate in technical assistance or AHCCCS-led workgroups to improve any areas of concern noted by AHCCCS. Failure to effectively develop or implement AHCCCS-approved CAPs and drive improvement may result in additional regulatory action by AHCCCS. The Contractor shall submit the Member Survey Notification and Results to AHCCCS as specified in Section F, Attachment F3, Contractor Chart of Deliverables.

19. CULTURAL COMPETENCY

The Contractor shall participate in AHCCCS' efforts to promote, and shall implement a program that promotes, the delivery of services in a culturally competent manner to all members, including those with Limited English Proficiency and diverse cultural and ethnic backgrounds, disabilities, and regardless of gender, sexual orientation or gender identity and meets the requirements of ACOM Policy 405 [42 CFR 438.206(c)(2)].

The Contractor shall develop and implement a Cultural Competency Plan which meets the requirements of ACOM Policy 405. An annual assessment of the effectiveness of the Cultural Competency Plan, along with any modifications to the Plan, must be submitted as specified in Section F, Attachment F3, Contractor Chart of Deliverables.

20. MEDICAL RECORDS

The member's medical record shall be maintained by the provider who generates the record. Medical records include those maintained by Primary Care Providers (PCPs) or other providers, including but not limited to, medical records kept in placement settings such as nursing facilities, assisted living facilities and other home and community based providers.

The Contractor shall ensure that each member is guaranteed the right to request and receive one copy of the member's medical record at no cost to the member. The Contractor shall have written policies guaranteeing each member's right to request and receive a copy of his or her medical records, and to request that the medical record be amended or corrected [45 CFR Part 160, 164, 42 CFR 438.100(a)(1), 42 CFR 438.100(b)(2)(vi)]. The Contractor shall have written policies and procedures to maintain the confidentiality of all medical records.

The Contractor is responsible for ensuring that a medical record (hard copy or electronic) is established when information is received about a member. If the provider has not yet seen the member such information may be kept temporarily in an appropriately labeled file, in lieu of establishing a medical record, but must be associated with the member's medical record as soon as one is established.

Medical records shall be maintained in a detailed and comprehensive manner, which conforms to professional standards, complies with records retention requirements, and permits effective medical review and audit processes, and which facilitates an adequate system for follow-up treatment. The Contractor shall have written policies and procedures for the maintenance of medical records so that those records are documented accurately and in a timely manner, are readily accessible, and permit prompt and systematic retrieval of information and which comply with AMPM Policy 940 and AMPM Policy 550. The Contractor shall ensure that providers maintain and share a member health record in accordance with professional standards [42 CFR 438.208(b)(5)].

The Contractor shall have written policies and procedures to ensure that MSICs have integrated electronic medical record for each member that is maintained and available for the multi-specialty treatment team and community providers. An integrated electronic medical record shall contain all information necessary to facilitate the coordination and quality of care delivered by multiple providers in multiple locations at varying times. For care coordination purposes, medical records must be shared with other care providers, such as the multi-specialty interdisciplinary team.

When a member changes PCPs, his or her medical records or copies of medical records must be forwarded to the new PCP within 10 business days from receipt of the request for transfer of the medical records.

The Contractor shall comply with medical record review requirements as outlined in AMPM Policy 940.

The Contractor shall comply with record retention requirements as outlined in Section D, Paragraph 59, Record Retention.

AHCCCS is not required to obtain written approval from a member before requesting the member's medical record from the PCP or any other organization or agency. The Contractor may obtain a copy of a member's medical records without written approval of the member if the reason for such request is directly related to the administration of the AHCCCS program. AHCCCS shall be afforded access to all members' medical records whether electronic or hard copy within 20 business days of receipt of request or more quickly if necessary.

21. ADVANCE DIRECTIVES

The Contractor shall maintain policies and procedures addressing advance directives for adult members as specified in 42 CFR 438.3(j) and 42 CFR 422.128, and AMPM Policy 640:

1. Each Contract or agreement with a hospital, nursing facility, hospice, and providers of home health care or personal care services, must comply with Federal and State law regarding advance directives for adult members [42 CFR 438.3(j)(1)]. Requirements include:
 - a. Maintaining written policies that address the rights of adult members to make decisions about medical care, including the right to accept or refuse medical care, and the right to

- execute an advance directive. If the agency/organization has a conscientious objection to carrying out an advance directive, it must be explained in policies. A health care provider is not prohibited from making such objection when made pursuant to A.R.S. §36-3205.C.1,
- b. Providing written information to adult members regarding an individual's rights under State law to make decisions regarding medical care, and the health care provider's written policies concerning advance directives, including any conscientious objections [42 CFR 438.3(j)(3)],
 - c. Documenting in the member's medical record whether or not the adult member has been provided the information, and whether an advance directive has been executed,
 - d. Preventing discrimination against a member because of his or her decision to execute or not execute an advance directive, and not place conditions on the provision of care to the member, because of his/her decision to execute or not execute an advance directive, and
 - e. Providing education to staff on issues concerning advance directives including notification of direct care providers of services, such as home health care and personal care services, if any advance directives are executed by members to whom they are assigned to provide services.
2. The Contractor shall require PCPs, which have agreements with the entities described above, to comply with the requirements of subparagraphs 1 (a) through (e) above.
 3. The Contractor shall require health care providers specified in subparagraph 1 above to provide a copy of the member's executed advance directive, or documentation of refusal, to the member's PCP for inclusion in the member's medical record and, provide education to staff on issues concerning advance directives.
 4. The Contractor shall provide written information to adult members and when the member is incapacitated or unable to receive information, the member's family or surrogate as defined in A.R.S. §36-3231, regarding the following [42 CFR 422.128]:
 - a. A member's rights regarding advance directives under Arizona State law,
 - b. The organization's policies respecting the implementation of those rights, including a statement of any limitation regarding the implementation of advance directives as a matter of conscience,
 - c. A description of the applicable state law and information regarding the implementation of these rights,
 - d. The member's right to file complaints directly with AHCCCS, and
 - e. Written policies including a clear and precise statement of limitations if the provider cannot implement an advance directive as a matter of conscience. This statement, at a minimum must do the following:
 - Clarify institution-wide conscientious objections and those of individual physicians,
 - Identify state legal authority permitting such objections, and
 - Describe the range of medical conditions or procedures affected by the conscience objection, and
 - f. Changes to State law as soon as possible, but no later than 90 days after the effective date of the change [42 CFR 438.6(i)(4)].

5. Written information regarding advance directives shall be provided to members at the time of enrollment with the Member Handbook. Refer to ACOM Policy 406 for member information and Member Handbook requirements.
6. The Contractor is not relieved of its obligation to provide the above information to the individual once he or she is no longer incapacitated or unable to receive such information. Follow-up procedures must be in place to provide the information to the individual directly at the appropriate time.

22. QUALITY MANAGEMENT AND PERFORMANCE IMPROVEMENT

General Requirements: The Contractor shall provide quality medical care and services to members, regardless of payer source or eligibility category. The Contractor shall promote improvement in the quality of care provided to enrolled members through established Quality Management and Performance Improvement (QM/PI) processes. The Contractor shall execute processes to monitor, assess, plan, implement, evaluate and, report quality management and performance improvement activities, as specified in the AHCCCS Medical Policy Manual (AMPM) Chapters 400 and 900 [42 CFR 438.330(a)(1), 42 CFR 438.330(a)(3), 42 CFR 438.330(b), 42 CFR 438.330(e)(1), 42 CFR 438.330(e)(2)]. Refer to Section F, Attachment F3, Contractor Chart of Deliverables.

The Contractor shall undergo annual, external independent reviews of the quality, timeliness, and access to the services covered under the Contract [42 CFR 438.320, 42 CFR 438.350]. AHCCCS will utilize an External Quality Review Organization for purposes of independent review of its Contractors and related AHCCCS oversight. External quality reviews may be conducted by an External Quality Review Organization, with direct engagement at the Contractor level, at the discretion or invitation of AHCCCS.

The Contractor shall ensure that the Quality Management/Performance Improvement (QM/PI) Unit within the organizational structure is separate and distinct from any other units or departments such as Medical Management or Contractor Care Management. The Contractor is expected to integrate quality management processes, such as tracking and trending of issues, throughout all areas of the organization, with ultimate responsibility for QM/PI residing within the Quality Management Unit.

QM/PI positions performing work functions related to the Contract shall have a direct reporting relationship to the local Chief Medical Officer (CMO) and the local Chief Executive Officer (CEO). The local CMO and CEO shall have the ability to direct, implement and prioritize interventions resulting from quality management and performance improvement activities and investigations. Contractor staff, including administrative services subcontractors' staff, that performs functions under this Contract related to QM and PI shall have the work directed and prioritized by the Contractor's local CEO and CMO.

The Contractor shall have policies and procedures to describe the implementation of comprehensive and coordinated delivery of integrated physical and behavioral health services including administrative and clinical integration of health care service delivery. Integration strategies and activities shall focus on improving individual health outcomes, enhancing care

coordination, and increasing member satisfaction. AHCCCS' Targeted Investments program outlines requirements that providers agree to implement to support and enable their ability to offer improved integration of physical and behavioral health services for members. These requirements, identified as core components, are found at www.azahcccs.gov/PlansProviders/TargetedInvestments/. The Contractor shall consider alignment with these core components when developing and implementing strategies to support integration efforts. The Contractor shall develop an Integrated Health Care Report as outlined in AMPM Policy 920 and as specified in Section F, Attachment F3, Contractor Chart of Deliverables.

Federal regulation prohibits payment for Provider-Preventable Conditions that meet the definition of a Health Care-Acquired Condition (HCAC) or an Other Provider-Preventable Condition (OPPC) and that meet the following criteria [42 CFR 434.6(a)(12)(i), 42 CFR 438.3(g), 42 CFR 447.26(a), 42 CFR 447.26(b), 42 CFR 447.26(c)]:

1. Is identified in the State plan,
2. Has been found by the State, based upon a review of medical literature by qualified professionals, to be reasonably preventable through the application of procedures supported by evidence-based guidelines,
3. Has a negative consequence for the beneficiary,
4. Is auditable, and
5. Includes, at a minimum, wrong surgical or other invasive procedure performed on a patient; surgical or other invasive procedure performed on the wrong body part; surgical or other invasive procedure performed on the wrong patient [42 CFR 447.26(b)].

If an HCAC or OPPC is identified, the Contractor must report the occurrence to AHCCCS and conduct a quality of care investigation as outlined in AMPM Chapter 900 and Section F, Attachment F3, Contractor Chart of Deliverables [42 CFR 438.3(g), 42 CFR 434.6(a)(12)(ii), 42 CFR 447.26(d)].

The Contractor's Quality Management and Performance Improvement programs, at a minimum, shall comply with the requirements outlined in the AMPM and this Section.

Quality Management Program: The Contractor shall have an ongoing quality management program for the services it furnishes to members [42 CFR 438.330(a)(1), 42 CFR 438.330(a)(3)]. The Quality Management program shall include but is not limited to:

1. A written Quality Management and Performance Improvement (QM/PI) Program Annual Plan in accordance with 42 CFR 438.330 and AMPM Policy 920.
2. Collection and submission of performance measure data, including any required by the State or CMS [(42 CFR 438.330(a)(2), 42 CFR 438.330(b)(2), 42 CFR 438.330(c)].
3. QM/PI deliverables that address strategies and performance for program activities.
4. Mechanisms to detect both underutilization and overutilization of services [42 CFR 438.330(b)(3)].

5. QM/PI program monitoring and evaluation activities which include Peer Review and Quality Management Committees which are chaired by the Contractor's local Chief Medical Officer.
6. Protection of medical records and any other personal health and enrollment information that identifies a particular member, or subset of members, in accordance with Federal and State privacy requirements.
7. Written policies regarding member rights and responsibilities [42 CFR 438.100(b)(1)].
8. Uniform provisional credentialing, initial credentialing, re-credentialing and organizational credentialing for all provider types [42 CFR 438.206(b)(6), 42 CFR 438.12(a)(2), 42 CFR 438.214(b)]. The Contractor shall demonstrate that its providers are credentialed and reviewed through the Contractor's Credentialing Committee that is chaired by the Contractor's local Medical Director. The Contractor shall comply with requirements as specified in AMPM Policy 950 and refer to the AMPM Chapter 900 and Section F, Attachment F3, Contractor Chart of Deliverables for reporting requirements. The Contractor shall not employ or contract with providers excluded from participation in Federal health care programs [42 CFR 438.214].
9. Tracking and trending of member and provider issues, which includes, but is not limited to investigation and analysis of quality of care issues, related to abuse, neglect, exploitation, suicide attempts, opioid-related concerns, alleged human rights violations, and unexpected deaths. The Contractor shall comply with requirements as specified in AMPM Policy 960.
10. Analysis of the effectiveness of the interventions implemented [42 CFR 438.330(e)(2)].
11. Mechanisms to assess the quality and appropriateness of care furnished to members with special health care needs, as specified in Contract [42 CFR 438.330(b)(4)].
12. Requirement for any ADHS licensed or certified provider to submit to the Contractor their most recent Arizona Department of Health Services (ADHS) licensure review, copies of substantiated complaints and other pertinent information that is available and considered to be public information from oversight agencies. The Contractor shall monitor contracted providers for compliance with quality management measures including supervisory visits conducted by a Registered Nurse when a home health aide is providing services.
13. Participation in community initiatives including, but not limited to, applicable activities of the Medicare Quality Improvement Organization (QIO).
14. Performance improvement programs including performance measures and performance improvement projects as specified in AMPM Policies 970 and 980 [42 CFR 438.330(b)(1), 42 CFR 438.330(a)(2)].
15. Monitoring of services and service sites as outlined in AMPM Policy 910. The Contractor shall submit a Contractor Monitoring Summary as specified in Section F, Attachment F3, Contractor Chart of Deliverables.
16. Ensure the protection and confidentiality of medical records and any other personal health and enrollment information that identifies a particular member or subset of members in accordance with Federal and State privacy requirements [42 CFR 438.224].
17. Employment of sufficient, knowledgeable, and qualified local staff and utilize appropriate resources to achieve Contractual compliance. The Contractor's resource allocation must be adequate to achieve quality outcomes. Staffing adequacy will be evaluated based on outcomes and compliance with contractual and AHCCCS Policy requirements.
18. Local staff available 24 hours per day, seven days per week to work with AHCCCS and/or other State agencies, such as Arizona Department of Health Services/Bureau of Medical

- Facilities, on urgent issue resolutions. Urgent issue resolutions include Immediate Jeopardies (IJ), fires, or other public emergency situations. These staff shall have access to information necessary to identify members who may be at risk and their current health/service status, the ability to initiate new placements/services, and have the ability to perform status checks at affected facilities and perform ongoing monitoring, if necessary. The Contractor shall supply AHCCCS/DHCM, Quality Management (QM) with the contact information for these staff, as specified in Section F, Attachment F3, Contractor Chart of Deliverables. At a minimum the contact information shall include a current 24/7 telephone number. AHCCCS Quality Management Manager must be notified and provided back up contact information when the primary contact person will be unavailable.
19. Implementing, monitoring, evaluating, and complying with applicable requirements in the AHCCCS Contractor Operations Manual (ACOM) and AMPM Chapter 1000.
 20. Provision of quality care and services to eligible members, regardless of payer source or eligibility category.
 21. Establishment of a Quality Management (QM) Committee, a Peer Review Committee, a Children's QM subcommittee and other subcommittees under QM Committee as required or as a need is identified.
 22. Requiring its QM Committee, Peer Review Committee and subcommittees to meet at least quarterly and be chaired by the local Chief Medical Officer.
 23. Implementing processes to assess, plan, implement and evaluate quality management and performance improvement activities related to services provided to members in conformance with the AHCCCS Medical Policy Manual AMPM Chapter 400 and 900 [42 CFR 438.330(a)(1), (b)(1) and (b)(2)].
 24. Demonstrating improvement in the quality of care provided to members through established quality management and performance improvement processes.
 25. Regular, and as requested, dissemination of subcontractor and provider quality improvement information including performance measures, dashboard indicators and member outcomes to AHCCCS and key stakeholders, including members and family members.
 26. Developing and maintaining mechanisms to solicit feedback and recommendations from key stakeholders, subcontractors, members, and family members to monitor service quality and to develop strategies to improve member outcomes and quality improvement activities related to the quality of care and system performance.
 27. Maintaining the confidentiality of a member's medical record in conformance with the Contract Section on, Medical Records.
 28. Complying with requirements to assure member rights and responsibilities in conformance with AHCCCS policies on Title XIX/XXI Notice and Appeal Requirements; Special Assistance for Persons Determined to have a Serious Mental Illness, Notice and Appeal Requirements (SMI and Non-SMI), Member Grievance Resolution Process, and the AHCCCS Medical Policy Manual [42 CFR 438.100(a)(2), 42 CFR 438-228(a), 42 CFR 438.400(a), 42 CFR 438.402(a)], and comply with any other applicable Federal and State laws (such as Title VI of the Civil Rights Act of 1964, etc.) including other laws regarding privacy and confidentiality [42 CFR 438.100(d)].
 29. Requiring its QM Committee to proactively and regularly review member grievance, and appeal data to identify outlier members who have filed multiple complaints, grievances or

appeals regarding services or against the Contractor or who contact governmental entities for assistance, including AHCCCS for the purposes of assigning a care coordinator to assist the member in navigating the health care system.

Seclusion and Restraint: The Contractor shall adhere to federal and state laws that govern member rights when delivering services, including the protection and enforcement, at a minimum, of a person's right to be free from any form of restraint or seclusion used as a means of coercion, discipline, convenience, or retaliation, 42 CFR 100(b)(2)(v). The Contractor shall follow local, State and federal regulations and requirements related to seclusion and restraint. Reports regarding incidents of seclusion and restraint shall be submitted to AHCCCS, OHR and HRC as outlines in AMPM Policy 962 and as specified in Section F, Attachment F3, Contractor Chart of Deliverables (A.R.S. §36-513, A.R.S. §41-3804).

Credentialing: The Contractor shall demonstrate that its providers are credentialed and reviewed through the Contractor's Credentialing Committee that is chaired by the Contractor's local Medical Director. The Contractor should refer to the AMPM Chapter 900 and Section F, Attachment F3, Contractor Chart of Deliverables for reporting requirements.

The Contractor shall comply with uniform provisional credentialing, initial credentialing, re-credentialing and organizational credentialing for all provider types as follows [42 CFR 438.206(b)(6), 42 CFR 438.12(a)(2), 42 CFR 438.214(b)]:

1. Document provisional credentialing, initial credentialing, re-credentialing and organizational credential verification of providers who have signed contracts or participation agreements with the Contractor or have seen 25 or more of the Contractor's members [42 CFR 438.206(b)(1-2)].
2. The Contractor shall demonstrate that its providers are credentialed and reviewed through the Contractor's Credentialing Committee that is chaired by the Contractor's local Medical Director.
3. The Contractor must comply with requirements as specified in AMPM Policy 950 and as specified in Section F, Attachment F3, Contractor Chart of Deliverables.
4. Not discriminate against particular providers that serve high-risk populations or specialize in conditions that require costly treatment.

Credential Verification Organization Contract: The Arizona Association of Health Plans (AzAHP) has established a Contract with a Credential Verification Organization (CVO) that is responsible for receiving completed applications, attestations and primary source verification documents. The CVO is also responsible for conducting annual entity site visits to ensure compliance with AHCCCS requirements. The AHCCCS Contractor must utilize the contracted CVO as part of its credentialing and re-credentialing process, regardless of membership in the AzAHP. This requirement eases the administrative burden for providers that Contract with AHCCCS Contractors which often results in duplicative submission of information used for credentialing purposes. The Contractor shall follow the AHCCCS re-credentialing timelines for providers that submit their credentialing data and forms to the AzAHP CVO. The Contractor is responsible for completing the credentialing process. The Contractor shall continue to include utilization,

performance, complaint, and quality of care information, as specified in the AMPM, to complete the credentialing or re-credentialing files that are brought to the Credentialing Committee for a decision. In addition, the Contractor must also meet AMPM Policy 950 requirements for provisional/temporary credentialing.

Credentialing Timelines: The Contractor is required to process credentialing applications in a timely manner. To assess the timeliness of provisional and initial credentialing a Contractor shall calculate and report to AHCCCS as outlined in AMPM Policy 950. The Contractor shall report the credentialing information with regard to all credentialing applications as specified in Section F, Attachment F3, Contractor Chart of Deliverables.

The Contractor shall ensure that they have in place a process to monitor, at a minimum, on an annual basis, occurrences which may have jeopardized the validity of the credentialing process.

Accreditation: The Contractor is required to inform AHCCCS/DHCM, Quality Improvement Unit as to whether it has been accredited by a private independent accrediting entity. If the Contractor has received accreditation by a private independent accrediting entity, the Contractor shall provide AHCCCS a copy of its most recent accreditation review, including the following [42 CFR 438.332(a) and [42 CFR 438.332(b)(1)-(3)]:

1. Its accreditation status, survey type, and level (as applicable),
2. Recommended actions or improvements, Corrective Action Plans (CAPs), and summaries of findings, and
3. The expiration date of the accreditation.

This information shall be made available on the AHCCCS website [42 CFR 438.332(c)(1)]. Should the Contractor renew or lose its accreditation, the Contractor shall provide AHCCCS written notification or copy of the renewal certificate, as applicable, within 15 calendar days of notification or receipt from the accrediting entity.

Incident, Accident and Death Reporting: The Contractor shall develop and implement policies and procedures that require individual and organizational providers to report to the Contractor, the Regulator, and other appropriate authorities Incident, Accident and Death (IAD) Reports, to include abuse, neglect, injury, exploitation, suicide attempts, opioid-related concerns, alleged human rights violation, and death in conformance with the AHCCCS Medical Policy Manual, Chapter 900. IAD Reports must be submitted in accordance with requirements established by AHCCCS and as specified in Attachment F3, Contractor Chart of Deliverables.

Quality of Care Concerns and Investigations: The Contractor shall establish and implement mechanisms to assess the quality and appropriateness of care provided to members, including members with special health care needs, [42 CFR 438.330(a)(1), 42 CFR 438.330(b)(4)]. The Contractor shall develop a process that requires the provider to report incidents of healthcare acquired conditions, abuse neglect, exploitation, injuries, high profile cases, suicide attempts, opioid-related concerns, alleged human rights violations, and unexpected death to the Contractor. The Contractor shall develop a process to report incidents to AHCCCS Quality

Management and as specified in Attachment F3, Contractor Chart of Deliverables. The Contractor shall develop and implement policies and procedures that analyze quality of care issues through identifying the issue, initial assessment of the severity of the issue, and prioritization of action(s) needed to resolve immediate care needs when appropriate. The Contractor shall establish a process to ensure that staff having contact with members or providers, are trained on how to refer suspected quality of care issues to quality management. This training must be provided during new employee orientation and annually, thereafter. The Contractor shall establish mechanisms to track and trend member and provider issues; the Contractor must comply with requirements as specified in AMPM Policy 960. The Contractor shall implement mechanisms to assess the quality and appropriateness of care furnished to members with special health care needs and comply with requirements as specified in Contract [CFR 438.330(b)(4)]. The Contractor shall monitor contracted providers for compliance with quality management measures, as well as member health and safety; Clinical Quality Management staff shall lead all monitoring and investigative efforts.

Quality Management and Performance Improvement: The Contractor's quality management program shall be designed to achieve and sustain, through ongoing measurements and intervention, significant improvement in the areas of clinical care and nonclinical care which are expected to have a favorable effect on health outcomes and member satisfaction as specified in AMPM Chapter 900. [42 CFR 328.330(a)(1), 42 CFR 438.330(b)(1-2)]:

The Contractor shall:

1. Measure and report to the State its performance, using standard measures required by the AHCCCS, or as required by CMS [42 CFR 438.330(c)(1)(i), 42 CFR 438.330(c)(2)],
2. Submit specified data to the State that enables the State to measure the Contractor's performance using standardized measures as defined by the State [42 CFR 438.330(c)(2)(ii)], or
3. Perform a combination of the above activities [42 CFR 438.330(c)(2)(iii)].

Performance Improvement Projects (PIPs): The Contractor shall have an ongoing program designed to achieve and sustain, through ongoing measurements and interventions, significant improvement in the areas of clinical and non-clinical care, as specified in the AMPM Chapter 900, and that involve the following [42 CFR 438.330(b)(1), 42 CFR 438.330(d)(1), 42 CFR 438.330(d)(2)]:

1. Measurement of performance using objective quality indicators,
2. Implementation of system interventions to achieve improvement in access to and quality of care, and
3. Evaluation of the effectiveness of the interventions based on the performance measures collected as part of the PIP, and
4. Design, planning and initiation of Performance Improvement Projects (PIP) activities to achieve significant improvement, sustained over time, in health outcomes and member satisfaction.

PIPs are mandated by AHCCCS. However, the Contractor shall also self-select additional projects based on opportunities for improvement identified by internal data and information. The Contractor shall report the status and results of each project to AHCCCS, no less than once per year and as requested, using the AHCCCS Performance Improvement Project Reporting Template included in AMPM Policy 980 and as specified in Section F, Attachment F3, Contractor Chart of Deliverables. Each Performance Improvement Project must be completed in a reasonable time period so as to generally allow information on the success of PIPs to produce new information on quality of care every year [42 CFR 438.330(c)(2), 42 CFR 438.330(d)(1-3)].

Performance Measures (PMs): The Contractor shall comply with AHCCCS Quality Management requirements to improve performance for all AHCCCS performance measures. Technical specification of these performance measures are based on the National Committee for Quality Assurance (NCQA) HEDIS methodology, the CMS Core Measure Set, other methodology sources, or may be AHCCCS developed. The EPSDT Participation and Preventative Dental Services performance measure descriptions utilize the methodology established within the Centers for Medicare and Medicaid Services (CMS) Instructions for Completing Form CMS-416: Annual Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) Participation Report, which can be found on the AHCCCS website.

The Contractor shall evaluate State and Federal performance measures that may be identified and developed by CMS or those developed in consultation with AHCCCS and/or other relevant stakeholders. CMS has been working in partnership with states in developing core performance measures for Medicaid and CHIP programs. As the Core Measure sets are implemented, performance measures required by AHCCCS may be updated to include these measures. Additionally, AHCCCS may add measures specific to End of Life Care. In addition, the Contractor shall evaluate performance based on sub-categories of populations, when requested to do such.

AHCCCS may utilize a hybrid or other methodologies for collecting and reporting performance measure rates, as allowed by the National committee for Quality Assurance (NCQA), for selected Healthcare Effectiveness Data and Information Set (HEDIS) measures or as allowed by other entities for nationally recognized measure sets. The Contractor shall collect data from medical records, electronic records, or through approved processes such as those utilizing a health information exchange and provide these data with supporting documentation, as instructed by AHCCCS, for each hybrid measure. The number of records that each Contractor collects will be based on HEDIS, External Quality Review Organization (EQRO), or other sampling guidelines and may be affected by the Contractor's previous performance rate for the measure being collected. The Contractor shall comply with and implement the hybrid methodology data collection as directed by AHCCCS.

The Contractor shall have a process in place for monitoring performance measure rates. The Contractor shall utilize a standard methodology established or adopted by AHCCCS for measurement of each required performance measure. The Contractor's QM/PI Program will report its measured performance on an ongoing basis to Contractor leadership and stakeholders. The Contractor performance measure monitoring results shall also be reported to

AHCCCS in conjunction with its EPSDT Improvement and Adult Quarterly Monitoring Report as specified in Section F, Attachment F3, Contractor Chart of Deliverables.

The Contractor must meet and sustain the AHCCCS stated Minimum Performance Standards (MPS) for each population/eligibility category for which AHCCCS reports results. AHCCCS-reported rates are the official rates utilized for determination of Contractor compliance with performance requirements. It is equally important that, in addition to meeting the contractual MPS, the Contractor continually improve performance measure outcomes from year to year. Contractor calculated and/or reported rates will be used strictly for monitoring Contractor actions and not for official reporting.

Minimum Performance Standard: A Minimum Performance Standard (MPS) is the minimal expected level of performance by the Contractor. If a Contractor does not achieve standards per AHCCCS official reporting, the Contractor will be required to submit a Corrective Action Plan and may be subject to regulatory action, which may include a sanction, for each deficient measure. See AMPM Policy 970.

The Contractor shall implement a process for internal monitoring of Performance Measure rates, using a standard methodology established or approved by AHCCCS, for each required Performance Measure. AHCCCS-reported rates are the official rates utilized for determination of Contractor compliance with performance requirements. Contractor calculated and/or reported rates will be used strictly for monitoring Contractor actions and not be used for official reporting. The Contractor shall have a mechanism for its QM Committee to report Contractor's performance on an ongoing basis to its CEO and other key staff.

The Contractor must show demonstrable and sustained improvement toward meeting AHCCCS Performance Standards. AHCCCS may impose sanctions on the Contractor, if it does not show statistically significant improvement in a measure rate as calculated by AHCCCS. Sanctions may also be imposed for statistically significant declines of rates even if they meet or exceed the MPS, for any rate that does not meet the AHCCCS MPS, or a rate that has a significant impact to the aggregate rate for the State. AHCCCS may require the Contractor to demonstrate that they are allocating increased administrative resources to improving rates for a particular measure or service area. AHCCCS also may require a Corrective Action Plan (CAP) for measures that are below the MPS or that show a statistically significant decrease in its rate even if it meets or exceeds the MPS.

An evidence-based CAP that outlines the problem, planned actions for improvement, responsible staff and associated timelines as well as a place holder for evaluation of activities must be received by AHCCCS within 30 days of receipt of notification of the deficiency from AHCCCS. This plan must be approved by AHCCCS prior to implementation. AHCCCS may conduct one or more follow-up desktop or on-site reviews to verify compliance with a CAP.

All Performance Measures described below may apply across all lines of business and populations or may apply only to specific lines of business and/or populations [42 CFR 438.330(a)(2); 42 CFR 330 (b)(2)]. AHCCCS may analyze and report results by placement (e.g.

HCBS vs. nursing facility), Geographical Service Areas (GSA) or County and/or other applicable demographic factors.

AHCCCS may also require the Contractor to conduct a chart audit for validation of any performance measure that falls below the minimum performance standard. The Contractor must meet and ensure that each subcontractor meets AHCCCS Minimum Performance Standards [42 CFR 438.330(b)(1)(2), and (d)(1)].

Contractor performance is evaluated annually using the AHCCCS-reported rate for each measure. AHCCCS rates are considered the official measurement for each Performance Measure. AHCCCS calculated rates by Contractor for each measure will be compared with the MPS specified in the Contract in effect during the measurement period. For instance, Performance Standards in the current Contract Year apply to results calculated by AHCCCS for that measurement period. AHCCCS will utilize methodologies that are reflective of the requirements for the measurement period. For instance, performance measure data will be based on the published CMS Core Sets and HEDIS technical specifications. Contractors are responsible for monitoring and reporting to the AHCCCS QM Manager the status of, and any discrepancies identified in encounters received by AHCCCS including paid, denied and pended for purposes of Performance Measure monitoring prior to the AHCCCS Performance Measure rate calculations being conducted.

AHCCCS has established standards for the measures listed below. The following tables identify the MPS for each measure:

ACC Performance Measures	
MEASURE	MPS
Adults Access to Preventative/Ambulatory Health Services (AAP)	75%
Ambulatory Care - ED Utilization (AMB): All Ages	58 Per 1,000 Member Months
Annual Monitoring for Patients on Persistent Medications (MPM) – Combo Rate	87%
Asthma Medication Ratio (AMR): Ages 5-18 years, 19-64 years	Baseline Measurement Year*
Breast Cancer Screening (BCS)	55%

Cervical Cancer Screening (CCS)	53%
Chlamydia Screening in Women (CHL): Ages 16-20 years, 21-24 years	57%
Colorectal Cancer Screening (COL)	65%
Comprehensive Diabetes Care – Eye Exam (CDC)	55%
Comprehensive Diabetes Care – HbA1c Poor Control (>9.0%) (HCP)	43%
Comprehensive Diabetes Care - HbA1c Testing (HA1C)	86%
Concurrent Use of Opioids and Benzodiazepines (COB)	Baseline Measurement Year*
Contraceptive Care – Post-Partum Women (CCP): Ages 15 – 20 years, 21-44 years	Baseline Measurement Year*
Follow-Up after Emergency Department Visit for Mental Illness or Alcohol and Other Drug Dependence (FUA) – 7 days, 30 days	Baseline Measurement Year*
Follow-Up After Hospitalization for Mental Illness (FUH) - 7 Days, 30 Days: Ages 6-20 years, 21 years and older	7 Days-60% 30 Days-85%
Initiation and Engagement of Alcohol and Other Drug Abuse or Dependence Treatment (IET)	Baseline Measurement Year*
Inpatient Utilization (IPU) – General Hospital/Acute Care: All Ages	33 Days Per 1,000 Member Months
Mental Health Utilization (MPT): All Ages	TBD*
Plan All-Cause Readmissions (PCR)	14%

Timeliness of Prenatal Care: Prenatal Care Visit in the First Trimester or Within 42 Days of Enrollment (PPC)	80%
Timeliness of Prenatal Care: Postpartum Care Rate (PPC)	64%
Use of Opioids at High Dosage in Persons Without Cancer (OHD)	TBD*
CHILDRENS MEASURES	
Adolescent Well-Care Visits (AWC): 12–21 years	41%
Annual Dental Visits (ADV): 2-20 years	60%
Children's Access to PCPs (CAP), by age: 12-24 months	95%
Children's Access to PCPs (CAP), by age: 25 months - 6 years	87%
Children's Access to PCPs (CAP), by age: 7 - 11 years	90%
Children's Access to PCPs (CAP), by age: 12 - 19 years	89%
Dental Sealants for 6-9 Year Old Children at Elevated Caries Risk (SEAL)	TBD*
Developmental Screening in the First Three Years of Life (DEV)	55%
Initial Visit within 30 Days for Members Newly Identified with a CRS Condition	75%
Metabolic Monitoring for Children and Adolescents on Antipsychotics (APM)	Baseline Measurement Year*
Percentage of Eligibles Who Received Preventive Dental Services (PDENT)	46%

Use of First-Line Psychosocial Care for Children and Adolescents on Antipsychotics (AAP)	Baseline Measurement Year*
Use of Multiple Concurrent Antipsychotics in Children and Adolescents (APC)	2%
Well-Child Visits in the First 15 Months of Life (W15): 15 months	62%
Well-Child Visits in the Third, Fourth, Fifth, and Sixth Years of life (W34): 3 - 6 years	66%
Childhood Immunization Status (CIS)	
DTaP	76%
IPV	88%
MMR	89%
Hib	88%
Hepatitis B (HBV)	88%
VZV	88%
PCV	77%
Hepatitis A (HAV)	85%
Rotavirus	65%
Influenza	45%
Combination 3	68%
Combination 7	50%
Combination 10	25%
Immunizations for Adolescent (IMA)	

Adolescent Meningococcal	85%
Adolescent Tdap/Td	85%
Human Papillomavirus (HPV)	25%
Combination 1	85%
Combination 2	21%
Note: *AHCCCS will develop Minimum Performance Standards once baseline data has been analyzed for these measures.	

Reserve Status Performance Measures: The following are measures that AHCCCS will be monitoring and may use for reporting purposes (such as to CMS), but they are not considered as part of the measures subject to regulatory oversight (sanctions, financial withholds/cost sharing adjustments, etc.). These measures may be considered for measurement and subject to regulatory oversight at a future date.

ACUTE PERFORMANCE MEASURES RESERVE STATUS*	
MEASURE	MPS
Access to Behavioral Health Services, 7 Days - <i>Measure Tabled Until Further Notice</i>	75%
Access to Behavioral Health Services, 23 Days - <i>Measure Tabled Until Further Notice</i>	90%
Asthma in Younger Adults Admission Rate (PQI15)	9 Per 100,000 Member Months
Chronic Obstructive Pulmonary Disease (COPD) or Asthma in Older Adults Admission Rate (PQI 05)	55 Per 100,000 Member Months
Diabetes Short-Term Complications Admissions Rate (PQI 01)	16 Per 100,000 Member Months
EPSDT Participation	68%
Flu Vaccinations for Adults (FVA) - Ages 18-64 years , 65 years and older	18-64 years - 50%

	65 years and older - 75%
Heart Failure Admission Rate (PQI 08)	23 Per 100,000 Member Months
Weight Assessment and Counseling - Body Mass Index (BMI) Assessment for Children/Adolescents (WCC)	55%
<p><u>Note:</u> *Performance measures remain important to AHCCCS and as such will continue to be monitored by AHCCCS. Should Contractor performance results for Performance Measures in Reserve Status decline, the Contractor may be subject to corrective action. AHCCCS may require individual Contractors to implement improvement actions for Performance Measures with Reserve Status in order to ensure quality of care to AHCCCS members. Measures deemed in Reserve Status will be reported out when appropriate.</p>	

The Contractor shall participate in immunization audits, at intervals specified by AHCCCS, based on random sampling to verify the immunization status of members at 24 months of age and by 13 years of age. If records are missing for more than five percent (5%) of the Contractor’s final sample, the Contractor is subject to sanctions by AHCCCS. An External Quality Review Organization (EQRO) may conduct a study to validate the Contractor’s reported rates.

While not included as an official performance measure, survey findings or performance rates for survey questions may result in regulatory action including, but not limited to, the Contractor being required to develop a Corrective Action Plan (CAP) to improve any areas of concern noted by AHCCCS. Failure to effectively develop or implement AHCCCS-approved CAPs and drive improvement may result in additional regulatory action.

The Contractor is responsible for monitoring and reporting to AHCCCS Quality Management Manager the status of, and any discrepancies identified in, encounters received by AHCCCS including paid, denied and pended for purposes of Performance Measure monitoring prior to the AHCCCS Performance Measure rate calculations being conducted.

The Contractor is also responsible for applying the correct CMS-416 methodology as developed and maintained by CMS for its internal monitoring of EPSDT Participation and Preventive Dental Services performance measure results. AHCCCS uses the national CMS 416 methodology to generate the EPSDT Participation and Preventive Dental Service rates through a CMS-validated process. The rates are generated one time a year and reported to CMS within specified timeframes. Aggregate rates as well as Contractor-specific rates are included in this process.

The Contractor must monitor rates and implement interventions to improve or sustain rate for low/very low birth weight deliveries, utilization of Long Acting Reversible Contraceptives (LARC), and postpartum visits. The Contractor must implement processes to monitor and evaluate cesarean section and elective inductions rates prior to 39 weeks gestation, and implement interventions to decrease the incidence of occurrence.

Data Collection Procedures: When requested by AHCCCS, the Contractor shall submit data for standardized Performance Measures and/or PIPs within specified timelines and according to AHCCCS procedures for collecting and reporting the data. The Contractor is responsible for collecting valid and reliable data and using qualified staff and personnel to collect the data. The Contractor must ensure that data collected by multiple parties/individuals for Performance Measures and/or PIP reporting is comparable and that an inter-rater reliability process was used to ensure consistent data collection. Data collected for Performance Measures and/or PIPs must be returned by the Contractor in a standardized format and in accordance with instructions from AHCCCS by the due date specified. Any extension for additional time to collect and report data must be made in writing in advance of the initial due date and is subject to approval by AHCCCS. Failure to follow the data collection and reporting instructions that accompany the data request may result in regulatory actions including, but not limited to, sanctions imposed on the Contractor.

Member Satisfaction Surveys: AHCCCS or the Contractor may conduct surveys of a representative sample of the Contractor's membership and providers. The Contractor shall, as requested by AHCCCS, participate in member satisfaction surveys in accordance with Statewide Consumer Survey protocol [42 CFR 438.340(a), 42 CFR 438.340(b)(4)]. AHCCCS may provide the survey tool or require the Contractor to develop the survey tool which shall be approved in advance by AHCCCS and as specified in Section F, Attachment F3, Contractor Chart of Deliverables. The results of the surveys may become public information and available to all interested parties on the AHCCCS website. The Contractor may be required to participate in workgroups and efforts that are initiated as a result of the survey results. The Contractor may participate in or conduct additional surveys, in conformance with the Contract Section on Surveys, using findings from the Member Satisfaction Survey in designing quality improvement activities.

Provider Monitoring: The Contractor shall develop and submit a subcontractor performance monitoring plan as a component of QM/PI Program plan, to include, at a minimum, the following quality management functions:

1. Peer Review processes,
2. Incident, Accident, Death (IAD) report timely completion and submission,
3. Quality of Care (QOC) Concerns and investigations,
4. AHCCCS required Performance Measures,
5. Performance Improvement Project, and
6. Temporary, provisional, initial and re-credentialing processes and requirements.

The Contractor shall conduct an annual Operational Review (OR) audit of subcontracted provider services and service sites, and assess each provider's performance on satisfying established quality management and performance measures standards. AHCCCS will accept the AzAHP review process to meet this audit requirement. A Corrective Action Plan shall be developed and implemented when provider monitoring activities reveal poor performance as follows:

1. When performance falls below the minimum performance level, or

2. Shows a statistically significant decline from previous period performance.

Engaging Members through Technology: The Contractor shall engage its membership through web based applications which may also include mobile device technologies. The Contractor shall identify populations who can benefit from web/mobile based applications used to assist members with self-management of health care needs such as, chronic conditions, pregnancy, social determinants of health resources, or other health related topics the Contractor considers to be most beneficial to members. The Contractor shall submit an executive summary as specified in the AMPM and Section F, Attachment F3, Contractor Chart of Deliverables to include at a minimum:

1. Criteria for identifying at least 25% of the Contractor's members who can benefit from web/mobile- based applications,
2. Listing of identified population(s),
3. Description of web/mobile applications in development or being utilized to engage members,
4. Strategies used to engage the identified members in the use of the web/mobile applications, and
5. Description of desired outcomes.

AHCCCS intends to increase the percentage in number 1 above over the term of the Contract.

Quality Management Reporting Requirements: The Contractor shall conduct an annual case review (currently suspended) of the behavioral health care provided to its members, and submit an analysis of the findings to AHCCCS as specified in Section F, Attachment F3, Contractor Chart of Deliverables. To meet this requirement, the Contractor may independently perform the review or subcontract with a Professional External Review Organization approved by AHCCCS. The case review must be conducted by licensed Behavioral Health Professionals. If applicable, the Contractor shall have oversight responsibility to assure that the subcontractor performs the review as required and the results are accurate. The Contractor shall ensure reviews are conducted on a sample of member records for both children and adults and by population served based on a sampling methodology approved by AHCCCS.

The Contractor shall submit a proposed sampling methodology and case file review tool with instructions to AHCCCS for review and approval no later than 60 days prior to implementation. At a minimum, the case review should assess the following indicators or aspects of care:

1. Treatment goals are jointly established with the member, member's family, and other involved parties.
2. Individuals requiring specialty providers are referred for and receive specialty services.
3. There is evidence that behavioral health care has been coordinated with the member's PCP.
4. For persons with multi-agency involvement, treatment recommendations are collaboratively developed and implemented.
5. Individuals receive timely access to services, and

6. Measures of quality outcomes.

The Contractor shall monitor and provide feedback on all corrective action plans written as a result of the findings in the case file review to ensure improved performance.

In addition, the Contractor shall:

1. Follow local, State and Federal regulations and requirements related to seclusion and restraint. Reports regarding incidents of seclusion and restraint shall be submitted to AHCCCS, OHR and HRC as outlined in AMPM Policy 962 and as specified in Section F, Attachment F3, Contractor Chart of Deliverables (A.R.S. §36-513).
2. Submit deliverables related to Actions Reported to the National Provider Data Bank (NPDB) or a Regulatory Board, as specified in Section F, Attachment F3, Contractor Chart of Deliverables, and
3. Submit deliverables related to Quality Management as specified in Section F, Attachment F3, Contractor Chart of Deliverables.

The Contractor shall comply with all manuals, documents and guides referenced to improve performance for all established performance measures.

23. MEDICAL MANAGEMENT

The Contractor shall ensure an integrated Medical Management (MM) process or system that is designed to assure appropriate utilization of health care resources, in the amount and duration necessary to achieve the desired health outcomes, across the continuum of care, from preventive care to hospice care.

The Contractor shall have a process to report MM data and management activities through a Contractor MM Committee. The Contractor's MM Committee shall utilize the plan, do, study, act (PDSA) cycle to analyze the data, make recommendations for action, monitor the effectiveness of actions and report these findings back to the MM Committee for review and ongoing process improvement.

The Contractor shall assess, monitor and report medical decisions quarterly through the Contractor's MM Committee to assure compliance with timeliness, language, Notice of Adverse Benefit Determination intent, and that the decisions comply with all Contractor coverage criteria.

The Contractor shall maintain a written MM Plan and Work Plan that address the monitoring of MM activities. See AMPM Policy 1010. The Contractor shall develop a plan outlining short- and long-term strategies for improving care coordination using the physical and behavioral health care data available for members with behavioral health needs. In addition, the Contractor shall develop an outcome measurement plan to track the progress of the strategies. The plan outlining the strategies for improving care coordination and the outcome measurement must be reported in the annual MM Plan, Evaluation, and Work Plan. The MM Plan and Work Plan shall

be submitted for review as specified in Section F, Attachment F3, Contractor Chart of Deliverables.

The Contractor shall submit a list of HIV Providers utilized by the Contractor as specified in Section F, Attachment F3, Contractor Chart of Deliverables.

The Contractor shall implement processes to assess, plan, implement, evaluate, and as mandated, report MM monitoring activities as specified in AMPM Chapter 1000 and Section F, Attachment F3, Contractor Chart of Deliverables. The Contractor shall evaluate MM activities, as specified in the AMPM Chapter 1000, including:

1. Utilization Data Analysis and Data Management [42 CFR 438.330(b)(3)],
2. Concurrent review [42 CFR 438.208(b)(2)(i)],
3. Discharge Planning [42 CFR 438.208],
4. Prior authorization and Service Authorization [42 CFR 438.210(b)(2)],
5. Inter-rater Reliability [42 CFR 438.210(b)(2)(i)],
6. Retrospective Review [42 CFR 438.210(b)(2)(i)],
7. Clinical Practice Guidelines [42 CFR 438.236],
8. New Medical Technologies and New Uses of Existing Technologies,
9. Contractor Care Management and Coordination [42 CFR 438.208],
10. Disease/Chronic Care/Management [42 CFR 438.3(s)], and
11. Drug Utilization Review.

The Contractor shall disseminate practice guidelines to all affected providers and to members and potential members upon request [42 CFR 438.236(c)].

The Contractor shall ensure that each member has a designated individual or entity that is primarily responsible for coordinating services for the member. The Contractor shall have procedures to ensure that each member has an assigned primary care provider that provides care appropriate to the member's needs. The Contractor is required to provide the member with information on how to contact their designated individual or entity [42 CFR 438.208(b)(1)].

The Contractor shall make a best effort to conduct an initial screening of each member's needs as outlined in AMPM Policy 920 [42 CFR 438.208(b)(2)(iv)(3)]. The Contractor shall share with the State or other contracted entities serving the member, the results of any identification and assessment of the member's needs to prevent duplication of services and activities [42 CFR 438.208(b)(4)].

The Contractor shall have procedures to coordinate the services provided for members between settings of care including appropriate discharge planning for short-term and long-term hospital and institutional stays [42 CFR 438.208(b)(2)(i)].

The Contractor shall have procedures to coordinate the services provided for members between services provided by the Contractor and services received from other AHCCCS Contractors, from

FFS Medicaid, or from the community and social support providers [42 CFR 438.208(b)(2)(i)(ii),(iii),(iv)].

The Contractor shall ensure the provision of care management to assist members who may or may not have a chronic disease but have physical or behavioral health needs or risks that need immediate attention. This care coordination shall assure members get the services they need to prevent or reduce an adverse health outcome. Care management should be short term and time limited in nature and may include assistance in making and keeping needed medical and or behavioral health appointments, hospital discharge instructions, health coaching and referrals related to the members' immediate needs, PCP reconnection and offering other resources or materials related to wellness, lifestyle, and prevention.

The Contractor shall employ care managers to perform Contractor care management functions as required in AMPM Chapters 500 and 1000. Contractor care managers should have expertise in member self-management approaches, member advocacy, navigating complex systems and communicating with a wide spectrum of professional and lay persons including family members, physicians, specialists and other health care professionals. The Contractor shall coordinate care with other AHCCCS Contractors and PCPs that deliver services to Title XIX/XXI members [42 CFR 438.208(b)(3-4)].

The Contractor shall establish care coordination and Service Plan processes for members designated as having a CRS condition as specified in AMPM Policy 560.

High Need/High Cost: The Contractor shall identify, monitor and implement interventions for providing appropriate and timely care to members with high needs and/or high costs who have physical and/or behavioral health needs. The Contractor shall conduct, at a minimum, monthly interdisciplinary team meetings to review and monitor the care provided to the members and to make recommendations for clinical interventions or alternative treatments. See AMPM Policy 1020. The Contractor shall report as specified in Section F, Attachment F3, Contractor Chart of Deliverables.

Care Coordination for Survivors of Sex Trafficking: The Contractor is responsible for providing outreach to members identified by the Arizona Child Abuse Hotline assessed as survivors of sex trafficking once notification is received from the Hotline. The Contractor or its contracted provider shall outreach to the member's guardian to provide trauma-informed resources, including the description of how to access behavioral health assessment services and subsequent treatment if medically necessary. The Contractor shall ensure the results of the outreach are communicated back to the Arizona Child Abuse Hotline within 30 days of the referral, including the date of contact with the member's guardian, and a description of services referred or delivered.

Justice System Collaboration: The Contractor shall work in partnership with all AHCCCS Complete Care Contractors in its Geographic Service Area(s) to meet, agree upon, and reduce to writing, collaborative protocols with each County, District, or Regional Office of: Administrative

Office of the Courts, Juvenile Probation and Adult Probation, Arizona Department of Corrections and Arizona Department of Juvenile Corrections, and the Veteran's Administration.

The Contractor shall utilize current existing collaborative protocols as a foundation in developing its protocols. Collaborative protocols shall address at a minimum, the following:

1. Procedures for each entity to coordinate the delivery of covered services to members served by both entities,
2. Mechanisms for resolving problems,
3. Information sharing,
4. Resources each entity commits for the care and support of members mutually served,
5. Procedures to identify and address joint training needs, and
6. Where applicable, procedures to have providers co-located at juvenile detention centers or other agency locations as directed by AHCCCS.

In the collaborative protocol with the Administrative Office of the Courts, Juvenile Probation and Adult Probation, the Contractor shall address strategies for the Contractor to optimize the use of services in connection with Mental Health Courts and Drug Courts.

In addition to the above, the Contractor shall meet, agree upon, and reduce to writing Memorandums of Understanding (MOUs) specific to the following correctional entities:

1. Arizona Administrative Office of the Courts for Juvenile and Adult Probation,
2. The Arizona Department of Corrections for Juvenile and Adults, and
3. The county jails.

At a minimum, the MOUs shall include the following Contractor care coordination requirements:

1. Partner with the justice system to communicate timely data necessary for coordination of care in conformance with all applicable administrative orders, 42 CFR Part 2, and Health Insurance Portability and Accountability Act (HIPAA) requirements that permit the sharing of written, verbal and electronic information,
2. Establish and maintain coordination of care processes as outlined in AMPM Policy 1020 and 1050, and
3. Utilize data sharing agreements and administrative orders that permit the sharing of written, verbal and electronic information at the time of admission into the facility and at the time of discharge.

To the extent permitted by State and federal laws regarding privacy and confidentiality, the data may be shared without the permission of the member if the medications are used to treat substance use disorders and data may consist of:

1. Individual's Name (FN, MI, LN),
2. DOB,
3. AHCCCS ID,

4. Social Security Number,
5. Gender,
6. Court Ordered Treatment (COT) status,
7. Public Fiduciary/Guardianship status,
8. Assigned Behavioral Health Provider Agency,
9. Assigned Behavioral Health Provider's Phone Number,
10. Name of AHCCCS Complete Care Contractor
11. Primary Care Provider's Name,
12. Primary Care Provider's Phone Number,
13. Diagnoses (Medical and Psychiatric), and
14. Medications.

The Contractor shall:

1. Offer customized training that is designed to strengthen staff's ability to effectively work with individuals in the correctional facility,
2. Share information that assists the clinical team in developing treatment plans that incorporate community release conditions, as appropriate, and
3. Develop policies and procedures that identify specific time frames to have the team (i.e. Correctional Facility, the Contractor, Provider and Jail Coordinator) convene to discuss services and resources needed for the individual to safely transition into the community upon release as it relates to the requirements in the *Criminal Justice System Reach-in Care Coordination* section of this Paragraph.

The Contractor shall submit all written protocols and MOUs as specified in Section F, Attachment F3, Contractor Chart of Deliverables and review and update on an annual basis as needed. Written protocols and MOUs shall be submitted to AHCCCS upon request.

Justice System Reach-in Care Coordination: To facilitate the transition of members transitioning out of jails and prisons into communities, AHCCCS is engaged in a data exchange process that allows AHCCCS to suspend eligibility upon incarceration, rather than terminate coverage. Upon the member's release, the member's AHCCCS eligibility is un-suspended allowing for immediate care coordination activities. To support this initiative the Contractor is required to participate in criminal justice system "reach-in" care coordination efforts.

The Contractor shall conduct reach-in care coordination for members who have been incarcerated in the adult correctional system for 30 days or longer, and have an anticipated release date. Reach-in care coordination activities shall begin upon knowledge of a member's anticipated release date. The Contractor shall collaborate with criminal justice partners (e.g. Jails, Sherriff's Office, Correctional Health Services, Arizona Department of Corrections, including Community Supervision, Probation, Courts), to identify justice-involved members in the adult criminal justice system with physical and/or behavioral health chronic and/or complex care needs prior to member's release. In addition to members identified as having a chronic and/or complex care need, the Contractor shall conduct reach-in care coordination for members in the adult correctional system who have a substance use disorder and/or meet medical necessity criteria to receive Medical Assisted Treatment (MAT).

The Contractor shall report the Reach-In Plan to AHCCCS, as described below, in the annual Medical Management Plan and report outcome summaries in the Medical Management Evaluation, as specified in Section F, Attachment F3, Contractor Chart of Deliverables. The Contractor shall monitor progress throughout the year and submit quarterly reporting to AHCCCS, as specified in Section F, Attachment F3, Contractor Chart of Deliverables, of the number of members involved in reach-in activities. In addition, AHCCCS may run performance metrics such as emergency room utilization, inpatient utilization, reduction in recidivism and other access to care measures for the population to monitor care coordination activities and effectiveness. Administrative and Contractor care coordination requirements are outlined in AMPM Policy 1020.

The Contractor shall notify AHCCCS upon becoming aware that a member may be an inmate of a public institution when the member's enrollment has not been suspended, and will receive a file from AHCCCS as specified in Section D, Paragraph 51, Capitation Adjustment.

In addition to the care coordination requirements, Contractors shall also utilize the *renewal date information provided by AHCCCS* to identify incarcerated members that may have missed their eligibility redetermination date while incarcerated causing a discontinuance of benefits and provide assistance with reapplication for AHCCCS Medical Assistance upon release.

Collaboration with Tribal Nations and Providers: The Contractor shall consult with each Tribal Nation within the Contractor's assigned Geographic Service Area(s) (GSAs) to ensure availability of appropriate and accessible services. The Contractor shall designate a Tribal Coordinator to interface with Tribal Nations and providers. See also Section D, Paragraph 15, Staffing Requirements. The Contractor shall coordinate service delivery for members receiving services at Indian Health Services (IHS) or 638 Tribal Facilities. The Contractor shall collaborate with Contractors in its GSA(s) to facilitate, at least semi-annually, meetings/forums with the IHS and 638 Tribal Facilities that serve American Indian members.

The Contractor's Tribal Coordinator shall:

1. Develop collaborative relationships with IHS, Tribes, Tribal Organizations, Urban Indian Organizations (I/T/U) serving tribes in its assigned GSA(s), for the purposes of care coordination, which shall include meetings and member data sharing,
2. Facilitate coordination of care to include face to face meeting with children in residential facilities located off tribal lands, ensuring the child has communication with the tribal community,
3. Communicate and collaborate with the tribal, county and state service delivery and legal systems and with the IHS and 638 Tribal Facilities to coordinate the involuntary commitment process for American Indian members,
4. Collaborate with the Tribes located within its assigned GSA(s) to provide mobile behavioral health and physical health services,
5. Collaborate with AHCCCS and IHS and 638 Tribal Facilities in order to improve communication through the utilization of health information exchange in order to improve coordination of care and health outcomes for American Indian members,

6. Attend and participate in all Tribal Consultation Meetings and collaborate with AHCCCS to implement changes recommended by the AHCCCS Tribal Consultation meetings,
7. On an as requested basis, the Contractor shall make education and training courses available to licensed and unlicensed physical and behavioral health personnel working on tribal lands,
8. Assist in developing and providing in-service trainings for Indian health facilities, Indian Health Service, Tribally operated facility/program, and Urban Indian Health Program clinic (I/T/U) on utilization of services and behavioral health resources available to American Indian Communities located within the assigned GSAs, and
9. Assist with collaborating with tribes to build and/or utilize existing technological infrastructure, so that both telemedicine and telepsychiatry can occur on tribal lands which may include partnership with University of Arizona, Northern Arizona University, Arizona State University or other educational entities with community investment dollars that provide telemedicine.

The Contractor shall submit a Tribal Coordinator Report, as specified in Section F, Attachment F3, Contractor Chart of Deliverables, summarizing the activities, services, programs and coordination of care for American Indian members. The report shall include identified trends related to American Indian members, including but not limited to quality of care, access, timeliness, and availability of services. The report shall outline the Contractor's efforts to develop, maintain, and monitor activities for the American Indian population that includes, at a minimum, the following:

1. The number of American Indian members enrolled with the Contractor and the number of American Indian members who are actively receiving care/treatment services,
2. Status and actions taken to establish tribal MOU's within its assigned GSA(s),
3. A description of how the Contractor is consulting with tribal leaders in a meaningful way,
4. Description of training provided for Contractor staff related to the American Indian delivery system, including but not limited to tribal sovereignty, unique issues surrounding court ordered evaluation and court ordered treatment (COE/COT), assistance provided to tribes its assigned GSA(s), COE/COT processes,
5. An outline of the interaction process utilized by the Contractor to keep the Tribal Coordinator updated on Contractor issues/concerns. Include the reporting structure of the RBHA and reporting line for the Tribal Coordinator as well as how physical and behavioral health service delivery is organized for tribal members,
6. An explanation of how the Contractor leadership supports the Tribal Coordinator,
7. Describe staff roles that support the Tribal Coordinator and their interaction with tribes in its assigned GSA(s),
8. Collaboration for the involuntary commitment process, and the COE/COT processes for American Indian members,
9. Care Coordination activities and collaboration for physical and behavioral health including:
 - a. Status of facilitation for coordination of care,
 - b. Address face to face meetings with children in facilities located off tribal lands, ensuring the child has communication with the tribal community,
 - c. Continuity of Care from tribal court to discharge,

- d. Use of blind spot data for care coordination efforts, and
 - e. Active engagement of IHS/638 facilities for participation in care coordination efforts, and
10. Discuss the support and function provided for IHS and 638 Tribal facilities. Identify facilities in the Contractor's assigned GSA(s) and what physical and behavioral health services are provided. Discuss how gaps are identified. Identify what gaps have been identified and how the Contractor will mitigate these gaps,
 11. Training provided on best practices and general clinical requirements,
 12. Provide a list of training engagements offered/provided to these facilities,
 13. Collaboration with tribes on building technological infrastructure for telemedicine and telepsychiatry, and
 14. Successes and barriers associated with physical and behavioral health service delivery to the American Indian population.

Outreach: The Contractor shall provide and participate in outreach activities to inform the public of the benefits and availability of behavioral health services and how to access those services as outlined in AMPM Policy 1040. The Contractor shall provide outreach and dissemination of information to the general public and other human service providers, including but not limited to, county and State governments, school administrators, first responders, teachers, those providing services for military veterans and other interested parties about the availability and accessibility of services, and coordinate with AHCCCS in promoting its outreach initiatives.

Outreach to Service Members, Veterans and Families: The Contractor shall partner with community organizations which provide care and support for service members, veterans and families. Utilizing a collaborative approach, the Contractor shall identify members who may benefit from outreach regarding available programs and services and shall develop and implement outreach activities which inform members and families of the benefits available and how to access those services. The Contractor shall train staff on the available community resources and appropriate actions to take to ensure members are afforded the ability to be connected to these resources. The Contractor shall report its activities regarding these services in the annual MM Plan, Evaluation, and Work Plan, as specified in Section F, Attachment F3, Contractor Chart of Deliverables.

Monitoring Controlled and Non-Controlled Medication Utilization: The Contractor shall engage in activities to monitor controlled and non-controlled medication use as outlined in AMPM Policy 310-FF to ensure members receive clinically appropriate prescriptions. The Contractor is required to report to AHCCCS, as specified in Section F, Attachment F3, Contractor Chart of Deliverables, a Pharmacy and/or Prescriber - Member Assignment report which includes the number of members which on the date of the report are restricted to using a specific Pharmacy or Prescriber/Providers due to excessive use of prescriptive medications (narcotics and non-narcotics). The Contractor is also required to report to AHCCCS as specified in Section F, Attachment F3, Contractor Chart of Deliverables when the Contractor changes and implements additional interventions and more restrictive parameters as outlined in AMPM Policy 310-FF.

Inappropriate Emergency Department Utilization: The Contractor shall identify and track members who utilize Emergency Department (ED) services inappropriately four or more times within a six month period. Interventions shall be implemented to educate the member on the appropriate use of the ED and divert members to the right care in the appropriate place of service. The Contractor shall submit a semi-annual report as specified in AMPM Policy 1020 and Section F, Attachment F3, Contractor Chart of Deliverables.

Monitoring Emergency Department Wait Times: The Contractor shall monitor the length of time adults and children wait to be discharged from the ED while awaiting behavioral health placement or wrap around services. Immediately upon notification that a member who needs behavioral health placement or wrap around services is in the ED the Contractor shall coordinate care with the ED and the member's treatment team to discharge the member to the most appropriate placement or wrap around services. Additionally, the Contractor shall submit the Adult and Child ED Wait Times Report utilizing the standardized AHCCCS reporting template as required in Section F, Attachment F3, Contractor Chart of Deliverables.

24. TELEPHONE PERFORMANCE STANDARDS

The Contractor shall meet and maintain established telephone performance standards to ensure member and provider satisfaction as specified in ACOM Policy 435. The Contractor shall report on compliance with these standards as specified in Section F, Attachment F3, Contractor Chart of Deliverables and ACOM Policy 435. All reported data is subject to validation through periodic audits and/or Operational Reviews.

25. GRIEVANCE AND APPEAL SYSTEM

The Contractor shall have in place a written Grievance and Appeal System process for members, subcontractors, and providers, which defines their rights regarding disputed matters with the Contractor [42 CFR 438.402(a) and 42 CFR 438.228(a)]. The Contractor's Grievance and Appeal System for members includes a grievance process (the procedures for addressing member grievances), an appeals process, and access to the State's fair hearing process as outlined in Section F, Attachment F1, Member Grievance and Appeal System Standards.

The Contractor's dispute process for subcontractors and non-contracted providers includes a claim dispute process and access to the State's fair hearing process as outlined in Section F, Attachment F2, Provider Claim Dispute Standards. The Contractor shall remain responsible for compliance with all requirements set forth in Section F, Attachment F1, Member Grievance and Appeal System Standards, Section F, Attachment F2, Provider Claim Dispute Standards, and 42 CFR Part 438 Subpart F.

Information to members must meet cultural competency and Limited English Proficiency requirements as specified in Section D, Paragraph 17, Member Information and Section D, Paragraph 19, Cultural Competency.

The Contractor shall provide the appropriate professional, paraprofessional and clerical personnel for the representation of the Contractor in all issues relating to the Grievance and Appeal System and any other matters arising under this Contract which rise to the level of administrative hearing or a judicial proceeding. Unless there is an agreement with the State in advance, the Contractor shall be responsible for all attorney fees and costs awarded to the claimant in a judicial proceeding.

The Contractor may delegate the Grievance and Appeal System process to Administrative Services Subcontractors; however, the Contractor shall ensure that the delegated entity complies with applicable Federal and State laws, regulations and policies, including, but not limited to 42 CFR Part 438 Subpart F. The Contractor shall remain responsible for compliance with all requirements. However, the Contractor is not permitted to delegate the Grievance and Appeal System requirements to its providers.

The Contractor shall also ensure that it timely provides written information, to both members and providers, which clearly explains the Grievance and Appeal System requirements. This information must include a description of:

1. The right to a State fair hearing, the method for obtaining a State fair hearing,
2. The rules that govern representation at the hearing,
3. The right to file grievances, appeals and claim disputes,
4. The requirements and timeframes for filing grievances, appeals and claim disputes,
5. The availability of assistance in the filing process,
6. The toll-free numbers that the member can use to file a grievance or appeal by phone,
7. That benefits will continue when requested by the member in an appeal or State fair hearing request concerning certain actions which are timely filed,
8. That the member may be required to pay the cost of services furnished during the appeal/hearing process if the final decision is adverse to the member, and
9. That a provider may file an appeal on behalf of a member with the member's written consent.

The Contractor shall provide reports on the Grievance and Appeal System as required in the AHCCCS Grievance and Appeal System Reporting Guide and Section F, Attachment F3, Contractor Chart of Deliverables.

26. NETWORK DEVELOPMENT

The Contractor shall develop, maintain, and monitor a comprehensive provider network that is diverse and supports the needs of AHCCCS members. The Contractor shall develop, maintain and monitor a provider network that is supported by written agreements and which is sufficient to provide all covered services to AHCCCS members, including those with Limited English Proficiency or physical or cognitive disabilities [42 CFR 438.206(b)(1)]. The Contractor shall ensure covered services are reasonably accessible in terms of location and hours of operation. The Contractor must provide a comprehensive provider network that ensures its membership has access at least equal to community norms.

Regardless of the setting, the Contractor shall develop and implement organizational structures and procedures that promote collaboration and consultation among multi-specialty treatment team members and community providers.

The Contractor's network shall include:

1. Community-based providers including physicians, preventive, primary care, family planning, dental, behavioral health (including adult and child psychiatrists), laboratory, x-ray, therapy services, and other specialty providers through a network of community-based providers in accordance with network standards and which maximize member choice and ensure timely access to covered services [42 CFR 438.206(b)(7)],
2. Innovative service delivery mechanisms such as field clinics and virtual clinics that incorporate the use of telemedicine, teleconferencing among providers, and an Integrated Medical Record to provide multi-specialty, interdisciplinary care when needed in other areas of the State, and
3. Community-based, family support providers in urban, suburban and rural areas of the State.

There shall be sufficient providers for the provision of all covered services, including emergency medical care on a 24-hour-a-day, seven-days-a-week basis [42 CFR 438.206(c)(1)(iii)]. The development of home and community based services shall include provisions for the availability of services on a seven-day-a-week basis and for extended hours, as dictated by member needs [42 CFR 438.206(b)(1) and 42 CFR 438.206(c)(1)(i)(ii)(iii)]. The Contractor is required to have available non-emergent after-hours physician or primary care services within its network.

If there are at least three Treat and Refer providers registered with AHCCCS in any/all areas served by the Contractor, the Contractor is required to enter into a contract with at least one provider.

The Contractor is expected to develop a provider network that supports the provision of covered behavioral health services. The Contractor may not subcontract for or delegate to another entity for the delivery of behavioral health services. The Contractor shall use processes, strategies, evidentiary standards, or other factors in determining access to out-of-network providers for behavioral health or substance use disorder benefits that are comparable to, and applied no more stringently than, the processes, strategies, evidentiary standards, or other factors in determining access to out-of-network providers for medical/surgical benefits in the same classification [42 CFR 438.910(d)(3)].

In order to support access to behavioral health services, and to ensure the continuity and transition of member care, the Contractor is strongly encouraged to contract with behavioral health providers who have been participating in the following Access to Care initiatives:

1. Services for children including children in Department of Child Safety (DCS) custody and those diagnosed with Autism Spectrum Disorder (ASD),
2. Arizona Opioid State Targeted Response,
3. Substance Use Disorder (SUD), and
4. First Episode Psychosis.

The Contractor is further encouraged to designate appropriate staff within Member Advocacy and/or Care Management Units who will be responsible for identifying and tracking transitioning members who are participating in these initiatives in order to minimize any potential gaps in care.

The Contractor is expected to design a network that provides a geographically convenient flow of members among network providers to maximize member choice. The Contractor shall allow each member to choose his or her network provider to the extent possible and appropriate [42 CFR 438.3(l)]. Services shall be accessible to members in terms of timeliness, amount, duration and scope as those are available to beneficiaries under Fee-For-Service Medicaid [42 CFR 438.210(a)(2)]. The Contractor shall ensure its provider network provides physical access, accessible equipment, reasonable accommodations, culturally competent communications for all members including those with physical or cognitive disabilities [42 CFR 438.206(c)(3)]. The Contractor shall meet network standards as specified in ACOM Policy 436. The Contractor may request an exception to these network standards; it shall submit such a request for AHCCCS approval as specified in ACOM Policy 436 and Section F, Attachment F3, Contractor Chart of Deliverables.

The provider network shall be designed to reflect the needs and service requirements of AHCCCS' culturally and linguistically diverse member population. The Contractor shall design its provider networks to maximize the availability of community based primary care and specialty care access, including specialists that treat individuals with qualifying medical conditions under A.A.C. R9-22-1303, to ensure a reduction in: utilization of emergency services, one day hospital admissions, hospital based outpatient surgeries (when lower cost surgery centers are available), and hospitalization for preventable medical problems.

The Contractor's network of behavioral health providers shall include, at a minimum the following:

1. Locally established, Arizona-based, independent Peer-Run and Family-Run Organizations. The Contractor shall provide technical assistance and support to Peer-Run and Family-Run Organizations as necessary, and
2. Master's and doctoral level trained clinicians in the fields of social work, marriage and family therapy, counseling, psychology, and substance abuse counseling providers who deliver services to children, adolescents and adults with developmental or cognitive disabilities, members with trauma-related disorders, sexual offenders, sexual abuse victims, individuals in need of dialectical behavior therapy, transition aged youth ages 18 through 20 and infants and toddlers under the age of five years [42 CFR 438.214(c)].

The Contractor shall develop incentive plans to recruit and retain locally-based Behavioral Health Professionals and Behavioral Health Medical Professionals.

To ensure early intervention for newly enrolled members and to minimize disruption and facilitate continuity of services to existing members receiving services at the Human Services Campus in downtown Phoenix, Contractors in the Central GSA are expected to contract with all appropriate service providers for services delivered at the Campus in downtown Phoenix. If the Contractor fails to negotiate a contract, the Contractor shall allow members to access services

from the non-contracted providers on the Campus, and reimburse providers for services at the Campus at the AHCCCS fee for service rate.

The Contractor shall ensure that all behavioral health services provided are medically necessary as determined by a licensed behavioral health professional.

The Contractor shall not discriminate with respect to participation in the AHCCCS program, reimbursement or indemnification against any provider based solely on the provider's type of licensure or certification [42 CFR 438.12(a)(1)(2)]. In addition, the Contractor must not discriminate against particular providers that service high-risk populations or specialize in conditions that require costly treatment [42 CFR 438.214(c)]. This provision, however, does not prohibit the Contractor from limiting provider participation to the extent necessary to meet the needs of the Contractor's members. This provision also does not interfere with measures established by the Contractor that are designed to maintain quality of services and control costs and are consistent with its responsibilities under this Contract nor does it preclude the Contractor from using different reimbursement amounts for different specialists or for different practitioners in the same specialty [42 CFR 438.12(b)(1-3)]. If a Contractor declines to include individuals or groups of providers in its network, it must give the affected providers timely written notice of the reason for its decision [42 CFR 438.12(a)(1)]. The Contractor may not employ or contract with providers who are excluded from participation in Federal healthcare programs, under either Section 1128 or Section 1128A of the Social Security Act [42 CFR 438.214(d)].

Multi-Specialty Interdisciplinary Clinics (MSICs): For members with special health care needs, including members with CRS conditions who could benefit from a multi-disciplinary approach, covered services shall be delivered through a combination of established Multi-Specialty Interdisciplinary Clinics (MSICs), Field Clinics, Virtual Clinics, and in community settings. The Contractor is expected to contract with all MSICs in the awarded GSA(s) as well as any MSICs which have provided services to the Contractor's members.

In the event the Contractor and an MSIC fail to negotiate a contract, the Contractor must continue to allow members to utilize the MSIC. In the absence of a contract, the Contractor shall reimburse the MSIC at the AHCCCS MSIC fee schedule.

With regard to procedure code T1015 and its application in the MSIC, the MCO shall not make payments for T1015 unless:

1. It is billed by an MSIC, and
2. For a CRS or former CRS member, and
3. On a Form 1500 along with other procedure codes performed during the same visit.

The use of procedure code T1015 and its application to FQHCs/RHCs remains unchanged.

If the Contractor fails to negotiate contracts with all currently established MSICs in each of the Contractor's awarded GSA(s), the Contractor shall establish contracts for multispecialty

interdisciplinary care provided at one location by a variety of providers. At a minimum, access to the following providers at each multispecialty interdisciplinary care site must be available:

1. Physicians,
2. Nurse Practitioners,
3. Physician Assistants,
4. Licensed Behavioral Health Professionals, and
5. Rehabilitation providers.

The Contractor shall take appropriate steps to include the availability of the following specialty providers at the single location:

1. Cardiologist,
2. Dentist,
3. Social Worker,
4. Nutritionist,
5. Psychiatrist,
6. Otolaryngologists,
7. Gastroenterologist,
8. Neurologist,
9. Ophthalmologist,
10. Surgeon,
11. Orthopedist,
12. Plastic surgeon,
13. Urologist, and
14. Audiologist.

In the event the Contractor and an MSIC fail to negotiate a contract, the Contractor shall submit a description outlining the alternative delivery model, including proposed multispecialty interdisciplinary care providers, to AHCCCS for review and approval as specified in ACOM Policy 436 and Section F, Attachment F3, Contractor Chart of Deliverables.

In addition to the clinic settings described above, the Contractor shall also ensure a network of community based providers to include primary care, dental, and other specialty providers throughout the awarded GSA(s). Members shall not be restricted from receiving services from these community based providers.

The Contractor shall establish a process to ensure coordination of care for members that includes allowing members with a CRS designation turning 21 the choice to continue being served by an MSIC that is able to provide services and coordinate care for adults with special healthcare needs.

Arizona Early Intervention Program: The Contractor shall comply with the requirements of the Arizona Early Intervention Program (AzEIP). The AzEIP is implemented through the coordinated activities of the ADES, ADHS, Arizona State Schools for the Deaf and Blind (ASDB), AHCCCS, and

ADE. The AzEIP Program is governed by the Individuals with Disabilities Act (IDEA), Part C (P.L.105-17). AzEIP, through Federal regulation, is stipulated as the payor of last resort to Medicaid, and is prohibited from supplanting another entitlement program, including Medicaid. The Contractor must pay all AHCCCS registered Arizona Early Intervention Program (AzEIP) providers, regardless of their Contract status with the Contractor, when service plans identify and meet the requirement for medically necessary EPSDT covered services. Refer to AMPM Policy 430. AHCCCS has developed an AzEIP Speech Therapy Fee Schedule and rates incorporating one procedure code, along with related modifiers, settings, and group sizes. The Contractor shall utilize this methodology and these rates for payment for the speech therapy procedure when provided to an AHCCCS member who is a child identified in the AHCCCS system as an AzEIP recipient.

Centers of Excellence: The Contractor shall contract with Centers of Excellence which implement evidence based practices and track outcomes for members with special healthcare needs. See Section D, Paragraph 11, Behavioral Health Service Delivery and Section D, Paragraph 72, Value-Based Purchasing.

Targeted Investment Providers: The Contractor is required to contract with eligible TI providers and locations specifically serving adults transitioning from the criminal justice system participating in the TI program. See Paragraph 50, Compensation.

Network Development and Management Plan: The Contractor shall develop and maintain a Network Development and Management Plan (NDMP) to demonstrate that it maintains a network of providers that is sufficient in number, mix, and geographic distribution to meet the needs of the anticipated number of members in the service area and which ensures the provision of covered services [42 CFR 438.207(b)(1) and 42 CFR 438.207(b)(2)]. The submission of the NDMP to AHCCCS is an assurance of the adequacy and sufficiency of the Contractor's provider network. The NDMP Plan shall be evaluated, updated annually and submitted to AHCCCS as specified in Section F, Attachment F3, Contractor Chart of Deliverables. The NDMP must include the requirements outlined in ACOM Policy 415.

The Contractor shall continually assess network sufficiency and capacity using multiple data sources to monitor appointment standards, member grievances, appeals, quality data, quality improvement data, utilization of services, member satisfaction surveys, and demographic data requirements. The Contractor shall also develop non-financial incentive programs to increase participation in its provider network when feasible [42 CFR 438.604(a)(5), 42 CFR 438.606, 42 CFR 438.207(b)(c), 42 CFR 438.206].

The Contractor shall maintain a sufficient network in accordance with the requirements specified in ACOM Policy 436 and 42 CFR 438.68 (b) [42 CFR 438.206(c)(1), 42 CFR 438.207(a), 42 CFR 438.207(c)]. In the event a Contractor is not able to meet set network standards, AHCCCS may review requested exceptions based upon a number of factors, including but not limited to, availability of out of network providers and geographic limitations of the service area [42 CFR 438.68(d)(1)].

AHCCCS may impose Administrative Actions for material deficiencies in the Contractor's provider network.

The Contractor shall ensure that all behavioral health services provided are medically necessary as determined by a licensed behavioral health professional. The Contractor's network shall include Master's and doctoral level trained clinicians in the fields of social work, counseling, marriage and family therapy, psychology and substance abuse counseling, who are trained in implementation of best practices for medically and behaviorally complex conditions such as intellectual/cognitive disabilities, trauma-related disorders, substance use disorders, sexual disorders, and special age groups such as transition age youth and members aged birth to five years old.

Graduate Medical Education (GME) Residency Training Programs: AHCCCS is committed to workforce development and support of the medical residency and dental student training programs in the State of Arizona. AHCCCS expects the Contractor to support these efforts. AHCCCS encourages plans to Contract with or otherwise support the many Graduate Medical Education (GME) Residency Training Programs currently operating in the State and to investigate opportunities for resident participation in Contractor medical management and committee activities. In the event of a Contract termination between the Contractor and a GME Residency Training Program or training site, the Contractor may not remove members from that program in such a manner so as to harm the stability of the program. AHCCCS reserves the right to determine what constitutes risk to the program. Further, the Contractor must attempt to contract with graduating residents and providers that are opening new practices in, or relocating to, Arizona, especially in rural or underserved areas.

Telehealth and Telemedicine: The Contractor shall promote the use of telemedicine to support an adequate provider network. Telemedicine shall not replace provider choice and/or member preference for physical delivery of services. The Contractor shall be responsible for the oversight, administration and implementation of telemedicine services and use of telehealth/telemonitoring in compliance with State and federal laws and the requirements of this Contract and all incorporated references. The Contractor shall ensure that telemedicine is available and utilized, when appropriate, to ensure geographic accessibility of services to members. The Contractor shall be responsible for developing and expanding the use and availability of telemedicine services, when indicated and appropriate. Telemedicine should include the delivery of diagnostic, consultation and treatment services that occur in the physical presence of the member on a real time basis through interactive audio, video and data communications, as well as the transfer of medical data on a store and forward basis for consultation. See AMPM Policy 320-I.

Homeless Clinics: Contractors in Maricopa and Pima County must Contract with homeless clinics at the AHCCCS Fee-For-Service rate for Primary Care services. Contracts must stipulate the following:

1. Only those members who request a homeless clinic as a PCP may be assigned to them, and
2. Members assigned to a homeless clinic may be referred out-of-network for needed specialty services.

The Contractor must make resources available to assist homeless clinics with administrative issues such as obtaining prior authorization, and resolving claims issues.

Workforce Development: The Contractor shall maintain a provider network that consists of a sufficient number of qualified workers who serve members in the most interpersonally, clinically, culturally, and technically capable manner possible.

In the AHCCCS system acquiring, developing, deploying, and managing a qualified and capable workforce is the role of the provider. The broader Workforce Development (WFD) functions such as workforce analysis, forecasting, planning, developing, and ensuring that providers effectively manage human capital and the human capital development processes and resources, is the responsibility of the Contractor.

Working in collaboration with AHCCCS, providers and various stakeholders, the Contractor facilitates the deployment of a qualified and capable workforce. The Contractor shall maintain the capacity to collect workforce data, analyze workforce trends, plan strategize and mobilize the human, educational and community resources needed to both attract and prepare qualified workers to deliver contracted services. The Contractor shall assist providers to enhance their WFD programs by providing both direct and indirect technical assistance on an as needed or requested basis.

In accordance with ACOM Policy 407 the Contractor shall:

1. Name a Workforce Development Professional,
2. Produce an annual Workforce Development Plan,
3. Ensure Provider Compliance with Competency and Training Requirements,
4. Provide Technical Assistance to Providers on WFD,
5. Collect, Analyze and Report Data about the Workforce,
6. Participate in routine and ad hoc WFD meetings with the AHCCCS Administrator of Healthcare Workforce Development, and
7. Produce an annual Progress Report of the WFD Plan.

Court Ordered Evaluation Providers: The Contractor is expected to seek contracts with providers offering Court Ordered Evaluation (COE) services in its awarded GSAs in order to ensure timely follow up and care coordination for its members.

Learning Management System (LMS) Contract: AHCCCS intends to minimize the disruption to the workforce development efforts of the behavioral health provider network while continuing to increase the administrative efficiencies made possible by a single LMS system including transferability of employee testing records from one employer to another. The Contractor shall work collaboratively with the Arizona Association of Health Plans (AzAHP) to identify a single LMS vendor to be utilized by all Contractors for the administration, documentation, tracking, reporting and delivery of educational courses and training program.

The Contractor shall submit deliverables related to WFD as specified in Section F, Attachment F3, Contractor Chart of Deliverables.

27. PROVIDER AFFILIATION TRANSMISSION

The Contractor must submit information regarding its entire contracted provider network in the format described in the AHCCCS Provider Affiliation Transmission (PAT) User Manual which can be found on the AHCCCS website.

The Contractor shall also validate its compliance with minimum network requirements against the network information provided in the PAT through the submission of a completed Minimum Network Requirements Verification Template per ACOM Policy 436, Attachment A. The PAT and the Minimum Network Requirements Verification Template shall be submitted as specified in Section F, Attachment F3, Contractor Chart of Deliverables.

28. NETWORK MANAGEMENT

The Contractor shall have written policies and procedures on how the Contractor will [42 CFR 438.12(a)(2), 42 CFR 438.214(a)]:

1. Communicate with the network regarding contractual and/or program changes and requirements,
2. Monitor network compliance with policies and rules of AHCCCS and the Contractor, including compliance with all policies and procedures related to Grievance and Appeal System and ensuring the member's care is not compromised during grievance and appeal processes,
3. Evaluate the quality of services delivered by the network,
4. Provide or arrange for medically necessary covered services should the network become temporarily insufficient within the contracted service area,
5. Monitor the adequacy, accessibility and availability of its provider network to meet the needs of its members, including the provision of care to members with limited proficiency in English,
6. Process provisional credentials,
7. Recruit, select, credential, re-credential and contract with providers in a manner that incorporates quality management, utilization, office audits and provider profiling,
8. Provide training for its providers and maintain records of such training,
9. Track and trend provider inquiries/complaints/requests for information and take systemic action as necessary and appropriate, and
10. Ensure provider calls are acknowledged within three business days of receipt, resolved and the result communicated to the provider within 30 business days of receipt (this includes referrals from AHCCCS).

Contractor policies are subject to approval by AHCCCS//DHCM, and are monitored through Operational Reviews.

The Contractor shall monitor providers to demonstrate compliance with all network requirements in this Contract.

Provider Forums: The Contractor shall hold a provider forum no less than semi-annually. The forum must be chaired by the Contractor's Administrator/CEO or designee. The purpose of the forum is to improve communication between the Contractor and its providers. The forum shall be open to all providers including dental providers. The Provider Forum shall not be the only venue available to providers to communicate and participate in issues affecting the provider network. Provider Forum meeting agendas and minutes must be made available to AHCCCS upon request. The Contractor shall report information discussed during these forums to executive management within the organization.

In addition to the provider forum, the Contractor shall coordinate a meeting with a broad spectrum of behavioral health providers to gather input; discuss issues; identify challenges and barriers; problem-solve; share information and strategize ways to improve or strengthen the health care service delivery. These meetings shall occur no less than quarterly in the first year of the Contract and semi-annually thereafter.

Material Change to Provider Network: The Contractor is responsible for evaluating all provider network changes, including unexpected or significant changes, and determining whether those changes are material changes to the Contractor's provider network. These changes could include, but would be limited to, changes in services, covered benefits, geographic service areas, composition of or payments to its provider network, or eligibility of a new population. All material changes to the provider network must be approved in advance by AHCCCS. The Contractor must submit the request for approval and as needed, an assurance when the material change in provider network or operations would affect adequate capacity and services, as outlined in ACOM Policy 439 and Section F, Attachment F3, Contractor Chart of Deliverables [42 CFR 438.604(a)(5), 42 CFR 438.606, 42 CFR 438.207(b)(c), 42 CFR 438.206]

See Section D, Paragraph 42, regarding material changes by the Contractor that may impact business operations.

See Section D, Paragraph 50, regarding material changes by the Contractor that may impact capitation rates.

The Contractor shall give hospitals and provider groups 90 days' notice prior to a contract termination without cause. Contracts between the Contractor and single practitioners are exempt from this requirement.

Provider/Network Changes Report: The Contractor must submit a Quarterly Provider/Network Changes Due to Rates Report as described in ACOM Policy 415 and Section F, Attachment F3, Contractor Chart of Deliverables.

29. PRIMARY CARE PROVIDER STANDARDS

The Contractor shall include in its provider network a sufficient number of Primary Care Providers (PCPs) to meet the requirements of this Contract [42 CFR 438.206(b)(2)].

The Contractor shall assess the PCP's ability to meet AHCCCS appointment availability and other standards when determining the appropriate number of its members to be assigned to the PCP. The Contractor shall adjust the size of a PCP's panel, as needed, for the PCP to meet AHCCCS appointment and clinical performance standards. AHCCCS shall inform the Contractor when a PCP has a panel of more than 1800 AHCCCS members (i.e. 1800 report), to assist in the assessment of the size of their panel. This information will be provided on a quarterly basis.

The Contractor shall have a system in place to monitor and ensure that each member is assigned to an individual PCP who serves as a coordinator in referring the member for specialty medical services and that the Contractor's data regarding PCP assignments is current. The Contractor is encouraged to develop a methodology to assign members to those providers participating in value-based purchasing initiatives who have demonstrated high value services or improved outcomes. The Contractor is encouraged to assign members with complex medical conditions, who are age 12 and younger, to board certified pediatricians. PCPs with assigned members diagnosed with AIDS or as HIV positive shall meet criteria and standards set forth in the AMPM. The Contractor shall provide information to the member on how to contact the member's assigned PCP [42 CFR 438.208(b)(1)].

The Contractor shall ensure that providers serving EPSDT-aged members utilize AHCCCS-approved EPSDT Tracking forms and standardized developmental screening tools and are trained in the use of the tools. EPSDT-aged members shall be assigned to providers who are trained on and who use AHCCCS approved developmental screening tools.

The Contractor shall ensure that primary care services are available and accessible in the communities in which members would access routine health care services. In addition, the Contractor shall have a network of specialty providers available to provide care and services in the community in addition to those specialty and multi-disciplinary services that are available through the MSIC, thereby maximizing member choice.

The Contractor shall offer members freedom of choice within its network in selecting a PCP consistent with 42 CFR 438.6(m), 438.52(d), 438.14(b)(3) and this Contract. Any American Indian who is enrolled with the Contractor and who is eligible to receive services from a Urban Indian Health Program PCP participating as a Contractor's network provider, is permitted to choose Urban Indian Health Program as his or her primary care provider-as long as that provider has capacity to provide the services [American Reinvestment and Recovery Act (ARRA) Section 5006(d) and SMDL 10-001, 42 CFR 438.14(b)(3)].

The Contractor may restrict this choice when a member has shown an inability to form a relationship with a PCP, as evidenced by frequent changes, or when there is a medically necessary reason. When a new member has been assigned to the Contractor, the Contractor shall inform the member in writing of his enrollment and of his PCP assignment within 12 business days of the Contractor's receipt of notification of assignment by AHCCCS. See ACOM Policy 404 and ACOM Policy 406 for member information requirements.

At a minimum, the Contractor shall hold the PCP responsible for the following activities:

1. Supervising, coordinating and providing care to each assigned member (except for well woman exams and children's dental services when provided without a PCP referral),
2. Initiating referrals for medically necessary specialty care,
3. Maintaining continuity of care for each assigned member,
4. Maintaining the member's medical record, including documentation of all services provided to the member by the PCP, as well as any specialty or referral services including behavioral health,
5. Utilizing the AHCCCS approved EPSDT Tracking form,
6. Providing clinical information regarding member's health and medications to the treating provider, including behavioral health providers, within 10 business days of a request from the provider,
7. If serving children, for enrolling as a Vaccines for Children (VFC) provider, and
8. Utilizing the Arizona State Board of Pharmacy Controlled Substance Prescription Monitoring Program (CSPMP) when prescribing controlled medications.

See also requirements outlined in AMPM Policy 510.

The Contractor shall establish and implement policies and procedures to monitor PCP activities and to ensure that PCPs are adequately notified of, and receive documentation regarding, specialty and referral services provided to assigned members by specialty physicians, and other health care professionals.

30. MATERNITY CARE PROVIDER REQUIREMENTS

The Contractor shall ensure that a maternity care provider is designated for each pregnant member for the duration of her pregnancy and postpartum care and that those maternity services are provided in accordance with the AMPM. The Contractor may include in its provider network the following maternity care providers:

1. Arizona licensed allopathic and/or osteopathic physicians who are obstetricians or general practice/family practice providers who provide maternity care services,
2. Physician Assistants,
3. Nurse Practitioners,
4. Certified Nurse Midwives, and
5. Licensed Midwives.

Pregnant members may choose, or be assigned, a PCP who provides obstetrical care. Such assignment shall be consistent with the freedom of choice requirements for selecting health care professionals while ensuring that the continuity of care is not compromised. Members receiving maternity services from a certified nurse midwife or a licensed midwife must also be assigned to a PCP for other health care and medical services. A certified nurse midwife may provide primary care services that he or she is willing to provide and that the member elects to receive from the certified nurse midwife. Members receiving care from a certified nurse midwife may elect to receive some or all primary care from the assigned PCP. Licensed

midwives may not provide any additional medical services as primary care is not within their scope of practice.

All physicians and certified nurse midwives who perform deliveries shall have hospital privileges for obstetrical services. Practitioners performing deliveries in alternate settings shall have a documented hospital coverage agreement. Licensed midwives perform deliveries only in the member's home. Labor and delivery services may be provided in the member's home by physicians, nurse practitioners, and certified nurse midwives who include such services within their practice.

31. REFERRAL MANAGEMENT PROCEDURES AND STANDARDS

The Contractor shall have adequate written procedures regarding referrals to specialists, to include, at a minimum, the following:

1. Use of referral forms clearly identifying the Contractor,
2. A process in place that ensures the member's PCP receives all specialist and consulting reports and a process to ensure PCP follow-up of all referrals including EPSDT referrals for behavioral health services,
3. A referral plan for any member who is about to lose eligibility and who requests information on low-cost or no-cost health care services,
4. Requirements for referral and intake in order to ensure member access to behavioral health services. Refer to AMPM Policy 580,
5. Referral to Medicare,
6. Women shall have direct access to in-network gynecological providers, including physicians, physician assistants and nurse practitioners within the scope of their practice [42 CFR 438.206(b)(2)], and.
7. For members with special health care needs determined to need a specialized course of treatment or regular care monitoring, the Contractor must have a mechanism in place to allow such members to directly access a specialist (for example through a standing referral or an approved number of visits) as appropriate for the member's condition and identified needs.

The Contractor must allow for a second opinion from a qualified health care professional within the network, or if one is not available in network, arrange for the member to obtain one outside the network, at no cost to the member [42 CFR 438.206(b)(3)].

The Contractor shall comply with all applicable physician referral requirements and conditions defined in Sections 1903(s) and 1877 of the Social Security Act and their implementing regulations which include, but are not limited to, 42 CFR Part 411, Part 424, Part 435 and Part 455. Sections 1903(s) and 1877 of the Social Security Act prohibits physicians from making referrals for designated health services to health care entities with which the physician or a member of the physician's family has a financial relationship. Designated health services are:

1. Clinical laboratory services,

2. Physical therapy services,
3. Occupational therapy services,
4. Outpatient speech-language pathology services,
5. Radiology and certain other imaging services,
6. Radiation therapy services and supplies,
7. Medical equipment, including appliances and supplies,
8. Parenteral and enteral nutrients, equipment and supplies,
9. Prosthetics, orthotics and prosthetic devices and supplies,
10. Home health services,
11. Outpatient prescription drugs, and
12. Inpatient and outpatient hospital services.

32. APPOINTMENT STANDARDS

The Contractor shall actively monitor and track provider compliance with appointment availability standards as required in ACOM Policy 417 [42 CFR 438.206(c)(1)]. The Contractor shall ensure that providers offer a range of appointment availability, per appointment timeliness standards, for intakes, initial services, and ongoing services based upon the clinical need of the member. The exclusive use of same-day only appointment scheduling and/or open access is prohibited within the Contractor's network. The Contractor is required to conduct regular reviews of the availability of providers and report this information as specified in Section F, Attachment F3, Contractor Chart of Deliverables.

The Contractor shall ensure that populations with ongoing medical needs, including but not limited to dialysis, radiation and chemotherapy, have coordinated, reliable, medically necessary transportation to ensure members arrive on-time for regularly scheduled appointments and are picked up upon completion of the entire scheduled treatment.

For wait time in the office, the Contractor shall actively monitor and ensure that a member's waiting time for a scheduled appointment at the PCP's or specialist's office is no more than 45 minutes, except when the provider is unavailable due to an emergency.

If the Contractor's network is unable to provide medically necessary services required under Contract, the Contractor shall ensure timely and adequate coverage of these services through an out of network provider until a network provider is contracted. The Contractor shall ensure coordination with respect to authorization and payment issues in these circumstances [42 CFR 438.206(b)(4) and (5)].

For medically necessary non-emergent transportation, the Contractor shall schedule transportation so that the member arrives on time for the appointment, but no sooner than one hour before the appointment; nor have to wait more than one hour after the conclusion of the treatment for transportation home; nor be picked up prior to the completion of treatment. The Contractor must develop and implement a quarterly performance auditing protocol to evaluate compliance with the standards above for all subcontracted transportation vendors/brokers and require corrective action if standards are not met.

The Contractor must use the results of appointment standards monitoring to assure adequate appointment availability in order to reduce unnecessary emergency department utilization. The Contractor is also encouraged to contract with or employ the services of non-emergency facilities to address member non-emergency care issues occurring after regular office hours or on weekends.

The Contractor shall establish processes to monitor and reduce the appointment “no-show” rate by provider and service type. As best practices are identified, AHCCCS may require implementation by the Contractor.

The Contractor shall have written policies and procedures about educating its provider network regarding appointment time requirements. The Contractor must develop a corrective action plan when appointment standards are not met. In addition, the Contractor must develop a corrective action plan in conjunction with the provider when appropriate [42 CFR 438.206(c)(1)(iv),(v)and(vi)]. Appointment standards shall be included in the Contractor’s Provider Manual. The Contractor is encouraged to include the standards in the provider subcontracts.

33. FEDERALLY QUALIFIED HEALTH CENTERS AND RURAL HEALTH CLINICS

The Contractor is encouraged to use Federally Qualified Health Centers and Rural Health Clinics (FQHCs/RHCs) and FQHC Look-Alikes in Arizona to provide covered services. FQHCs/RHCs and FQHC Look-Alikes are paid unique, cost-based Prospective Payment System (PPS) rates for the majority of non-pharmacy ambulatory Medicaid-covered services. The PPS rate is an all-inclusive per visit rate.

To ensure compliance with the requirement of 42 USC 1396b(m)(2)(A)(ix) that the Contractor’s payments, in aggregate, will not be less than the level and amount of payment which the Contractor would make for the services if the services were furnished by a provider which is not a FQHC or RHC or FQHC Look-Alike , the Contractor shall pay the unique PPS rates to FQHCs/RHCs and FQHC Look-Alikes for PPS-eligible visits. Reimbursement of case management, behavioral health group therapy, and telehealth and telemedicine services provided by a FQHC or RHC shall be in accordance with AMPM Policy 670. For services not eligible for PPS reimbursement, the Contractor shall negotiate rates of payment with FQHCs/RHCs and FQHC Look-Alikes for non-pharmacy services that are comparable to the rates paid to providers that provide similar services. See Section D, Paragraph 50, Compensation, *Delivery System and Provider Payment Initiatives* for information related to Differential Adjusted Payments for FQHCs.

The Contractor shall be required to submit member information for members for each FQHC/RHC/FQHC Look-Alike as specified in Section F, Attachment F3, Contractor Chart of Deliverables. AHCCCS will perform periodic audits of the member information submitted. Refer to the AHCCCS Financial Reporting Guide for AHCCCS Complete Care Contractors for further guidance. The FQHCs/RHCs and FQHC Look-Alikes registered with AHCCCS are listed on the AHCCCS website.

See Section D, Paragraph 9, Scope of Services, *Prescription Medications* for information related to 340B Drug Pricing.

34. PROVIDER MANUAL

The Contractor shall develop, distribute, and maintain a provider manual as described in ACOM Policy 416.

35. PROVIDER REGISTRATION/TERMINATION

The Contractor shall ensure that all of its subcontractors register with AHCCCS as an approved service provider (i.e. AHCCCS registered provider) consistent with provider disclosure, screening, and enrollment requirements [42 CFR 438.608(b), 42 CFR 455.100-106, 42 CFR 455.400-470]. This includes, but may not be limited to, the Contractor ensuring that all subcontractors provide to AHCCCS their identifying information such as name, specialty, date of birth, Social Security number, national provider identifier, Federal taxpayer identification number, and the State license or certification number of the provider.

For specific requirements on Provider Registration refer to the AHCCCS website.

The National Provider Identifier (NPI), for all providers eligible for an NPI, is required on all claim submissions from providers and subsequent encounters from MCO's to AHCCCS. The Contractor shall work with providers to obtain the NPI. AHCCCS reserves the right to withhold all payments for services where a provider who is eligible for enrollment with AHCCCS has not become an AHCCCS registered provider. AHCCCS further reserves the right to recoup or recover all payments made to such a provider who was eligible for enrollment with AHCCCS but has not become an AHCCCS registered provider.

Except as otherwise required by law or as otherwise specified in a contract between a Contractor and a provider, the AHCCCS Fee-For-Service provisions referenced in the AHCCCS Provider Participation Agreement located on the AHCCCS website (e.g. billing requirements, coding standards, payment rates) are in force between the provider and Contractor.

AHCCCS will screen and enroll, and periodically revalidate all of the Contractor's subcontracted providers as Medicaid providers as required by 42 CFR 438.602(b)(1).

36. SUBCONTRACTS

The Contractor shall be held fully liable for the performance of all Contract requirements. Subject to limitations as outlined in this Contract, any function required to be provided by the Contractor pursuant to this Contract may be subcontracted to a qualified individual or organization [42 CFR 438.6]. Notwithstanding any relationship(s) the Contractor may have with any subcontractor, the Contractor maintains ultimate responsibility for adhering to and otherwise fully complying with all terms and conditions of this Contract [42 CFR 438.230(b)(1), 42 CFR 438.3(k)]

The Contractor shall oversee, and is accountable for, any functions and responsibilities that it delegates to any subcontractor [42 CFR 438.230(a)]. All such subcontracts must be in writing [42 CFR 438.6(l)].

The Contractor shall maintain a fully executed original or electronic copy of all subcontracts, which shall be accessible to AHCCCS within five business days of the request by AHCCCS. All requested subcontracts must have full disclosure of all terms and conditions and must fully disclose all financial or other requested information. Information may be designated as confidential but may not be withheld from AHCCCS as proprietary. Information designated as confidential may not be disclosed by AHCCCS without the prior written consent of the Contractor except as required by law. All subcontracts shall comply with the applicable provisions of Federal and State laws, regulations and policies.

AHCCCS may, at its discretion, communicate directly with the governing body or Parent Corporation of the Contractor regarding the performance of a subcontractor or Contractor respectively.

The Contractor shall develop and maintain a system for regular and periodic assessment of all subcontractors' compliance with its terms. No subcontract shall operate to terminate the legal responsibility of the Contractor to assure that all activities carried out by the subcontractor conform to the provisions of this Contract [42 CFR 434.6(c)].

The Contractor may not employ or contract with providers who are excluded from participation in Federal health care programs under either Section 1128 or Section 1128A of the Social Security Act [42 CFR 438.214(d)].

The Contractor shall require subcontracted providers to adhere to the requirements of the Arizona Opioid Epidemic Act SB1001, Laws 2018. First Special Session.

Minimum Subcontract Provisions: All subcontracts must reference and require compliance with the Minimum Subcontract Provisions (MSPs). See the AHCCCS Minimum Subcontract Provisions on the AHCCCS website. In addition, each subcontract must contain the following:

1. Subcontractor activities and obligations, and related reporting responsibilities [42 CFR 438.230(c)(1)(i), 42 CFR 438.3(k)],
2. A provision requiring subcontractor agreement to perform the delegated activities and reporting responsibilities specified in compliance with contract obligations [42 CFR 438.230(c)(1)(ii), 42 CFR 438.3(k)],
3. A provision that requires the subcontractor to comply with all applicable Medicaid laws, regulations, including applicable subregulatory guidance and contract provisions [42 CFR 438.230(c)(2), 42 CFR 438.3(k)],
4. Full disclosure of the method and amount of compensation or other consideration to be received by the subcontractor,
5. Identification of the name and address of the subcontractor,

6. Identification of the population, to include patient capacity, to be covered by the subcontractor,
7. The amount, duration and scope of services to be provided, and for which compensation will be paid,
8. The term of the subcontract including beginning and ending dates, methods of extension, termination and re-negotiation,
9. The specific duties of the subcontractor relating to coordination of benefits and determination of third-party liability,
10. A provision that the subcontractor agrees to identify Medicare and other third-party liability coverage and to seek such Medicare or third party liability payment before submitting claims to the Contractor,
11. A description of the subcontractor's patient, medical, dental and cost record keeping system,
12. Specification that the subcontractor shall cooperate with quality management programs, and comply with the utilization control and review procedures specified in 42 CFR Part 456, as specified in the AMPM,
13. A provision stating that a Change in Organizational Structure of an Administrative Services Subcontractor shall require a contract amendment and prior approval of AHCCCS,
14. A provision that indicates that AHCCCS is responsible for enrollment, re-enrollment and disenrollment of the covered population,
15. A provision that the subcontractor shall be fully responsible for all tax obligations, Worker's Compensation Insurance, and all other applicable insurance coverage obligations which arise under this subcontract, for itself and its employees, and that AHCCCS shall have no responsibility or liability for any such taxes or insurance coverage,
16. A provision that the subcontractor must obtain any necessary authorization from the Contractor or AHCCCS for services provided to eligible and/or enrolled members,
17. A provision that the subcontractor must comply with encounter reporting and claims submission requirements as described in the subcontract,
18. Provision(s) that allow the Contractor to suspend, deny, refuse to renew or terminate any subcontractor in accordance with the terms of this Contract and applicable law and regulation,
19. A provision for revocation of the delegation of activities or obligations, or specifies other remedies in instances where AHCCCS or the Contractor determines that the subcontractor has not performed satisfactorily [42 CFR 438.230(c)(1)(iii), 42 CFR 438.3(k)],
20. A provision that the subcontractor may provide the member with factual information, but is prohibited from recommending or steering a member in the member's selection of a Contractor,
21. A provision that compensation to individuals or entities that conduct utilization management and concurrent review activities is not structured so as to provide incentives for the individual or entity to deny, limit or discontinue medically necessary services to any member [42 CFR 438.210(e)],
22. A provision that the State, CMS, the HHS Inspector General, the Comptroller General, or their designees have the right to audit, evaluate, and inspect any books, records, contracts, computer or other electronic systems of the subcontractor, or of the subcontractor's contractor, that pertain to any aspect of services and activities performed, or determination of amounts payable under the Contractor's Contract with the State [42 CFR 438.230],

23. A provision that the subcontractor will make available, for purposes of an audit, evaluation, or inspection under paragraph (c)(3)(i) of 42 CFR 438.230, its premises, physical facilities, equipment, books, records, contracts, computer or other electronic systems relating to its Medicaid members [42 CFR 438.230], and
24. A provision that the right to audit under paragraph (c)(3)(i) of 42 CFR 438.230 will exist through 10 years from the final date of the contract period or from the date of completion of any audit, whichever is later [42 CFR 438.230].

In the event of a modification to the AHCCCS Minimum Subcontract Provisions the Contractor shall issue a notification of the change to its subcontractors within 30 days of the published change and ensure amendment of affected subcontracts. Affected subcontracts shall be amended on their regular renewal schedule or within six calendar months of the update, whichever comes first. See ACOM Policy 416.

Psychiatric Rehabilitative Services-Employment: The Contractor shall develop and manage a continuum of vocational services to assist all members to achieve their rehabilitative and employment goals. The Contractor shall maintain subcontracted arrangements and utilize fully dedicated employment/rehabilitation provider staff employed by integrated and/or outpatient clinics offering behavioral health services and whose only duties are employment and rehabilitation-related activities for all members. Under special circumstances, and approved by AHCCCS, it may be permissible for the employment/rehabilitation staff to cover more than one clinical team or split time with other duties, based on staffing availability, regional locations, and enrollment numbers.

The Contractor shall:

1. Provide priority to those providers under contract with ADES/RSA when entering into subcontracts for employment services,
2. Make all reasonable efforts to increase the number of providers who are mutually contracted with ADES/RSA for employment services, and
3. Ensure the fully dedicated employment/rehabilitation provider staff is competent providing employment services, including and especially with utilizing the following resources and tools:
 - a. AHCCCS Covered Behavioral Health Services Guide,
 - b. Disability Benefits 101 (DB101),
 - c. Employment Status within the Supplemental Member Data Provider (DUG) Portal, and
 - d. RSA Vocational Rehabilitation, and
 - e. Other ADES Employment Services, including ARIZONA@WORK and Arizona Job Connections (AJC)
4. Attend regular AHCCCS/ACC technical assistance meetings for the purpose of enhancing program delivery in order to increase successful employment outcomes for members. These technical assistance meetings shall include educational opportunities to learn about different employment-related resources, as well as to discuss each Contractor's employment programming.

The Contractor shall submit the Psychiatric Rehabilitation Progress Report as specified in Section F, Attachment F3, Contractor Chart of Deliverables, utilizing the Psychiatric Rehabilitation Progress Report Specifications Tool, held by the AHCCCS Employment Administrator, as a guideline.

Provider Agreements: The Contractor shall not include covenant-not-to-compete requirements in its provider agreements. Furthermore, the Contractor shall not prohibit a provider from providing services for any other AHCCCS Contractor. In addition, the Contractor shall not enter into subcontracts that contain compensation terms that discourage providers from serving any specific eligibility category. In addition, the Contractor shall require subcontracted providers to adhere to the requirements outlined in AMPM Chapter 600.

The Contractor must make reasonable efforts to enter into a written agreement with any provider providing services at the request of the Contractor more than 25 times during the previous Contract year and/or are anticipated to continue providing services for the Contractor. The Contractor must follow ACOM Policy 415 and consider the repeated use of providers operating without a written agreement when assessing the adequacy of its network.

In all contracts with network providers, the Contractor must comply with any additional provider selection requirements established by the state [42 CFR 438.12(a)(2), 42 CFR 438.214(e)].

For all subcontracts in which the Contractor and subcontractor have a capitated arrangement/risk sharing arrangement, the following provision must be included verbatim in every contract:

If <the Subcontractor> does not bill <the Contractor>, < the subcontractor's> encounter data that is required to be submitted to <the Contractor> pursuant to contract is defined for these purposes as a "claim for payment". <The Subcontractor's> provision of any service results in a "claim for payment" regardless of whether there is any intention of payment. All said claims shall be subject to review under any and all fraud and abuse statutes, rules and regulations, including but not limited to Arizona Revised Statute (A.R.S.) §36-2918, §36-2932, and 36-2957.

Administrative Services Subcontracts: All Administrative Services subcontracts entered into by the Contractor require prior review and written approval by AHCCCS and shall incorporate by reference the applicable terms and conditions of this Contract. Proposed Administrative Services Subcontracts shall be submitted as specified in ACOM Policy 438 and Section F, Attachment F3, Contractor Chart of Deliverables. AHCCCS will not permit one organization to own or manage more than one Contract within the same program in the same GSA. The Contractor's Administrator/CEO must retain the authority to direct and prioritize any delegated contract requirements.

Delegated agreements for operational functions which are determined by AHCCCS to inhibit integrated service delivery for the Medicaid or Medicare D-SNP lines of business are prohibited.

The Contractor shall not delegate the quality of care investigations processes or onsite quality of care visits to Administrative Services Subcontractors or providers.

Before entering into an Administrative Services Subcontract which delegates duties or responsibilities to a subcontractor, the Contractor must evaluate the prospective subcontractor's ability to perform the activities to be delegated. If the Contractor delegates duties or responsibilities then the Contractor shall establish a written agreement that specifies the activities and reporting responsibilities delegated to the Administrative Services Subcontractor. The written agreement shall also provide for revoking delegation or imposing other sanctions if the Administrative Services Subcontractor's performance is inadequate.

In order to determine adequate performance, the Contractor shall monitor the Administrative Services Subcontractor's performance on an ongoing basis and subject it to formal review at least annually or more frequently if requested by AHCCCS. As a result of the performance review, any deficiencies must be communicated to the Administrative Services Subcontractor in order to establish a corrective action plan [42 CFR 438.230(b)]. The results of the performance review and the corrective action plan shall be communicated to AHCCCS upon completion. Additionally, if at any time during the period of the Administrative Services Subcontract the subcontractor is found to be in non-compliance, the Contractor shall notify AHCCCS and comply with ACOM Policy 438 and Section F, Attachment F3, Contractor Chart of Deliverables.

The Contractor must submit an annual Administrative Services Subcontractor Evaluation Report as specified in ACOM Policy 438 and Section F, Attachment F3, Contractor Chart of Deliverables.

The Contractor shall require Administrative Services Subcontractors to adhere to screening and disclosure requirements as described in Section D, Paragraph 58, Corporate Compliance.

A Change in Contractor Organizational Structure of an Administrative Services Subcontractor of the Contractor requires prior approval of AHCCCS, as outlined in ACOM Policy 438.

Management Services Agreement and Cost Allocation Plan: If a Contractor has subcontracted for management services, the management service agreement must be approved in advance by AHCCCS in accordance with ACOM Policy 438. If there is a cost allocation plan as part of the management services agreement, it is subject to review by AHCCCS as specified in Section F, Attachment F3, Contractor Chart of Deliverables. AHCCCS reserves the right to perform a thorough review of actual management fees charged and/or corporate allocations made.

If there is a change in ownership of the entity with which the Contractor has contracted for management services, AHCCCS must review and provide prior approval of the assignment of the subcontract to the new owner. Refer to ACOM Policy 317. AHCCCS may impose enrollment caps in any or all GSA's as a result of a change in ownership. AHCCCS may also offer open enrollment to the members assigned to the Contractor should a change in ownership occur. AHCCCS will not permit two Contractors within the same line of business to utilize the same management service company in the same GSA.

The performance of management service subcontractors must be evaluated and included in the Administrative Services Subcontractor Evaluation Report as specified in Section F, Attachment F3, Contractor Chart of Deliverables and as outlined in ACOM Policy 438.

37. CLAIMS PAYMENT/HEALTH INFORMATION SYSTEM

The Contractor shall develop and maintain claims processes and systems that ensure the accurate collection and processing of claims, analysis, integration, and reporting of data. These processes and systems shall result in information on areas including, but not limited to, service utilization, claim disputes and member grievances and appeals, and disenrollment for reasons other than loss of Medicaid eligibility [42 CFR 438.242(a)].

General Claims Processing Requirements: Claims submission deadlines shall be calculated from the claim end date of service, inpatient claim date of discharge or the effective date of eligibility posting, whichever is later as stated in A.R.S. §36-2904. Additionally, unless a subcontract specifies otherwise, the Contractor shall ensure that for each form type (Dental/Professional/Institutional), 95% of all clean claims are adjudicated within 30 days of receipt of the clean claim and 99% are adjudicated within 60 days of receipt of the clean claim.

Claim payment requirements pertain to both contracted and non-contracted providers. The receipt date of the claim is the date stamp on the claim or the date electronically received. The receipt date is the day the claim is received at the Contractor's specified claim mailing address, received through direct electronic submission to the Contractor, or received by the Contractor's designated Clearinghouse. The paid date of the claim is the date on the check or other form of payment [42 CFR 447.45(d)(5) and (6), 42 CFR 447.46, Sections 1932(f) and 1902(a)(37)(A) of the Social Security Act].

The Contractor must include nationally recognized methodologies to correctly pay claims including but not limited to:

1. Medicaid National Correct Coding Initiative (NCCI) for Professional, ASC and Outpatient services,
2. Multiple Procedure/Surgical Reductions, and
3. Global Day E & M Bundling standards.

The Contractor's claims payment system must be able to assess and/or apply data related edits including but not limited to:

1. Benefit Package Variations,
2. Timeliness Standards,
3. Data Accuracy,
4. Adherence to AHCCCS Policy,
5. Provider Qualifications,
6. Member Eligibility and Enrollment, and

7. Over-Utilization Standards.

The Contractor must produce a remittance advice related to the Contractor's payments and/or denials to providers and each must include at a minimum:

1. The reason(s) for denials and adjustments,
2. A detailed explanation/description of all denials, payments and adjustments,
3. The amount billed,
4. The amount paid,
5. Application of COB and copays, and
6. Provider rights for claim disputes.

Additionally, the Contractor must include information in its remittance advice which informs providers of instructions and timeframes for the submission of claim disputes and corrected claims. All hard copy remittance advices must describe this information in detail. Electronic remittance advices must either direct providers to the link where this information is explained or include a supplemental file where this information is explained.

The related remittance advice must be sent with the payment, unless the payment is made by electronic funds transfer (EFT). Any remittance advice related to an EFT must be sent to the provider, no later than the date of the EFT. See Section D, Paragraph 60, Systems and Data Exchange Requirements, for specific standards related to remittance advice and EFT payment.

In accordance with the Deficit Reduction Act of 2005, Section 6085, SMDL 06-010, and Section 1932(b)(2)(D) of the Social Security Act, the Contractor is required to reimburse non-contracted emergency services providers at the AHCCCS Fee-For-Service rate. This applies to in State as well as out of State providers.

In accordance with A.R.S. §36-2904 the Contractor is required to reimburse providers of hospital and non hospital services at the AHCCCS fee schedule in the absence of a Contract or negotiated rate. This requirement applies to services which are directed out of network by the Contractor or to emergency services. For inpatient stays at urban hospitals pursuant to A.R.S. §36-2905.01 for non-emergency services, the Contractor is required to reimburse non-contracted providers at 95% of the AHCCCS fee schedule specified in A.R.S. §36-2903.01. All payments are subject to other limitations that apply, such as provider registration, prior authorization, medical necessity, and covered service.

The Contractor is required to reimburse providers for previously denied or recouped claims if the provider was subsequently denied payment by the primary insurer based on timely filing limits or lack of prior authorization and the member failed to initially disclose additional insurance coverage other than AHCCCS.

The provider shall have 90 days from the date they become aware that payment will not be made to submit a new claim to the Contractor which includes the documentation from the primary insurer that payment will not be made. Documentation includes but is not limited to

any of the following items establishing that the primary insurer has or would deny payment based on timely filing limits or lack of prior authorization: an EOB, policy or procedure, Provider Manual excerpt.

AHCCCS requires the Contractor to attend and participate in AHCCCS workgroups including Technical Consortium meetings to review upcoming initiatives and other technical issues.

See ACOM Policy 203 for additional requirements regarding the adjudication and payment of claims.

Recoupments: The Contractor's claims processes, as well as its prior authorization and concurrent review process, must minimize the likelihood of having to recoup already-paid claims.

Any individual recoupment in excess of \$50,000 per provider or Tax Identification Number within a Contract Year or greater than 12 months after the date of the original payment must be approved as specified in Section F, Attachment F3, Contractor Chart of Deliverables and as further described in ACOM Policy 412.

When recoupment amounts for a Provider TIN cumulatively exceed \$50,000 during a Contract Year (based on recoupment date), the Contractor must report the cumulative recoupment monthly to the designated AHCCCS Operations and Compliance Officer as outlined in the AHCCCS Claims Dashboard Reporting Guide and Section F, Attachment F3, Contractor Chart of Deliverables.

The Contractor must void encounters for claims that are recouped in full. For recoupments that result in a reduced claim value or adjustments that result in an increased claim value, replacement encounters must be submitted. AHCCCS may validate the submission of applicable voids and replacement encounters upon completion of any approved recoupment that meets the qualifications of this section. All replaced or voided encounters must reach adjudicated status within 120 days of the approval of the recoupment. Refer to ACOM Policy 412 and AHCCCS Encounter Manual for further guidance.

Appeals: If the Contractor or a Director's Decision reverses a decision to deny, limit, or delay authorization of services, and the member received the disputed services while an appeal was pending, the Contractor shall process a claim for payment from the provider in a manner consistent with the Contractor's or Director's Decision and applicable statutes, rules, policies, and Contract terms. The provider shall have 90 days from the date of the reversed decision to submit a clean claim to the Contractor for payment. For all claims submitted as a result of a reversed decision, the Contractor is prohibited from denying claims for untimeliness if they are submitted within the 90 day timeframe. The Contractor is also prohibited from denying claims submitted as a result of a reversed decision because the member failed to request continuation of services during the appeals/hearing process as a member's failure to request continuation of services during the appeals/hearing process is not a valid basis to deny the claim.

Claims Processing Related Reporting: The Contractor shall submit a monthly Claims Dashboard as specified in the AHCCCS Claims Dashboard Reporting Guide and Section F, Attachment F3, Contractor Chart of Deliverables.

AHCCCS may require the Contractor to review claim requirements, including billing rules and documentation requirements, and submit a report to AHCCCS that will include the rationale for specified requirements. AHCCCS shall determine and provide a format for the reporting of this data at the time of the request.

Claims System Audits: The Contractor shall develop and implement an internal ongoing claims audit function that will include, at a minimum, the following:

1. Verification that provider Contracts are loaded correctly, and
2. Accuracy of payments against provider Contract terms.

Audits of provider Contract terms must be performed on a regular and periodic basis and consist of a random, statistically significant sampling of all Contracts in effect at the time of the audit. The audit sampling methodology must be documented in policy and the Contractor shall review the Contract loading of both large groups and individual practitioners at least once every five year period in addition to any time a Contract change is initiated during that timeframe. The findings of the audits described above must be documented and any deficiencies noted in the resulting reports must be met with corrective action.

In addition, in the event of a system change or upgrade, as specified in Section F, Attachment F3, Contractor Chart of Deliverables, the Contractor may also be required to initiate an independent audit of the Claim Payment/Health Information System. AHCCCS/DHCM will approve the scope of this audit, and may include areas such as a verification of eligibility and enrollment information loading, Contract information management (contract loading and auditing), claims processing and encounter submission processes, and will require a copy of the final audit findings.

The Contractor shall submit to AHCCCS a Claims Dashboard in conformance with the AHCCCS Claims Dashboard Reporting and as specified in Section F, Attachment F3, Contractor Chart of Deliverables.

38. SPECIALTY CONTRACTS

AHCCCS may at any time negotiate or contract on behalf of the Contractor and AHCCCS for specialized hospital and medical services. AHCCCS will consider existing Contractor resources in the development and execution of specialty contracts. AHCCCS may require the Contractor to modify its delivery network to accommodate the provisions of specialty contracts. AHCCCS may consider waiving this requirement to utilize the specialty contract if such action is determined to be in the best interest of the State; however, in no case shall reimbursement exceeding that payable under the relevant AHCCCS specialty contract be considered in capitation rate development or risk sharing arrangements, including reinsurance.

During the term of specialty contracts, AHCCCS may act as an intermediary between the Contractor and specialty Contractors to enhance the cost effectiveness of service delivery, medical management, and adjudication of claims related to payments provided under specialty contracts shall remain the responsibility of the Contractor.

AHCCCS has specialty contracts, including but not limited to, transplant services, anti-hemophilic agents and pharmaceutical related services. AHCCCS shall provide at least 60 days advance written notice to the Contractor prior to the implementation of any specialty contract.

See Section D, Paragraph 53, Reinsurance for more information.

39. HOSPITAL SUBCONTRACTING AND REIMBURSEMENT

In the absence of a contract between the Contractor and a hospital providing otherwise, the Contractor shall reimburse hospitals for inpatient and outpatient hospital services as required by A.R.S. §36-2904, §36-2905.01, §36-2905.03, and 9 A.A.C. 22, Article 7, which set forth requirements for: reimbursement of the majority of inpatient hospital services using the APR-DRG payment methodology in A.A.C. R9-22-712.60 through A.A.C. R9-22-712.81; reimbursement of limited inpatient hospital services using per diem rates described in A.A.C. R9-22-712.61; reimbursement of inpatient services provided by non-contracted hospitals at 95% of the amounts otherwise payable for inpatient services; and reimbursement of inpatient behavioral health services provided by non-contracted behavioral health inpatient facilities (in any county) at 90% of the AHCCCS Fee-For-Service rates.

The Contractor is encouraged to obtain subcontracts with hospitals in all GSAs. A Contractor serving out-of-state border communities (excluding Mexico) shall establish contractual agreements with those out-of-state hospitals in counties that are identified by GSA in ACOM Policy 436. In the event contractual agreements cannot be obtained, the Contractor shall obtain contracts with physicians who have admitting and treating privileges at these hospitals to meet requirements outlined in ACOM Policy 436. The Contractor, upon request, shall make available to AHCCCS, all hospital subcontracts and amendments.

The Contractor may conduct prepayment, concurrent and post-payment medical reviews of all hospital claims including outlier claims. Erroneously paid claims may be subject to recoupment. If the Contractor fails to identify lack of medical necessity through prepayment and/or concurrent medical review, lack of medical necessity shall not constitute a basis for recoupment of paid hospital claims, including outlier claims, unless the Contractor identifies the lack of medical necessity through a post-payment medical review of information that the Contractor could not have discovered during a prepayment and/or concurrent medical review through the exercise of due diligence. The Contractor shall comply with Section D, Paragraph 37, Claims Payment/Health Information System.

For information on Differential Adjusted Payments see Section D, Paragraph 50, Compensation.

40. RESPONSIBILITY FOR NURSING FACILITY REIMBURSEMENT

The Contractor shall provide medically necessary nursing facility services as outlined in Section D, Paragraph 9, Scope of Services. The Contractor shall also provide medically necessary nursing facility services for any enrolled member who has a pending ALTCS application who is currently residing in a nursing facility and is eligible for services provided under this Contract. If the member becomes ALTCS eligible and is enrolled with an ALTCS Contractor before the end of the maximum 90 days per Contract Year of nursing facility coverage, the Contractor is only responsible for nursing facility reimbursement during the time the member is enrolled with the Contractor as shown in the PMMIS. Nursing facility services covered by another liable party (including Medicare) while the member is enrolled with the Contractor, shall be applied to the 90 day per Contract Year limitation.

The Contractor shall not deny nursing facility services when the member's eligibility, including prior period coverage, had not been posted at the time of admission. In such situations the Contractor shall impose reasonable authorization requirements. There is no ALTCS enrollment, including prior period coverage that occurs concurrently with AHCCCS acute enrollment.

The Contractor shall notify the Assistant Director of AHCCCS/DMS when a member has been residing in a nursing facility, alternative residential facility or receiving home and community based services for 45 days as specified in Section D, Paragraph 9, Scope of Services, under the heading *Nursing Facility Services*. This will allow AHCCCS time to follow-up on the status of the ALTCS application and to consider potential Fee-For-Service coverage if the stay goes beyond the 90 day per Contract Year maximum.

For information on Value Based Purchasing Differential Adjusted Payments see Section D, Paragraph 50, Compensation.

41. PHYSICIAN INCENTIVES

Physician Incentives: The Contractor must ensure compliance with all applicable physician incentive requirements, including but not limited to [Section 1903(m)(2)(A)(x) of the Social Security Act, 42 CFR 438.10(f)(3), 42 CFR 438.3(i), 42 CFR 422.208(c)(1)-(2) and 42 CFR 422.210]. These regulations, in part, prohibit Contractors from operating any physician incentive plan that directly or indirectly makes payments to a physician or physician group as an inducement to limit or reduce medically necessary services to a member.

The Contractor shall not enter into contractual arrangements that place providers at substantial financial risk as defined in 42 CFR 422.208 unless prior written approval of the contractual arrangement is received by AHCCCS. For those proposed contractual arrangements which meet the definition of substantial financial risk, the following must be submitted to the AHCCCS for review and approval as specified in Section F, Attachment F3, Contractor Chart of Deliverables [42 CFR 438.6(g)]:

1. The type of incentive arrangement,
2. A plan for a member satisfaction survey,

3. Details of the stop-loss protection provided,
4. A summary of the compensation arrangement that meets the substantial financial risk definition, and
5. Any other items requested by AHCCCS

Upon request from CMS or AHCCCS, the Contractor shall promptly disclose all requested information regarding its physician incentive plans. In addition, the Contractor shall provide the information specified in 42 CFR 422.210 to any member who requests it.

Any Contractor-selected and/or developed physician incentive that meets the requirements of 42 CFR 417.479 must be approved by AHCCCS prior to implementation as specified in Section F, Attachment F3, Contractor Chart of Deliverables.

AHCCCS shall review the Value-Based Purchasing deliverables required under Section D, Paragraph 72, Value-Based Purchasing.

42. MATERIAL CHANGE TO BUSINESS OPERATIONS

The Contractor is responsible for evaluating all operational changes, including unexpected or significant changes, and determining whether those changes are material changes to the Contractor's business operations [42 CFR 438.207(c)]. All material changes to business operations must be approved in advance by AHCCCS.

The Contractor must submit the request for approval of a material change to business operations as outlined in ACOM Policy 439 and as specified in Section F, Attachment F3, Contractor Chart of Deliverables. A material change to business operations is defined as any change in overall business operations (e.g. policy, process, protocol such as prior authorization or retrospective review) that affects, or can reasonably be foreseen to affect, the Contractor's ability to meet the performance standards as described in this contract including, but not limited to, any change that would impact or is likely to impact more than 5% of total membership and/or provider network in a specific GSA.

The Contractor may be required to conduct meetings with providers to address issues (or to provide general information, technical assistance, etc.) related to Federal and State requirements, changes in policy, reimbursement matters, prior authorization and other matters as identified or requested by AHCCCS.

See Section D, Paragraph 28, regarding material changes by the Contractor that may impact the provider network.

See Section D, Paragraph 60, for additional submission requirements regarding system changes and upgrades.

43. PERFORMANCE BOND OR BOND SUBSTITUTE

In addition to the initial minimum capitalization requirements, the Contractor shall be required to establish and maintain a performance bond, in accordance with ACOM Policy 305 for as long as the Contractor has liabilities of \$50,000 or more outstanding including contingent liabilities reported in the Contractor's audited financial statements, or 15 months following the termination date of this Contract, whichever is later, to guarantee payment of the Contractor's obligations under this Contract including but not limited to payments due to contracted providers, non-contracted providers, and any other entity that subcontracts for the performance of the Contractor's obligations under this Contract whether related to coverage for services to enrollees or for the administration of this Contract [A.R.S. §36-2903(M), 42 CFR 438.116].

In lieu of a Performance Bond, AHCCCS, in its sole discretion, may accept a substitute security or combination of substitute securities of the types outlined in ACOM Policy 305. The Contractor agrees to perform any and all acts and execute any and all documents including, but not limited to, security agreements and necessary filings pursuant to the Arizona Uniform Commercial Code, necessary to grant AHCCCS an enforceable security interest in such substitute security to secure performance of the Contractor's obligations under this Contract. The Contractor is solely responsible for establishing the credit-worthiness of all forms of substitute security. AHCCCS may, after written notice to the Contractor, withdraw its permission for a substitute security or securities, in which case the Contractor shall provide AHCCCS with Performance Bond or an alternate form of security acceptable to AHCCCS as described in ACOM Policy 305.

For each year that the Contractor has actual or contingent liabilities of \$50,000 or more, the Contractor shall provide documentation of the Performance Bond or substitute securities in a form acceptable to AHCCCS as described in ACOM Policy 305. Annually, the Contractor shall provide a written attestation, consistent with 42 CFR 438.604 and 42 CFR 438.606, that the documentation of the Performance Bond is accurate, complete, and truthful.

In the event of a default by the Contractor, AHCCCS shall, in addition to any other remedies it may have under this Contract, obtain payment under the Performance Bond or substitute security to remedy the breach, including but not limited to one or more of the following purposes:

1. Paying any damages sustained by providers, non-contracting providers, and other subcontractors by reason of a breach of the Contractor's obligations under this Contract,
2. Reimbursing AHCCCS for any payments made by AHCCCS on behalf of the Contractor,
3. Reimbursing AHCCCS for any administrative expenses incurred by reason of a breach of the Contractor's obligations under this Contract, including, but not limited to, expenses incurred after termination of this Contract for reasons other for the convenience of AHCCCS under Section E, Paragraph 48, Termination of Convenience, of this Contract, and
4. Reimbursing expenditures by AHCCCS incurred by AHCCCS in the direct operation of the Contractor under Section E, Paragraph 43 of this Contract.
5. Paying any sanctions imposed under Section D, Paragraph 68, Administrative Actions, to the extent the sanctions are not offset against payments due from AHCCCS to the Contractor as provided for under Section E, Paragraph 38, Right of Offset, of this Contract.

Compliance with the requirements of this Section do not relieve the Contractor from the obligation to pay AHCCCS for any damages resulting from breach of this Contract if the Performance Bond or substitute security are insufficient to fully indemnify AHCCCS.

The Contractor may not change the amount, duration or scope of the performance bond or substitute security without prior written approval from AHCCCS.

The Contractor shall not pledge any substitute security as collateral for a loan or debt or pledge the substitute security as security to creditors. The Contractor shall be in material breach of this Contract if it fails to maintain or renew the performance bond or substitute security as required by this Contract and as outlined in Section F, Attachment F3, Contractor Chart of Deliverables.

44. AMOUNT OF PERFORMANCE BOND OR SUBSTITUTE SECURITY

The Contractor shall provide a Performance Bond or substitute security in an amount equal to 100% of the total capitation payment (less premium tax but including the delivery supplement) due to the Contractor in the first month of the Contract Year. The Contractor shall provide the Performance Bond or substitute security no later than 30 days following notification by AHCCCS of the amount. Thereafter, AHCCCS shall review the capitation amounts of the Contractor on a monthly basis to determine if the Performance Bond must be increased. If the amount of the Performance Bond or substitute security falls below 90% of the monthly capitation amount (including delivery supplement and excluding premium tax) , the amount of the performance bond or substitute security must be increased to at least 100% of the monthly capitation amount (including delivery supplement and excluding premium tax) no later than 30 days following notification by AHCCCS. The Contractor may not change the amount, duration or type of the performance bond or substitute security without prior written approval from AHCCCS/DHCM. Refer to ACOM Policy 305 for more details.

45. ACCUMULATED FUND DEFICIT

The Contractor and its owners must review for accumulated fund deficits on a quarterly and annual basis. In the event the Contractor has a fund deficit, the Contractor and its owners shall fund the deficit through capital contributions in a form acceptable to AHCCCS. The capital contributions must be for the period in which the deficit is reported and shall occur within 30 days of the financial statement due to AHCCCS. AHCCCS at its sole discretion may impose a different timeframe other than the 30 days required in this paragraph. AHCCCS may, at its option, impose enrollment caps in any or all GSA's as a result of an accumulated deficit, even if unaudited.

46. ADVANCES, EQUITY DISTRIBUTIONS, LOANS AND INVESTMENTS

The Contractor shall not, without the prior approval of AHCCCS, make any advances, equity distributions, loans, loan guarantees, or investments, including, but not limited to those to related parties or affiliates including another fund or line of business within its organization. The Contractor shall not, without prior approval of AHCCCS, make loans or advances to providers in excess of \$50,000. All requests for prior approval are to be submitted to AHCCCS as specified in

Section F, Attachment F3, Contractor Chart of Deliverables. Refer to ACOM Policy 418 for further information.

47. FINANCIAL VIABILITY STANDARDS

The Contractor must comply with the AHCCCS-established financial viability standards. On a quarterly basis, AHCCCS will review the following ratios with the purpose of monitoring the financial health of the Contractor: current ratio; equity per member; medical loss ratio; and the administrative cost percentage [42 CFR 438.116 (a) and (b)]. These same standards will be reviewed for the financial statements applicable to the Contractor’s Medicare line of business if the Contractor is certified by AHCCCS.

Sanctions may be imposed if the Contractor does not meet these financial viability standards. AHCCCS will take into account the Contractor’s unique programs for managing care and improving the health status of members when analyzing medical loss and administrative ratio results. However, if a critical combination of the financial viability standards is not met, or if the Contractor’s experience differs significantly from other Contractors, additional monitoring, such as monthly reporting, may be required.

FINANCIAL VIABILITY STANDARDS – AHCCCS Complete Care	
<i>Current Ratio</i>	<p>Current assets less due from affiliates divided by current liabilities. "Current assets" includes any long-term investments that can be converted to cash within 24 hours without significant penalty (i.e., greater than 20%).</p> <p><i>Standard: At least 1.00</i></p> <p>Other Assets deemed restricted by AHCCCS are excluded from this ratio. See the AHCCCS Financial Reporting Guide for ACC Contractors for more information.</p>
<i>Equity per Member</i>	<p>Unrestricted equity, less on-balance sheet performance bond, due from affiliates, guarantees of debts/pledges/assignments and other assets determined to be restricted, divided by the number of members enrolled at the end of the period.</p> <p><i>Standard: At least \$150 per member for CYE 2019 At least \$200 per member for CYE 2020 At least \$250 per member for CYE 2021 and thereafter</i></p> <p>The Contractor must demonstrate compliance with the equity per member standard for CYE2019, CYE2020, and CYE2021 by the end of each Contract period. Once the \$250 equity per member standard is met, the Contractor must maintain compliance at \$250 per member for the remainder of the Contract term. The</p>

FINANCIAL VIABILITY STANDARDS – AHCCCS Complete Care	
	Contractor may request a waiver from AHCCCS to include the prorated portion of the due for affiliates balance resulting from cash/bank account sweep arrangements with other AHCCCS lines of business. Additional information regarding the Equity per Member requirement may be found in in the Performance Bond and Equity per Member Requirements policy in ACOM Policy 305 [42 CFR 438.604(a)(4); 42 CFR 438.606; 42 CFR 438.116].
Medical Loss Ratio	Incurred claims + Expenditures for activities that improve health care quality, divided by premium revenue – Federal, State, and local taxes and licensing and regulatory fees. For additional information see the AHCCCS Financial Reporting Guide for AHCCCS Complete Care Contractors. <i>Standard: At least 85%</i>
Administrative Cost Percentage	Total administrative expenses divided by the sum of total capitation + Delivery Supplement + All Reconciliation Settlements + Reinsurance less premium tax <i>Standard: No greater than 10%</i>

FINANCIAL VIABILITY STANDARD – Medicare Advantage Plan Certified by AHCCCS	
Equity per Member	Unrestricted equity, less on-balance sheet performance bond, divided by the number of Medicare Advantage Plan dual eligible members enrolled at the end of the period. <i>Standard: At least \$350</i>

Additional information regarding the Equity per Member requirement may be found in ACOM Policy 305.

Medical Loss Ratio: The Contractor shall submit an annual Medical Loss Ratio (MLR) Report in compliance with 42 CFR 438.8, as specified in Section F, Attachment F3, Contractor Chart of Deliverables. Any retroactive changes to capitation rates after the contract year end will need to be incorporated into the MLR calculation. If the retroactive capitation rate adjustment occurs after the MLR report has been submitted to AHCCCS, a new report incorporating the change will be required to be submitted within 30 days of the capitation rate adjustment payment by AHCCCS. For additional information see the AHCCCS Financial Reporting Guide for AHCCCS Complete Care Contractors.

The Contractor shall comply with all financial reporting requirements contained in Section F, Attachment F3, Contractor Chart of Deliverables and the AHCCCS Financial Reporting Guide for AHCCCS Complete Care Contractors. This reporting is required for both the AHCCCS Complete Care and Medicare lines of business, regardless of the licensing or certifying entity for the Medicare Advantage Plan. If the Contractor is a Medicare Advantage Plan licensed through the Department of Insurance, quarterly reporting to AHCCCS is required for informational purposes only. The required reports are subject to change during the Contract term and are summarized in Section F, Attachment F3, Contractor Chart of Deliverables. See ACOM Policy 106 for more detail [42 CFR 438.3(m)].

48. AFFILIATED CORPORATION

Within 120 days of contract award, a non-governmental Contractor shall have established an affiliated corporation for the purposes of this Contract, whose sole activity is the performance of the requirements of this Contract or other contracts with AHCCCS (A.R.S. §36-2906.01).

49. CHANGE IN CONTRACTOR ORGANIZATIONAL STRUCTURE

A change in Contractor organizational structure shall require prior approval of AHCCCS, as specified in ACOM Policy 317 and Section F, Attachment F3, Contractor Chart of Deliverables. The Contractor must submit notification and a detailed transition plan to AHCCCS 180 days prior to the effective date as outlined in ACOM Policy 317. The purpose of the plan review is to ensure uninterrupted services to members, evaluate the new entity's ability to maintain and support the Contract requirements, and to ensure that services to members are not diminished and that major components of the organization and AHCCCS programs are not adversely affected by any change in organizational structure. AHCCCS reserves the right to obtain stakeholder input on proposed changes in a Contractor's organizational structure through a public notice and feedback process. In addition, AHCCCS reserves the right to temporarily suspend a Contractor's new member enrollment including, but not limited to, auto-assignment pending AHCCCS review and final determination regarding a Contractor's Change in Organizational Structure.

A change in organizational structure may require a Contract amendment. If the Contractor does not obtain prior approval, or AHCCCS determines that a change in organizational structure is not in the best interest of the State, AHCCCS may terminate this Contract pursuant to Section E, Contract Terms and Conditions. AHCCCS may offer open enrollment to the members assigned to the Contractor should a change in organizational structure occur. AHCCCS will not permit one organization to own or manage more than one Contract within the same line of business in the same GSA.

50. COMPENSATION

The method of compensation under this Contract will be Prior Period Coverage (PPC) capitation, prospective capitation, delivery supplement, special provisions for payment, and reinsurance, as described and defined within this Contract, and appropriate laws, regulations and policies [42 CFR 438.6(b)(1)]. Capitation payments may only be made by the State and retained by the

Contractor for Medicaid-eligible members, except for the administrative component of the State Only Transplants Option 1 and Option 2 described below [42 CFR 438.3(c)(2)].

See also Section D, Paragraph 3, Enrollment and Disenrollment for information regarding Prior Period Coverage for members transitioning to Title XIX from RBHA Non-Title XIX/XXI eligibility.

Subject to the availability of funds, AHCCCS shall make payments to the Contractor in accordance with the terms of this Contract provided that the Contractor's performance is in compliance with the terms and conditions of this Contract. Payment must comply with requirements of A.R.S. Title 36. AHCCCS reserves the option to make payments to the Contractor by wire or National Automated Clearing House Association (NACHA) transfer and will provide the Contractor at least 30 days' notice prior to the effective date of any such change.

Where payments are made by electronic funds transfer, AHCCCS shall not be liable for any error or delay in transfer or indirect or consequential damages arising from the use of the electronic funds transfer process. Any charges or expenses imposed by the bank for transfers or related actions shall be borne by the Contractor. Except for adjustments made to correct errors in payment, and as otherwise specified in this Contract, any savings remaining to the Contractor as a result of favorable claims experience and efficiencies in service delivery at the end of the Contract term may be kept by the Contractor.

All funds received by the Contractor pursuant to this Contract shall be separately accounted for in accordance with generally accepted accounting principles.

Except for monies received from the collection of third-party liabilities, the only source of payment to the Contractor for the services provided hereunder is from funds under the control of AHCCCS. An error discovered by the State, in the amount of fees paid to the Contractor, with or without an audit, will be subject to adjustment or repayment by AHCCCS via a recoupment from future payment(s) to the Contractor, or by making an additional payment to the Contractor. When the Contractor identifies an overpayment, AHCCCS must be notified and reimbursed within 30 days of identification [42 CFR 438.608(c)(3)].

No payment due the Contractor by AHCCCS may be assigned or pledged by the Contractor. This section shall not prohibit AHCCCS at its sole option from making payment to a fiscal agent hired by the Contractor.

Capitation Rate Development: Capitation rates are developed by AHCCCS according to the applicable provisions of 42 CFR Part 438 and applicable Actuarial Standards of Practice, and following generally accepted actuarial principles and practices. AHCCCS provides the following data to its actuaries for the purposes of rebasing and/or updating the capitation rates:

1. Utilization and unit cost data derived from fully adjudicated and approved encounters, as well as individual encounter level detail as needed
2. Both audited and unaudited financial statements reported by the Contractor
3. Market Basket Inflation Trends
4. AHCCCS Fee-For-Service schedule pricing adjustments
5. Historical and projected enrollment by risk group
6. Programmatic or Medicaid covered service changes that affect reimbursement
7. Additional administrative requirements for the Contractor that affect reimbursement

AHCCCS adjusts its rates to best match payment to risk. This further ensures the actuarial basis for the capitation rates. AHCCCS will utilize fully adjudicated and approved encounters to calculate risk adjustment, acuity adjustment, or a combination thereof, that will be applied to all capitation rates for all risk groups (excluding supplemental payments). Notwithstanding the encounter submission deadline as described in Section D, Paragraph 61, Encounter Data Reporting, if risk adjustment is utilized, the encounter data used for the risk adjustment will be based on a three month lag period, or a lag period determined appropriate by the actuary but not less than three months. The Contractor is strongly encouraged to ensure that encounters are submitted timely. Unique Contractor encountering issues such as missing encounters, missing diagnosis codes, etc., will not be considered acceptable causes for delays for purposes of calculating risk adjustment. AHCCCS will provide the Contractor with at least two months advance notice of the date AHCCCS will extract encounter data for risk adjustment purposes.

Additional elements that may be considered in capitation rate development include:

1. Reinsurance (as described in Section D, Paragraph 53, Reinsurance),
2. Age/Gender,
3. Medicare enrollment,
4. Geographic Service Area adjustments,
5. Risk sharing arrangements for specific populations, and
6. Member specific statistics, e.g. member acuity, member choice, member diagnosis, etc.

The above information is reviewed by AHCCCS' actuaries in renewal years to determine if adjustments are necessary. A Contractor may cover services that are not covered under the State Plan or the Arizona Medicaid Section 1115 Demonstration Waiver Special Terms and Conditions approved by CMS; however, those services are not included in the data provided to actuaries for setting capitation rates [42 CFR 438.6(e)] (Section 1903(i) and 1903(i)(17) of the Social Security Act). Graduate Medical Education payments (GME) are not included in the capitation rates but paid out separately consistent with the terms of Arizona's State Plan. Likewise, because AHCCCS does not delegate any of its responsibilities for administering Electronic Health Record (EHR) incentive payments to the Contractor, EHR payments are also excluded from the capitation rates and are paid out separately by AHCCCS pursuant to Section 4201 of the HITECH Act , 42 USC 1396b(t), and 42 CFR 495.300 et seq.

In instances in which AHCCCS has specialty contracts or legislation/policy limits the allowable reimbursement for certain services or pharmaceuticals, the amount to be used in the capitation

rate setting process and reconciliations will be the lesser of the contracted/mandated amount or the Contractor paid amount.

Capitation rate development will not include costs for amounts expended for providers excluded by Medicare, Medicaid, or CHIP, except for emergency services.

Capitation Payments: The Contractor will be paid capitation for all prospective and PPC member months, including partial member months. This capitation includes the cost of providing medically necessary covered services to members. The Contractor will not receive PPC capitation for KidsCare member or newborns of members who are enrolled at the time of delivery. There is no PPC capitation for members enrolled with the Contractor who are initially found eligible for AHCCCS through Hospital Presumptive Eligibility. These members will receive coverage of services during the PPC period through AHCCCS Fee-For-Service.

Capitation will be paid in the following Risk Groups:

1. Age < 1
2. Age 1-20
3. Age 21+
4. Duals
5. SSIWO
6. Prop 204 Childless Adults
7. Expansion Adults

The Contractor will be denied payment for newly enrolled members when, and for so long as, payment for those members is denied by CMS under 42 CFR 438.730(e) [42 CFR 438.726(b), 42 CFR 438.700(b)(1)–(6), 42 CFR 438.730(e)(1)(i), 42 CFR 438.730(e)(1)(ii), Section 1903(m)(5)(B)(ii) of the Social Security Act].

Reconciliation of Costs to Reimbursement: AHCCCS will reconcile the Contractor's total medical cost expenses (prospective and PPC) to total capitation paid (prospective and PPC) to the Contractor. Refer to ACOM Policy 311, AHCCCS Complete Care Reconciliation for further details. For CYE19, this reconciliation will limit the Contractor's profits and losses as follows:

Profit	MCO Share	State Share	Max MCO Profit	Cumulative MCO Profit
<= 2%	100%	0%	2%	2%
> 2% and <= 6%	50%	50%	2%	4%
> 6%	0%	100%	0%	4%
Loss	MCO Share	State Share	Max MCO Loss	Cumulative MCO Loss
<= 2%	100%	0%	2%	2%
> 2%	0%	100%	0%	2%

It is the intent of AHCCCS to review the limitation of profit and loss on an annual basis using a data driven approach.

Fixed Administrative Cost Component Reconciliation: AHCCCS shall complete a reconciliation of the fixed administrative cost component by comparing the actual member months to the assumed members months that were used to calculate the administrative PMPM. If the Contractor's actual member months are different than assumed member months, AHCCCS shall recoup or reimburse the difference in the administrative PMPM attributable to any material difference in member months, subject to medical loss ratio requirements.

Delivery Supplement: When the Contractor has an enrolled woman who delivers during a prospective enrollment period, the Contractor will be entitled to a supplemental payment. Supplemental payments will not apply to women who deliver in a prior period coverage time period, or State Only Transplant members. See ACOM Policy 310.

Premium Tax: A.R.S. §36-2905 and A.R.S. §36-2944.01 require that the Contractor report and pay premium tax quarterly to ADOI based on Title XIX/XXI payments received from AHCCCS during the quarter being reported. Capitation payments, reinsurance payment, reconciling payments/recoupments, supplemental payments, cost settlements, and health insurance provider fee payments, will have the Premium Tax included in the payments/recoupments. Premium tax report(s) shall be due to DHCM as specified in Section F, Attachment F3, Contractor Chart of Deliverables. See ACOM Policy 304.

Health Insurance Provider Fee: Section 9010 of the Patient Protection and Affordable Care Act (ACA) requires that the Contractor, if applicable, pay a Health Insurance Provider Fee (HIPF) annually based on its respective market share of premium revenues from the preceding year. Subject to the receipt of documentation from the Contractor regarding the amount of the Contractor's liability for the HIPF, AHCCCS shall make a capitation rate adjustment consistent with a methodology approved by CMS to approximate the cost associated with the HIPF. The cost of the Provider Fee will include both the Provider Fee itself and the corporate income tax liability the Contractor incurs related to the Provider Fee. The Contractor must submit the items specified in Section F, Attachment F3, Contractor Chart of Deliverables. See ACOM Policy 320 for further details.

For Fee Year 2019, the Federal Government has placed a suspension for HIPF taxes that would be paid in 2019 based on revenue received in 2018. Therefore, AHCCCS will suspend Contractor submission of the Form 8963, Report of Health Insurance Provider Information, and ACOM Policy 320, Attachment B, Health Insurance Provider Fee Liability Reporting Template, related to Fee Year 2019 due September 30, 2019. AHCCCS will not make HIPF payments to the Contractor for fee year 2019. Additionally, AHCCCS will suspend Contractor submission of the copies of its federal and state filings for fee year 2019 due April 30, 2020.

Behavioral Health Services for School-Aged Children: The Contractor shall use designated funding to provide behavioral health services to school-aged children in school settings,

identified as Place of Service (POS) 03. The Contractor shall collaborate with schools and contracted providers to determine the extent of the services to be provided in individual schools. The Contractor shall submit an implementation plan and a quarterly deliverable as specified in Section F, Attachment F3, Contractor Chart of Deliverables to report on a number of items regarding the services provided in this setting.

Special Provisions for Payments

In accordance with 42 CFR 438.6, the Contractor shall be subject to a withhold arrangement, shall be eligible for incentive payments, shall participate in delivery system and provider payment initiatives, and shall pass-through payments to specified providers.

Withhold Arrangement: The Alternative Payment Model (APM) Initiative – Withhold and Quality Measure Performance (QMP) incorporates a withhold arrangement of 1% of the Contractor’s capitation and a portion of, or all of, the withheld amount will be paid to the Contractor for performance on select quality measures identified in ACOM Policy 306. Payment is contingent on the Contractor meeting the minimum requirements of the percentage of payments that must be governed by APM strategies defined in ACOM Policy 307. AHCCCS will apply the withhold after the completion of the contract year by recouping the full amount of the annual withhold. Also after the completion of the contract year and the computation of the quality measures, AHCCCS will reconcile the Contractor’s earned portion of the withhold against the withheld funds and will make a lump sum payment to the Contractor. The Contractor will not be paid greater than 100% of the withhold.

This withhold arrangement is:

1. For a fixed period of time and performance is measured during the rating period under the contract in which the withhold arrangement is applied,
2. Not to be renewed automatically,
3. Made available to both public and private Contractors under the same terms of performance,
4. Does not condition Contractor participation in the withhold arrangement on the Contractor entering into or adhering to intergovernmental transfer agreements, and
5. Necessary for the specified activities, targets, performance measures, or quality-based outcomes that support program initiatives as specified in the AHCCCS quality strategy under 42 CFR 438.340 [42 CFR 438.6(b)(3)].

Incentive Arrangements: This contract provides for the following incentive arrangements between AHCCCS and the Contractor:

1. The Alternative Payment Model (APM) Initiative – Quality Measure Performance (QMP) incorporates an incentive arrangement under which the Contractor may receive additional funds over and above the capitation rates for performance on select quality measures identified in ACOM Policy 306. Payment is contingent on the Contractor meeting the minimum requirements of the percentage of payments that must be governed by APM strategies defined in ACOM Policy 307. AHCCCS will make a lump-sum payment to the

Contractor after the completion of the contract year and the computation of the quality measures.

2. The Alternative Payment Model (APM) Initiative – Performance Based Payments (PBP) incorporates an incentive arrangement under which the Contractor may receive additional funds over and above the capitation rates for implementing APM arrangements with providers who successfully meet targets established by the Contractor that are aimed at quality improvement, such as reducing costs, improving health outcomes, or improving access to care. In accordance with ACOM Policy 307, for those APM arrangements which result in performance-based payments to providers, AHCCCS will make a lump-sum payment to the Contractor after the completion of the contract year.

The Contractor shall not receive incentive payments in excess of five percent of the approved capitation payments attributable to the members or services covered by the incentive arrangements.

These incentive arrangements:

1. Are for a fixed period of time and performance is measured during the rating period under the contract in which the incentive arrangement is applied,
2. Are not to be renewed automatically,
3. Are made available to both public and private contractors under the same terms of performance,
4. Do not condition Contractor participation in the incentive arrangement on the Contractor entering into or adhering to intergovernmental transfer agreements, and
5. Are necessary for the specified activities, targets, performance measures, or quality-based outcomes that support program initiatives as specified in the State's quality strategy at 42 CFR 438.340[42 CFR 438.6(b)(2)].

Delivery System and Provider Payment Initiatives

Access to Professional Services Initiative (APSI): AHCCCS seeks to provide enhanced support to certain professionals in order to (1) preserve and enhance access to these professionals who deliver essential services to Medicaid members in Arizona and (2) support professionals who are critical to professional training and education efforts.

APSI is a program to preserve and promote access to medical services through a uniform percentage increase to the Contractor's rates for professional services provided by qualified physicians and non-physician professionals affiliated with designated hospitals who meet the definition outlined in ACOM Policy 325. Federal regulation mandates that these payments be prior-approved by CMS before they shall be implemented. AHCCCS will notify the Contractor when CMS approves the APSI initiative.

Effective with dates of service on and after October 1, 2018, the Contractor shall provide a 40% increase to the otherwise contracted rates to Qualified Practitioners as defined in ACOM Policy

325 for all claims for which AHCCCS is the primary payer. The rate increase is intended to supplement, not supplant, payments to eligible providers.

Because APSI is a relatively new initiative and utilization of Qualified Practitioners will vary across Contractors, AHCCCS will mitigate the Contractor's risk associated with overpayment or underpayment through a risk corridor which will include a +/- 0% risk band, further described in ACOM Policy 325 [42 CFR 438.6(c)(1)(iii)(B)].

AHCCCS may amend the APSI components effective October 1, 2019.

Targeted Investments: The Targeted Investments (TI) program is authorized under AHCCCS' Section 1115 Waiver for five years beginning in CYE 17. The TI program is AHCCCS' strategy to provide financial incentives to eligible AHCCCS providers to develop systems for integrated care. Federal regulation mandates that these payments be prior approved by CMS before they shall be implemented. AHCCCS will notify the Contractor when CMS approves the TI initiative.

In order to ensure the stability of AHCCCS' delivery system efforts, the Contractor is strongly encouraged to contract with eligible PCPs, behavioral health providers, integrated clinics and hospitals participating in TI. The Contractor will provide financial incentives (referenced below) under the TI initiative to the participating providers who demonstrate performance improvement by meeting certain benchmarks for integrating and coordinating physical and behavioral health care. Contractors are encouraged to:

1. Maintain membership numbers for those members assigned to contracted/TI eligible participating providers, as appropriate, and
2. Increase member assignment to high performing contracted/TI eligible participating providers, as appropriate.

The Contractor is required to contract with eligible TI providers serving adults transitioning from the criminal justice system participating in the TI program. In the event the Contractor and the provider fail to negotiate a contract, the Contractor shall permit members to continue receiving services from these providers and shall reimburse the provider at 100% of the AHCCCS FFS rates.

AHCCCS will collect information via the Provider Affiliation Transmission (PAT) file and evaluate the Contractor's network. If AHCCCS determines a material impact to TI participating provider(s), AHCCCS may require the Contractor to take steps to rectify the material impact.

AHCCCS will compute the participating provider financial incentives after completion of the contract year and will make available to the Contractor a list of TI providers and associated amounts of financial incentive payments owed for the contract year. Also after completion of the contract year, AHCCCS will adjust capitation rates in the form of a lump sum payment to the Contractor in an amount equal to the financial incentive payments due to TI providers plus an administrative payment for the Contractor. Requirements are further delineated in ACOM Policy 324.

This delivery system reform initiative:

1. Makes participation in the delivery system reform initiative available, using the same terms of performance, to a class of providers providing services under the contract related to the reform initiative,
2. Uses a common set of performance measures across all payers and providers,
3. Does not set the amount or frequency of the expenditures, and
4. Does not allow AHCCCS to recoup any unspent funds allocated for these arrangements from the Contractor [42 CFR 438.6(c)(1)(ii)].

Differential Adjusted Payments (DAP): AHCCCS has introduced multiple Differential Adjusted Fee Schedules to distinguish providers who have committed to supporting designated actions that improve patients' care experience, improve members' health, and reduce cost of care growth. AHCCCS may amend the DAP components effective October 1, 2019, including but not limited to, the qualifications, rate adjustments, and/or providers eligible for the increases. The Contractor will support the Rate Differential in accordance with 42 CFR 438.6(c)(1)(iii)(B). The DAP effective October 1, 2018 require that the Contractor shall adjust payments for specific providers and provider types as described below. Federal regulation mandates that these payments be prior-approved by CMS before they shall be implemented. AHCCCS will notify the Contractor when CMS approves each of these DAPs:

Nursing Facility: For CYE 19, for qualified AHCCCS-registered Arizona Nursing Facility providers meeting criteria as set forth below, the Contractor is required to increase the rates that the Contractor would otherwise pay by 2.0%, in addition to any AHCCCS fee for service rate changes adopted by the Contractor, to the qualified provider.

Criteria: Nursing Facilities that meet or fall below the Arizona Average result of Pressure Ulcer performance based on resident assessment information reported in the Minimum Data Set (MDS) 3.0 qualify for a 2.0% Differential Adjusted Payment increase.

AHCCCS will assess the percent of High-Risk Residents with Pressure Ulcers (Long Stay) based on the facility's performance results for long-stay, high-risk residents with Stage II-IV pressure ulcers reported in MDS 3.0 for this CMS Nursing Home Quality Measure metric. Facility results will be compared to the accompanying Arizona Average results for the measure, for the most recently published rate as of April 30, 2018.

Hospital subject to APR-DRG Reimbursement (Provider Type 02) and Other Hospitals and Inpatient Facilities (Psychiatric Hospitals, Provider Type 71, Subacute Facilities (1- 16 Beds), Provider Type B5, Rehabilitation Hospitals, Provider Type C4, and Long Term Acute Care Hospitals, Provider Type C4): For CYE 19, for both inpatient and outpatient services for qualified AHCCCS-registered Arizona Hospital providers meeting criteria as set forth below, the Contractor is required to increase the rates that the Contractor would otherwise pay by 3.0%, in addition to any AHCCCS fee for service rate changes adopted by the Contractor, to the qualified provider.

Criteria: The hospital must participate in the Network, the state's Health Information Exchange (HIE), "Participation in the Network" means: By June 15, 2018, the hospital must have submitted a Letter of Intent (LOI) to AHCCCS and the HIE, in which it agrees to achieve the following milestones by the specified dates, or maintain its participation in the milestone activities if they have already been achieved:

1. No later than July 31, 2018 the hospital must execute an agreement with a qualifying HIE organization.
2. No later than October 31, 2018 the hospital must approve and authorize a formal scope of work (SOW) with a qualifying HIE organization to develop and implement the data exchange necessary to meet the requirements of Milestones #3 and #4.
3. No later than March 31, 2019 the hospital must electronically submit admission, discharge, and transfer information (generally known as ADT information), including data from the hospital emergency department if the provider has an emergency department, to a qualifying health information exchange organization.
4. No later than June 30, 2019 the hospital must electronically submit to a qualifying HIE organization laboratory and radiology information (if the provider has these services), transcription, medication information, and discharge summaries that include, at a minimum, discharge orders, discharge instructions, active medications, new prescriptions, active problem lists (diagnosis), treatments/procedures conducted during the stay, active allergies, and discharge destination.

If a hospital submits an LOI and receives the 3.0% DAP increase for CYE 19, but fails to achieve one or more of the milestones by the specified date, or fails to maintain its participation in the milestone activities, that hospital will be ineligible to receive any DAP for dates of service from October 1, 2019 through September 30, 2020 (CYE 20) if a DAP is available at that time.

Hospital subject to APR-DRG Reimbursement (Provider Type 02): For CYE 19, for both inpatient and outpatient services for qualified AHCCCS-registered Arizona Hospital providers meeting criteria as set forth below, the Contractor is required to increase the rates that the Contractor would otherwise pay by 0.5%, in addition to any AHCCCS fee for service rate changes adopted by the Contractor, to the qualified provider.

Criteria: A hospital may qualify for a 0.5% increase if the hospital holds a Pediatric-Prepared Emergency Care certification. "Holds a Pediatric-Prepared Emergency Care certification" means: by May 1, 2018, the hospital must have obtained Pediatric-Prepared Emergency Care certification from the Arizona Chapter of the American Academy of Pediatrics (AzAAP).

Hospitals subject to APR-DRG Reimbursement will be eligible for an increase for meeting each of the two criteria noted above, thus having the potential to earn a Differential Adjusted Payment increase of 3.5% if both criteria are met.

Integrated Clinic: For AHCCCS-registered Integrated Clinic (IC) providers, meeting criteria as set forth below, the Contractor is required to increase the rates that the Contractor would

otherwise pay for select physical health services by 10.0%, in addition to any AHCCCS fee for service rate changes adopted by the Contractor, to the qualified provider.

Criteria: The IC must be registered with AHCCCS, with claims for behavioral health services accounting for at least 40% of total AHCCCS claims, together with participation in the Network, the state's Health Information Exchange (HIE):

1. A provider registered with AHCCCS as an IC and licensed by the Arizona Department of Health Services as Outpatient Treatment Center which provides both behavioral health services and physical health services and whose claims for behavioral health services must account for at least 40% of total claims.
2. AHCCCS will compute claims and encounters for behavioral health services as a percentage of total claims and encounters as of May 1, 2018 to determine which providers meet the 40% minimum threshold by utilizing claims and encounter data for dates of service from October 1, 2016 through September 30, 2017.
3. "Participation in the Network" means: By May 1, 2018, the clinic must have executed an agreement with a qualifying health information exchange organization and electronically transfer information, including both a registration event as well as an encounter summary, to a qualifying health information exchange organization.

Select physical health services which qualify for the increase include Evaluation and Management (E&M) codes, vaccine administration codes, and a global obstetric code.

Physicians, Physician Assistants, and Registered Nurse Practitioners: For CYE 19, for all services billed on the CMS Form 1500 by qualified AHCCCS-registered physicians, physician assistants, and registered nurse practitioners (Provider Types 08, 31, 18, 19) meeting criteria as set forth below, the Contractor is required increase the rates that the Contractor would otherwise pay by 1.0%, inclusive of any AHCCCS fee for service rate changes adopted by the Contractor, to the qualified provider. Due to the operational issues related to contracting arrangements with entities rather than individual practitioner, the Contractor is permitted pay the increase in a manner other than on an individual claim basis, The Contractor would need to pay the increase on at least a quarterly basis. In the event an expected quarterly payment to an entity is less than twenty five dollars, the Contractor will be permitted to delay payment to the entity until the earlier occurs: payments due of at least twenty five dollars or final quarterly payment for the Contract Year.

Criteria:

1. The provider must have written at least 80 prescriptions for AHCCCS members, and must have written at least 60% of their total AHCCCS prescriptions as Electronic Prescriptions (E-Prescriptions).
2. E-Prescription statistics will be identified by the AHCCCS provider ID for the prescribing provider, and computed by AHCCCS.

3. The Differential Adjusted Payment will apply to claims for covered AHCCCS services where the rendering provider ID on the claim is the same as the prescribing provider ID that was identified and found to meet the criteria described above.

Federally Qualified Health Centers (FQHCs): For CYE19, for FQHCs registered with AHCCCS who demonstrate attainment of the Minimum Performance Standard (MPS) for one or more of the selected clinical quality measures shown below, the Contractor is required to increase the rates that the Contractor would otherwise pay by 0.5%, 1.0% or 1.5%, on all FQHC visits that are payable at the AHCCCS all-inclusive per visit Prospective Payment System (PPS) rates.

Criteria: "Demonstrated attainment" means the FQHC has submitted to AHCCCS a copy of its 2017 Uniform Data Set (UDS) Report containing statistics that meet or exceed the MPS for the selected measures.

An FQHC whose patient population is greater than 20% homeless/transient or greater than 50% uninsured is qualified for up to a 1.5% Differential Adjusted Payment increase for attainment of each MPS for each Clinical Quality Measure below:

- Colorectal Cancer Screening requires a MPS increase over prior year greater than 5% to qualify for a 0.5% Differential Adjusted Payment increase
AND/OR
- Diabetes Hemoglobin A1c Poor Control (Diabetic Patients with HbA1c > 9%) or No Test During Year requires a MPS decrease from prior year greater than 5% to qualify for a 0.5% Differential Adjusted Payment increase
AND/OR
- Weight Assessment and Counseling for Nutrition and Physical Activity for Children and Adolescents requires a MPS increase over prior year greater than 5% to qualify for a 0.5% Differential Adjusted Payment increase

An FQHC whose patient population is less than or equal to 20% homeless/transient or less than or equal to 50% uninsured is qualified for up to a 1.5% Differential Adjusted Payment increase for attainment of each MPS for each Clinical Quality Measure below:

- Colorectal Cancer Screening requires a MPS greater than 65% to qualify for a 0.5% Differential Adjusted Payment increase
AND/OR
- Diabetes Hemoglobin A1c Poor Control (Diabetic Patients with HbA1c > 9%) or No Test During Year requires a MPS less than 41% to qualify for a 0.5% Differential Adjusted Payment increase
AND/OR
- Weight Assessment and Counseling for Nutrition and Physical Activity for Children and Adolescents requires a MPS greater than 55% to qualify for a 0.5% Differential Adjusted Payment increase

Pass-Through Payment: In accordance with A.R.S. §36-2905.02, small rural hospitals shall receive additional payments from AHCCCS in order to increase inpatient reimbursement. The Contractor shall be required to pass-through payments to qualifying network providers. AHCCCS will compute the participating provider payments during the contract year and will make available to the Contractor a list of small rural hospitals and associated pass-through payment amounts for the contract year. At the same time, AHCCCS will adjust capitation rates either as a per member per month adjustment or in the form of a lump sum payment to the Contractor in an amount equal to the pass-through payments due small rural hospital providers. The pass-through payments shall not supplant any payments to eligible providers [42 CFR 438.6(d)].

State Only Transplants Option 1 and Option 2: The Contractor will be paid capitation, from State Only funding, for an administrative component for those member months the member is enrolled with the Contractor. For Option 1 members the Contractor will be paid the administrative component up to a 12-month continuous period of extended eligibility. For Option 2 members the administrative component will be paid for the period of time the transplant is scheduled or performed. All medically necessary covered services will be reimbursed 100% with no deductible through Reinsurance payments based on adjudicated encounters. Delivery supplemental payments will not apply to women who deliver during the 12 month continuous period of extended eligibility specified as Option 1.

Community Reinvestment: The Contractor shall demonstrate a commitment to the local communities in which it operates through community reinvestment activities including contributing 6% of its annual profits to community reinvestment. The Contractor shall submit an annual Community Reinvestment Report as specified in Section F, Attachment F3, Contractor Chart of Deliverables. AHCCCS may request submission of the Contractor's plan for Community Reinvestment.

51. CAPITATION ADJUSTMENT

Rate Adjustments: The rates set forth in Contract Section B shall not be subject to renegotiation during the term of the Contract.

Capitation rates may be modified during the term of the Contract when changes to provisions in the Contract require adjustment to maintain actuarially sound rates. In addition, AHCCCS, at its sole discretion, may adjust capitation rates to address fundamental changes in circumstances such as:

1. Program changes,
2. Legislative requirements,
3. Updated encounter experience,
4. Rate setting assumptions, and
5. CMS Mandates.

If a capitation rate adjustment is determined necessary, the adjustment and assumptions may be discussed with the Contractor prior to modifying capitation rates. The Contractor may request a review of a program change if it believes the program change was not equitable; AHCCCS will not unreasonably withhold such a review.

The Contractor is responsible for notifying AHCCCS of program and/or expenditure changes initiated by the Contractor during the Contract term that may result in material changes to the current or future capitation rates.

Contractor Default: If the Contractor is in any manner in default in the performance of any obligation under this Contract, AHCCCS may, at its option and in addition to other available remedies, adjust the amount of payment until there is satisfactory resolution of the default.

Change in Member Status: The Contractor shall reimburse AHCCCS and/or AHCCCS may deduct from future monthly capitation for any portion of a month during which the Contractor was not at risk due to, for example:

1. Death of a member,
2. Inmate of a public institution,
3. Institution for Mental Disease (IMD) stays greater than 15 cumulative days during the calendar month for members age 21 – 64 ,
4. Duplicate capitation to the same Contractor,
5. Adjustment based on change in member's contract type, or
6. Voluntary withdrawal.

AHCCCS reserves the right to modify its policy on capitation recoupments at any time during the term of this Contract.

Inmate of a Public Institution Reporting: Several counties are submitting daily files of all inmates entering their jail and all inmates released. AHCCCS will match these files against the database of active AHCCCS members. AHCCCS members who become incarcerated will be disenrolled from their Contractor and placed in a "no-pay" status for the duration of their incarceration or their eligibility period if shorter. AHCCCS will provide the Contractor with incarceration information for the member on the Contractor's 834 file. The file will indicate an "IE" code for *ineligible* associated with the disenrollment. The file will also include a data element indicating the County of jurisdiction and "CTYPRI" as the new health plan of enrollment due to incarceration. Upon release from jail, the member will be re-enrolled with his/her previous Contractor unless that plan is no longer available to the member. If the plan the member was enrolled in prior to incarceration is no longer available, the member will be auto-assigned using the current enrollment rules. A member is eligible for covered services until the effective date of the member's "no-pay" status.

If the Contractor becomes aware of a member who becomes an inmate of a public institution and who is not identified in the AHCCCS reporting above, the Contractor must notify AHCCCS for

an eligibility determination. Notifications must be sent via email to the following email address: MCDUJustice@azahcccs.gov Notifications must include:

1. AHCCCS ID,
2. Name,
3. Date of Birth (DOB),
4. When incarcerated, and
5. Where incarcerated.

The Contractor does **not** need to report members incarcerated with the Arizona Department of Corrections.

52. MEMBER BILLING AND LIABILITY FOR PAYMENT

AHCCCS registered providers may charge AHCCCS members for services which are excluded from AHCCCS coverage, which are provided in excess of AHCCCS limits, or as otherwise described in A.A.C. R9-22-701.10(2).

Except for permitted copayments and calculated share of cost, the Contractor or its subcontractors must ensure that members are not held liable for:

1. The Contractor's or any subcontractor's debts in the event of Contractor's or the subcontractor's insolvency [42 CFR 438.106(a), Section 1932(b)(6) of the Social Security Act], and
2. Covered services provided to the member except as permitted under A.A.C. R9-22-701.10(2) [42 CFR 438.106(b)(1) and (2), 42 CFR 438.3(k), 42 CFR 438.230, Section 1932(b)(6) of the Social Security Act].

Payments to the Contractor or any subcontractors for covered services furnished under a contract, referral or other arrangement, to the extent that those payments are in excess of the amount the member would owe if the Contractor or any subcontractor provided the services directly [42 CFR 438.106(c), 42 CFR 438.3(k), 42 CFR 438.230, Section 1932(b)(6) of the Social Security Act]

53. REINSURANCE

Reinsurance is a stop-loss program provided by AHCCCS to the Contractor for the partial reimbursement of covered medical services for the Contract Year as described in this paragraph. The reinsurance Contract Year is the year beginning on October 1 and ending on September 30. Reinsurance is paid for services incurred for a member beyond an annual deductible level. AHCCCS is self-insured for the reinsurance program which is characterized by an initial deductible level and a subsequent coinsurance percentage. The coinsurance percentage is the rate at which AHCCCS will reimburse the Contractor for covered services incurred above the deductible. The deductible is the responsibility of the Contractor. Deductible levels are subject to change by AHCCCS during the term of this Contract. Any change to reinsurance deductibles

would have a corresponding impact on capitation rates. Refer to the AHCCCS Reinsurance Policy Manual for further details on the Reinsurance Program.

AHCCCS will reimburse a Contractor for costs incurred in excess of the applicable deductible level, subject to coinsurance percentages and Medicare/Third Party Liability (TPL) payment, less any applicable quick pay discounts, slow payment penalties and interest. PPC and prospective expenses are included under the reinsurance program. For reimbursement of reinsurance encounters in subcapitated arrangements, see the AHCCCS Reinsurance Policy Manual.

Reinsurance as described in this paragraph applies to all members covered by the AHCCCS Complete Care Contract.

The table below represents deductible and coinsurance levels. See specific case types below for coverage details.

Reinsurance Case Type	Deductible	Coinsurance
Regular Reinsurance	\$35,000	75%
Catastrophic Reinsurance	N/A	85%
Transplant and Other Case Types	See specific paragraphs below	See specific paragraphs below

Annual deductible levels apply to all members eligible for reinsurance except for State Only Transplant.

Regular Reinsurance: Regular reinsurance covers partial reimbursement of covered inpatient facility medical services. Inpatient services are those services provided in acute care hospitals (provider type 02) and accredited psychiatric hospitals (provider type 71) only. Same-day admit-and-discharge services do not qualify for reinsurance. Regular reinsurance covers the inpatient provider types listed above, but does not cover services provided by any other inpatient provider type, including but not limited to residential treatment centers and subacute facilities. Reinsurance reimbursement is based upon the lesser of the AHCCCS transplant contract amount or the Contractor's paid amount, subject to coinsurance percentages. See the AHCCCS Reinsurance Policy Manual for additional details.

In certain situations as outlined in the AHCCCS Reinsurance Policy Manual, per diem rates paid for nursing facility services provided within 30 days of an acute hospital stay, including room and board, provided in lieu of hospitalization for up to 90 days in any contract year shall be eligible for reinsurance coverage. The Skilled Nursing Facility stay must be the first continuous Skilled Nursing Facility stay post inpatient discharge. A second admission to the Skilled Nursing Facility is not eligible for reinsurance unless there is an additional Inpatient stay directly preceding the second admission.

Encounter Submission and Payments for Reinsurance: Contractors are reimbursed for reinsurance claims by submitting encounters that associate to a reinsurance case. All reinsurance associated encounters, except as provided below for “Disputed Matters,” must reach an adjudicated/approved status within 15 months from the end date of service, or date of eligibility posting, whichever is later. For all reinsurance case types, for services or pharmaceuticals, in the instances in which AHCCCS has specialty contracts or legislation/policy limiting the allowable reimbursement, the amount to be used in the computation of reinsurance will be the lesser of the contracted/mandated amount or the Contractor paid amount.

Encounters for claims which cross over reinsurance contract years will not be eligible for reinsurance. The association of an encounter to a reinsurance case does not automatically qualify the encounter for reinsurance reimbursement.

AHCCCS will not pay reinsurance on encounters for interim claims. The final claim submitted by a hospital associated with the full length of the patient stay will be eligible for reinsurance consideration as long as the days of the hospital stay do not cross reinsurance contract years.

The Contractor must void encounters for any claims that are recouped in full. For recoupments that result in a reduced claim value or any adjustments that result in an increased claim value, replacement encounters must be submitted and reach adjudicated status within 15 months of end date of service to receive adjusted reinsurance benefits. See the AHCCCS Reinsurance Policy Manual for further details. The Contractor should refer to Section D, Paragraph 64, Encounter Data Reporting, for additional encounter reporting requirements.

When a member changes Contractors within a reinsurance contract year, for reinsurance purposes, costs incurred for that member do not follow the member to the receiving Contractor. Encounters from the Contractor the member is leaving (for dates of service within the current reinsurance contract year) will not be applied toward the receiving Contractor’s deductible level.

Catastrophic Reinsurance: The Catastrophic Reinsurance program encompasses members receiving certain biological drugs as well as those members who are diagnosed with Hemophilia, von Willebrand’s Disease or Gaucher’s Disease, as follows:

Biological Drugs: Catastrophic reinsurance is available to cover the cost of certain biological drugs when medically necessary. Refer to the AHCCCS Reinsurance Policy Manual for a complete list of the approved biological drugs. When a biosimilar (generic equivalent) of a biologic drug is available, and AHCCCS has determined that the biosimilar is more cost effective than the brand name biologic product, AHCCCS will reimburse 85% of the lesser of the biologic drug or its biosimilar equivalent for reinsurance purposes unless the biosimilar equivalent is contraindicated for a specific member. If the AHCCCS Pharmacy & Therapeutics (P&T) Committee mandates the utilization of only the brand name biologic drug rather than biosimilar, AHCCCS will reimburse 85% of the amount of the branded biologic drug.

Hemophilia: Catastrophic reinsurance coverage is available for all members diagnosed with Hemophilia. AHCCCS holds a specialty contract for anti-hemophilic agents and related services for Hemophilia or von Willebrand's. The Contractor shall exclusively utilize the AHCCCS contract for Hemophilia Factor and Blood Disorders as the authorizing payor. As such, the Contractor will provide prior authorization, care coordination, and reimbursement for all components covered under the Contract for their members. The Contractor will comply with the terms and conditions of the AHCCCS Contract. Reinsurance coverage for anti-hemophilic blood factors will be limited to 85% of the AHCCCS contracted amount or the Contractor's paid amount, whichever is lower.

Von Willebrand's Disease: Catastrophic reinsurance coverage is available for all members diagnosed with von Willebrand's Disease who are non-DDAVP responders and dependent on Plasma Factor VIII.

Gaucher's Disease: Catastrophic reinsurance is available for members diagnosed with Gaucher's Disease classified as Type I and are dependent on enzyme replacement therapy.

For additional detail and restrictions refer to the AHCCCS Reinsurance Policy Manual. There are no deductibles for catastrophic reinsurance cases. For member's receiving biological drugs, AHCCCS will reimburse at 85% of the cost of the drug only. For those members diagnosed with Hemophilia, von Willebrand's Disease and Gaucher's Disease, all medically necessary covered services provided during the reinsurance Contract Year shall be eligible for reimbursement at 85% of the AHCCCS allowed amount or the Contractor's paid amount, whichever is lower, depending on the subcap/CN1 code indicated on the encounter.

The Contractor must notify AHCCCS/DHCM, Medical Management, of cases identified for catastrophic reinsurance coverage, as specified in Section F, Attachment F3, Contractor Chart of Deliverables. Catastrophic reinsurance will be paid for a maximum 30-day retroactive period from the date of notification to AHCCCS.

All catastrophic claims are subject to medical review by AHCCCS.

Transplant Reinsurance: This program covers members who are eligible to receive covered major organ and tissue transplants. Refer to the AMPM Policy 310-DD and the AHCCCS Reinsurance Policy Manual for covered services and types of organ and tissue transplants. The Contractor must notify AHCCCS/DHCM, Medical Management when a member is referred to a transplant facility for evaluation for an AHCCCS-covered organ transplant. In order to qualify for reinsurance benefits, the notification must be received by AHCCCS Medical Management within 30 days of referral to the transplant facility for evaluation.

If a Contractor intends to use an out-of-State transplant facility for a covered transplant and AHCCCS already holds an in-State contract for that transplant type, the Contractor must obtain

prior approval from the AHCCCS Medical Management Supervisor. Depending on the unique circumstances of each approved out-of-state transplant, AHCCCS Finance/Reinsurance may consider, on a case-by-case basis, the Contractor's reinsurance coverage at 85% of the Contractor's paid amount for comparable case/component rates. If no prior approval is obtained, and the Contractor incurs costs at the out-of-State facility, those costs are not eligible for either transplant or regular reinsurance.

Payment of Transplant Reinsurance Cases: Reinsurance coverage for transplants received at an AHCCCS contracted facility is paid at the lesser of 85% of the AHCCCS contract amount for the transplant services rendered or 85% of the Contractor's paid amount. Transplant contracts include per diem rates for inpatient follow-up care post-transplant (day 11+ for kidneys and day 61+ for all other transplants). Reinsurance for follow-up care follows the regular reinsurance reimbursement, including a deductible requirement. Reinsurance coverage for transplants received at a non-AHCCCS contracted facility is paid the lesser of 85% of the lowest AHCCCS contracted rate, for the same organ or tissue, or the Contractor paid amount. The AHCCCS contracted transplant rates may be found on the AHCCCS website.

Reinsurance payments are linked to transplant encounter submissions. The Contractor is required to submit all supporting encounters for transplant services and additional documentation as identified in the AHCCCS Reinsurance Policy Manual. In order to receive reinsurance payment for transplant stages, billed amounts and health plan paid amounts for adjudicated encounters must equal the amounts on the required documentation submitted to AHCCCS. Timeliness for each component payment will be calculated based on the latest adjudication date for the complete set of encounters related to the component. Clean claims must be received no later than 15 months from the end date of service for each particular transplant stage. Refer to the AHCCCS Reinsurance Policy Manual for the appropriate billing of transplant services.

Transplant Extended Eligibility Option 1 and Option 2 Transplant: Individuals who are currently on the transplant waiting list and subsequently lose AHCCCS eligibility may become eligible for and select one of two eligibility options. Extended eligibility is authorized only for members who have met all of the following conditions:

1. The individual has been determined ineligible due to excess income, and
2. The individual was on the transplant waitlist before AHCCCS eligibility expired.

Reinsurance coverage for State Only Option 1 and Option 2 members (as described in Section D, Paragraph 2, Eligibility Categories) for transplants received at an AHCCCS contracted facility is paid at the lesser of 1) 100% of the AHCCCS contract amount for the transplantation services rendered, less the transplant share of cost; or 2) 100% of the Contractor paid amount, less the transplant share of cost. For transplants received at a facility not contracted with AHCCCS, payment is made at the lesser of 100% of the lowest AHCCCS contracted amount for the transplant services rendered less the transplant share of cost, or 100% of the Contractor paid amount, less the transplant share of cost. All Option 1 and Option 2 transplants are subject to the terms regarding out of State transplants set forth above and in the AHCCCS Reinsurance

Policy Manual. The AHCCCS contracted transplantation rates may be found on the AHCCCS website. When a member is referred to a transplant facility for an AHCCCS-covered organ transplant, the Contractor shall notify AHCCCS/DHCM, Medical Management as specified in the AMPM Chapter 300, Policy 310 Attachments A and B.

Option 1: Extended eligibility is for one twelve-month continuous period of time. During that time, the member is eligible for all AHCCCS covered services including transplant as long as they continue to remain on the transplant waiting list. All medically necessary covered services provided to Option 1 members, unrelated to the transplant, shall be eligible for reimbursement, with no deductible, at 100% of the Contractor's paid amount based on adjudicated encounters. If determined medically ineligible for a transplant at any time during the period, eligibility for AHCCCS covered services will terminate at the end of the calendar month in which the determination is made.

Option 2: Extended eligibility covers transplant services only. At the time that the transplant is scheduled to be performed, the transplant candidate will reapply and will be re-enrolled with her/her previous Contractor to receive all covered transplant services.

Other Catastrophic Reinsurance: For all reinsurance case types other than transplants, the Contractor is reimbursed 100% for all medically necessary covered expenses provided in a reinsurance contract year, after the Contractor paid amount in the reinsurance case reaches \$1,000,000. It is the responsibility of the Contractor to notify AHCCCS/DHCM, Reinsurance Supervisor, once a reinsurance case reaches \$1,000,000. Failure to notify AHCCCS or failure to adjudicate encounters appropriately within 15 months from the end date or service will disqualify the related encounters for 100% reimbursement consideration.

Disputed Matters: For encounters which are the subject of a member appeal, provider claim dispute, grievance, or other legal action, including an informal resolution originating from a request for a formal claim dispute or member appeal, the Contractor has the greater of: 1) 90 days from the date of the final decision in that proceeding/action or 2) 15 months from the end date of service/date of eligibility posting to file the reinsurance encounter AND for the reinsurance encounter to reach adjudicated/approved status. Therefore, reinsurance encounters for disputed matters will be considered timely if the both the Notice of Decision is received and the encounters reach adjudicated/approved status no later than 90 days from the date of the final decision in that proceeding/action even though the 15 month deadline may have expired.

Failure to submit the Notice of Decision and the encounters within the applicable timeframes specified above will result in the denial of reinsurance.

Payment of Regular and Catastrophic Reinsurance Cases: AHCCCS will reimburse a Contractor for costs incurred in excess of the applicable deductible level, subject to coinsurance percentages and Medicare/Third Party Liability (TPL) payment, less any applicable quick pay discounts, slow payment penalties and interest. For reimbursement of reinsurance encounters in subcapitated arrangements, see the AHCCCS Reinsurance Policy Manual.

Reinsurance Audits: AHCCCS may perform medical audits on reinsurance cases. Terms of the audit process will be disclosed prior to implementation of the audits providing the Contractor with appropriate advance notice.

54. COORDINATION OF BENEFITS AND THIRD PARTY LIABILITY

AHCCCS is the payor of last resort unless specifically prohibited by applicable State or Federal law. This means AHCCCS shall be used as a source of payment for covered services only after all other sources of payment have been exhausted. The Contractor shall take reasonable measures to identify potentially legally liable third party sources. Refer to ACOM Policy 434.

If the Contractor discovers the probable existence of a liable third party that is not known to AHCCCS, or identifies any change in coverage, the Contractor must report the information within 10 days of discovery via the TPL Leads File or the TPL Referral Web Portal, as specified in Section F, Attachment F3, Contractor Chart of Deliverables. Failure to report these cases may result in one of the remedies specified in Section D, Paragraph 68, Administrative Actions.

AHCCCS will provide the Contractor with a file of all other coverage information, for the purpose of updating the Contractor's files, as described in the AHCCCS Technical Interface Guidelines (TIG).

The Contractor shall coordinate benefits in accordance with 42 CFR 433.135 et seq., A.R.S. §36-2903, and A.A.C. Title 9, Chapter 28, Article 9 so that costs for services otherwise payable by the Contractor are cost avoided or recovered from a liable third party [42 CFR 434.6(a)(9)]. The term "State" shall be interpreted to mean "Contractor" for purposes of complying with the Federal regulations referenced above. The Contractor may require subcontractors to be responsible for coordination of benefits for services provided pursuant to this Contract. The two methods used for coordination of benefits are Cost Avoidance and Post-Payment Recovery. The Contractor shall use these methods as described in A.A.C. Title 9, Chapter 28, Article 9, Federal and State law, and ACOM Policy 434. For Contractor cost sharing responsibilities for members covered by both Medicare and Medicaid see ACOM Policy 201 [42 CFR 433 Subpart D, 42 CFR 447.20].

The Contractor shall cost avoid a claim if it has established the probable existence of a liable party at the time the claim is filed. There are limited circumstances when cost avoidance is prohibited and the Contractor must apply post-payment recovery processes as described further below.

Cost Avoidance: For purposes of cost avoidance, establishing liability takes place when the Contractor receives confirmation that another party is, by statute, contract, or agreement, legally responsible for the payment of a claim for a healthcare item or service delivered to a member. If the probable existence of a party's liability cannot be established, the Contractor must adjudicate the claim. The Contractor must then utilize post-payment recovery which is described in further detail below. If AHCCCS determines that the Contractor is not actively engaged in cost avoidance activities, the Contractor shall be subject to Administrative Action..

If a third party insurer other than Medicare requires the member to pay any copayment, coinsurance or deductible, the Contractor is responsible for making these payments in accordance with ACOM Policy 434.

Claims for inpatient stay for labor, delivery and postpartum care, including professional fees when there is no global OB package, must be cost avoided [42 CFR 433.139].

Medicare Fee-For-Service Crossover Claims Payment Coordination: AHCCCS delegates to Contractors coordination of benefits payment activities with legally liable third parties, including Medicare. For dual eligible members, the Contractor shall coordinate Medicare Fee-For-Service (FFS) crossover claims payment activities with the Medicare Benefits Coordination and Recovery Center (BCRC) in accordance with 42 CFR 438.3(t).

The Contractor shall be registered with the BCRC as a trading partner to electronically process Medicare FFS crossover claims. An Attachment to the existing AHCCCS Medicare FFS Coordination of Benefits Agreement (COBA) shall be executed by Contractors to register as a BCRC trading partner. Upon completion of the registration process, the BCRC shall issue each Contractor a unique COB ID number. The Contractor will electronically receive data from the BCRC to coordinate payment of Medicare FFS crossover claims only. The Contractor shall be exempt from BCRC crossover processing fees to the same extent as AHCCCS.

Upon completion of trading partner registration, the Contractor shall coordinate with the BCRC regarding the sending, receipt and transmission of necessary BCRC-provided data files and file layouts, including eligibility and claim data files. The Contractor shall begin adjudicating Medicare FFS crossover claims upon completion of BCRC readiness review activities and receipt of BCRC approval.

Further information and resources for Contractors regarding the Medicare FFS COBA process and BCRC requirements are available at:

1. **Medicare Benefits Coordination and Recovery Center (BCRC) webpage:** www.cms.gov/Medicare/Coordination-of-Benefits-and-Recovery/Coordination-of-Benefits-and-Recovery-Overview/Overview.html
2. **COBA Implementation User Guide:** www.cms.gov/Medicare/Coordination-of-Benefits-and-Recovery/COBA-Trading-Partners/Downloads/COBA-Implementation-Guide-January-2017.pdf
3. **Electronic File Layouts:** www.cms.gov/Medicare/Coordination-of-Benefits-and-Recovery/COBA-Trading-Partners/Downloads/

Timely Filing: The Contractor shall not deny a claim for timeliness if the untimely claim submission results from a provider's efforts to determine the extent of liability.

Members Covered by both Medicare and Medicaid (Duals): See Section D, Paragraph 56, Medicare Services and Cost Sharing.

Post-Payment Recoveries

Post-payment recovery is necessary in cases where the Contractor has not established the probable existence of a liable third party at the time services were rendered or paid for, was unable to cost-avoid, or post-payment recovery is required. In these instances, the Contractor must adjudicate the claim and then utilize post-payment recovery processes which include: Pay and Chase, Retroactive Recoveries Involving Commercial Insurance Payor Sources, and other third party liability recoveries. Refer to ACOM Policy 434 for further guidance.

Pay and Chase: The Contractor shall pay the full amount of the claim according to the AHCCCS Capped-Fee-For-Service Schedule or the contracted rate and then seek reimbursement from any third party if the claim is for the following:

1. Preventive pediatric services, including Early and Periodic Screening Diagnosis and Treatment (EPSDT) and administration of vaccines to children under the Vaccines for Children (VFC) program, or
2. Services covered by third party liability that are derived from an absent parent whose obligation to pay support is being enforced by the Division of Child Support Enforcement.

Retroactive Recoveries Involving Commercial Insurance Payor Sources: For a period of two years from the date of service, the Contractor shall engage in retroactive third party recovery efforts for claims paid to determine if there are commercial insurance payor sources that were not known at the time of payment. In the event a commercial insurance payor source is identified, the Contractor must seek recovery from the commercial insurance. The Contractor is prohibited from recouping related payments from providers, requiring providers to take action, or requiring the involvement of providers in any way, unless the provider was paid in full from both the Contractor and the commercial insurance.

See ACOM Policy 434 for details regarding retroactive recoveries, encounter adjustments as a result of retroactive recoveries and the processes for identifying claims that have a reasonable expectation of recovery.

Other Third Party Liability Recoveries: The Contractor shall identify the existence of potentially liable parties using a variety of methods, including referrals, and data mining. The Contractor shall not pursue recovery in the following circumstances, unless the case has been referred to the Contractor by AHCCCS or AHCCCS' authorized representative:

1. Motor Vehicle Cases,
2. Other Casualty Cases,
3. Tort feasons,
4. Restitution Recoveries, and
5. Worker's Compensation Cases.

Upon identification of a potentially liable third party for any of the above situations, the Contractor shall, within 10 business days, report the potentially liable third party to AHCCCS' TPL Contractor for determination of a mass tort, total plan case, or joint case, as specified in Section F, Attachment F3, Contractor Chart of Deliverables. Failure to report these cases may result in

one of the remedies specified in Section D, Paragraph 68, Administrative Actions. A mass tort case is a case where multiple plaintiffs or a class of plaintiffs have filed a lawsuit against the same tortfeasor(s) to recover damages arising from the same or similar set of circumstances (e.g. class action lawsuits) regardless of whether any reinsurance or Fee-For-Service payments are involved. A total plan case is a case where payments for services rendered to the member are exclusively the responsibility of the Contractor; no reinsurance or Fee-For-Service payments are involved. By contrast, a "joint" case is one where Fee-For-Service payments and/or reinsurance payments are involved. The Contractor shall cooperate with AHCCCS' authorized representative in all collection efforts.

Total Plan Cases: In "total plan" cases, the Contractor is responsible for performing all research, investigation, the mandatory filing of initial liens on cases that exceed \$250, lien amendments, lien releases, and payment of other related costs in accordance with A.R.S. §36-2915 and A.R.S. §36-2916. The Contractor shall use the AHCCCS-approved casualty recovery correspondence when filing liens and when corresponding to others in regard to casualty recovery. The Contractor may retain up to 100% of its recovery collections if all of the following conditions exist:

1. Total collections received do not exceed the total amount of the Contractor's financial liability for the member,
2. There are no payments made by AHCCCS related to Fee-For-Service, reinsurance or administrative costs (e.g. lien filing), and
3. Such recovery is not prohibited by State or Federal law.

Prior to negotiating a settlement on a total plan case, the Contractor shall notify AHCCCS or AHCCCS' authorized TPL Contractor to ensure that there is no reinsurance or Fee-For-Service payment that has been made by AHCCCS. Failure to report these cases prior to negotiating a settlement amount may result in one of the remedies specified in Section D, Paragraph 68, Administrative Actions.

The Contractor shall report settlement information to AHCCCS, utilizing the AHCCCS-approved casualty recovery Settlement Notification Form (see ACOM Policy 434), within 10 business days from the settlement date or in an AHCCCS-approved monthly file, as specified in Section F, Attachment F3, Contractor Chart of Deliverables. Failure to report these cases may result in one of the remedies specified in Section D, Paragraph 68, Administrative Actions.

Joint and Mass Tort Cases: AHCCCS' authorized representative is responsible for performing all research, investigation and payment of lien-related costs, subsequent to the referral of any and all relevant case information to AHCCCS' authorized representative by the Contractor. In joint and mass tort cases, AHCCCS' authorized representative is also responsible for negotiating and acting in the best interest of all parties to obtain a reasonable settlement and may compromise a settlement in order to maximize overall reimbursement, net of legal and other costs. The Contractor is responsible for responding to requests from AHCCCS or AHCCCS' TPL contractor to provide a list of claims related to the joint or mass tort case within 10 business days of the request. The Contractor will be responsible for their prorated share of the contingency fee. The

Contractor's share of the contingency fee will be deducted from the settlement proceeds prior to AHCCCS remitting the settlement to the Contractor.

Other Reporting Requirements: All TPL reporting requirements are subject to validation through periodic audits and/or Operational Reviews which may include Contractor submission of an electronic extract of the casualty cases, including open and closed cases. Data elements may include, but are not limited to: the member's first and last name; AHCCCS ID; date of incident; claimed amount; paid/recovered amount; and case status. The AHCCCS TPL Unit shall provide the format and reporting schedule for this information to the Contractor.

Title XXI (KidsCare) and Breast and Cervical Cancer Treatment Program: Eligibility for KidsCare and Breast and Cervical Cancer Treatment Program (BCCTP) benefits require that the applicant/member not be enrolled with any other creditable health insurance plan. If the Contractor becomes aware of any such coverage, the Contractor shall notify AHCCCS immediately. AHCCCS will determine if the other insurance meets the creditable coverage definition in A.R.S. §36-2982(G).

Cost Avoidance/Savings/Recoveries Report: The Contractor shall submit quarterly reports regarding cost avoidance/saving/recovery activities, as specified in Section F, Attachment F3, Contractor Chart of Deliverables. The report shall be submitted in a format as specified in the AHCCCS Program Integrity Reporting Guide.

Contract Termination: Upon termination of this Contract, the Contractor shall complete existing third party liability cases or make any necessary arrangements to transfer the cases to AHCCCS' authorized TPL representative.

55. COPAYMENTS

The Contractor is required to comply with A.A.C. R9-22-711, ACOM Policy 431 and other directives by AHCCCS. Those populations exempt from copayments or subject to non-mandatory (also known as nominal or optional) copayments may not be denied services due to the inability to pay the copayment [42 CFR 438.108]. However, for those populations subject to mandatory copayments services may be denied for the inability to pay the copayment. Members with a CRS qualifying condition are currently exempt from mandatory and optional copayments.

When a member meets the criteria for copay exemption (i.e. members with a Children's Rehabilitative Services designation and/or ACC members who are placed in nursing facilities or residential facilities such as an Assisted Living Home when such placement is made as an alternative to hospitalization), the Contractor shall notify AHCCCS as specified in Section F, Attachment F3, Contractor Chart of Deliverables and ACOM Policy 431.

56. MEDICARE SERVICES AND COST SHARING

Medicare Services: Dual eligible members shall have choice of all providers in the Contractor's network. The Contractor shall coordinate Medicare services based on a dual eligible member's coverage choices through either Original Medicare or a State-contracted Medicare Advantage Dual Eligible Special Needs Plan with prescription drug coverage (a Medicare Advantage Part C D-SNP that covers Medicare Parts A, B and D services).

Beginning in 2017, Medicare covered Part B preventive services available to dual eligible members at little or no cost include, but are not limited to (subject to specific terms and requirements of each): annual alcohol misuse screenings for adults, biennial bone mass measurements, annual cardiovascular disease behavioral health therapy visit, cervical and vaginal cancer screenings, chronic care management services for members having two or more chronic conditions expected to last at least one year, colorectal cancer screenings, annual primary care depression screening, diabetes screenings and self-management training, appropriate vaccinations (influenza, pneumococcal, hepatitis B), hepatitis C screening, HIV screening, glaucoma testing, lung cancer screening, medical nutrition therapy services, obesity screening and counseling, prostate cancer screenings, sexually transmitted infection screenings and counseling, smoking and tobacco use cessation counseling, initial "Welcome to Medicare" preventive visit in first 12 months of program enrollment, and annual wellness visit.

Medicare Cost Sharing: The Contractor must pay Medicare coinsurance and/or deductibles for covered services provided to dual eligible members within the Contractor's network. However, there are different cost sharing responsibilities that apply to dual members based on a variety of factors. The Contractor must limit their cost sharing responsibility according to A.A.C. R9-29-301 and A.A.C. R9-29-302 and as further outlined in ACOM Policy 201. Refer to Section D, Paragraph 9, Scope of Services, for information regarding prescription medication for Medicare Part D.

In Original Medicare, a dual eligible member may access Medicare services from any provider enrolled (participating) in Medicare. Dual eligible members who choose to obtain Medicare-covered services from a "non-participating" Medicare provider may be required to pay for the entire charge at the time of service, which may be greater than the Medicare-approved amount. Dual eligible members are to be encouraged to obtain Medicare covered services from participating Medicare providers that accept "assignment," who accept the Medicare-approved amount as payment in full for Medicare covered services.

For a dual eligible member enrolled in a State-contracted Medicare Advantage D-SNP for Medicare covered services, the dual eligible member must follow the D-SNP's rules as approved by CMS, including but not limited to those governing use of the plan's provider network in obtaining covered services.

When a dual eligible member is in a medical institution and that stay is funded by Medicaid for a full calendar month, the dual eligible member is not required to pay copayments for their Medicare covered prescription medications for the remainder of the calendar year. To ensure appropriate information is communicated for these members to CMS, the Contractor must notify AHCCCS pursuant to ACOM Policy 201 and as specified in Section F, Attachment F3, Contractor Chart of Deliverables.

57. MARKETING

The Contractor shall comply with all Federal and State provisions regarding marketing including ACOM Policy 101 [42 CFR 438.104]. The Contractor shall submit all proposed marketing materials including, giveaways, sponsorships, press releases, and requests for participation in events that will involve the general public to the AHCCCS Marketing Committee for approval as specified in Section F, Attachment F3, Contractor Chart of Deliverables and as outlined in ACOM Policy 101. All marketing materials that have been approved by the AHCCCS Marketing Committee may be distributed by the Contractor for a period of two years from the date of approval and must be re-approved after that time. Pursuant to 42 CFR 438.104, the AHCCCS Marketing Committee will consult with the Arizona State Medicaid Advisory Committee (SMAC) in reviewing submitted marketing materials.

58. CORPORATE COMPLIANCE

Corporate Compliance Program: The requirements of 42 CFR 438.608 are imposed on the Contractor and the Contractor shall ensure compliance with those provisions. The Contractor must have a Corporate Compliance Program that is designed to guard against fraud, waste, and abuse and is supported by other administrative procedures including a Corporate Compliance Plan.

The Contractor shall appoint a Corporate Compliance Officer in accordance with Section D, Paragraph 15, Staffing Requirements. The Contractor's written Corporate Compliance Plan must adhere to Contract and ACOM Policy 103, and must be submitted to AHCCCS/OIG as specified in Section F, Attachment F3, Contractor Chart of Deliverables.

The Corporate Compliance Program shall be designed to prevent, detect, and report fraud, waste, or abuse. The Corporate Compliance Program must include:

1. Written policies, procedures, and standards of conduct that articulates the organization's commitment to and processes for complying with all applicable Federal and State rules, regulations, guidelines, and standards,
2. The Corporate Compliance Officer must be an onsite management official who reports directly to the Contractor's CEO and Board of Directors, if applicable. The Corporate Compliance Officer must be responsible for developing and implementing policies, procedures and practices designed to ensure compliance with the requirements of the Contract,
3. Effective lines of communication between the Corporate Compliance Officer and the Contractor's employees,
4. Enforcement of standards through well-publicized disciplinary guidelines,
5. Establishment and implementation of procedures that include provision for the prompt referral of any potential fraud, waste, or abuse to AHCCCS/OIG,
6. Establishment and implementation of procedures and a system with dedicated staff for routine internal monitoring and auditing of compliance risks, prompt response to compliance issues as they are raised, investigation of potential compliance problems as

- identified in the course of self-evaluation and audits, correction of such problems promptly and thoroughly to reduce the potential for recurrence, ongoing compliance with requirements under the Contract, and external monitoring and auditing of subcontractors,
7. Submission of an External Audit Plan, External Audit Schedule, and Executive Summary of all individual provider audits to AHCCCS/OIG as specified in ACOM Policy 103 and Section F, Attachment F3, Contractor Chart of Deliverables.
 8. The establishment of a Regulatory Compliance Committee involving the Board of Directors and the Contractor's senior management level charged with overseeing the Contractor's compliance program and its compliance with the requirements of the Contract,
 9. Compliance with the requirements of Section 6032 Deficit Reduction Act of 2005 (DRA) [Section 1902(a)(68) of the Social Security Act, 42 CFR 438.608(a)(6)]. As a condition for receiving payments, the Contractor shall establish written policies, and shall ensure adequate training and ongoing education for, all of its employees (including management), members, and of any subcontractors and/or agents of the Contractor regarding the following:
 - a. Detailed information about the Federal False Claims Act,
 - b. The administrative remedies for false claims and statements,
 - c. Any State laws relating to civil or criminal liability or penalties for false claims and statements, and
 - d. The whistleblower protections under such laws.
 10. Establishment of a system for training and education for the Corporate Compliance Officer, the Contractor's senior management, all staff and new hires on the Federal and State standards and requirements under the Contract, including the items in number 9 above. All training shall be conducted in such a manner that can be verified by AHCCCS,
 11. Notification to AHCCCS/DHCM, Data Analysis and Research, as specified in Section F, Attachment F3, Contractor Chart of Deliverables of any CMS compliance issues related to HIPAA transaction and code set complaints or sanctions,
 12. Reporting to AHCCCS of description of transactions between the Contractor and a party in interest as defined in Section 1318(b) of the Social Security Act, including the following transactions as specified in Section F, Attachment F3, Contractor Chart of Deliverables [Section 1903(m)(4)(B) of the Social Security Act]:
 - a. Any sale or exchange, or leasing of any property between the organization and such a party,
 - b. Any furnishing for consideration of goods, services (including management services), or facilities between the organization and such a party, but not including salaries paid to employees for services provided in the normal course of their employment, and
 - c. Any lending of money or other extension of credit between the organization and such a party.

The State or Secretary may require that information reported respecting an organization which controls, or is controlled by, or is under common control with, another entity be in the form of a consolidated financial statement for the organization and such entity.

The Contractor shall make the information reported available to its members upon reasonable request.

Reporting Alleged Fraud, Waste, or Abuse of the AHCCCS Program: In accordance with A.R.S. §36-2918.01, §36-2932, §36-2905.04 and ACOM Policy 103, the Contractor, its subcontractors and providers are required to notify the AHCCCS Office of Inspector General (AHCCCS/OIG) regarding all allegations of fraud, waste or abuse involving the AHCCCS Program. The Contractor shall promptly notify AHCCCS when it receives information about changes in a member's circumstances that may affect the member's eligibility including changes in the member's residence or the death of the member [42 CFR 438.608(a)(3)]. The Contractor shall not conduct any investigation or review of the allegations of fraud, waste, or abuse involving the AHCCCS Program. Notification to AHCCCS/OIG shall be in accordance with ACOM Policy 103 and as specified in Section F, Attachment F3, Contractor Chart of Deliverables. The Contractor must also report to AHCCCS, as specified in Section F, Attachment F3, Contractor Chart of Deliverables, any credentialing denials including, but not limited to those which are the result of licensure issues, quality of care concerns, excluded providers, and which are due to alleged fraud, waste or abuse. In accordance with 42 CFR 455.14, AHCCCS/OIG will then conduct a preliminary investigation to determine if there is sufficient basis to warrant a full investigation [42 CFR 455.17, 42 CFR 455.1(a)(1)].

The Contractor agrees to permit and cooperate with any onsite review. A review by the AHCCCS/OIG may be conducted without notice and for the purpose of ensuring program compliance. The Contractor also agrees to respond to electronic, telephonic, or written requests for information within the timeframe specified by AHCCCS. The Contractor agrees to provide documents, including original documents, to AHCCCS/OIG upon request and at no cost. The AHCCCS/OIG shall allow a reasonable time for the Contractor to copy the requested documents, not to exceed 30 calendar days from the date of the AHCCCS/OIG request.

Once the Contractor has referred a case of alleged fraud, waste, or abuse to AHCCCS/OIG, the Contractor shall take no action to recoup or otherwise offset any suspected overpayments. In the event that AHCCCS/OIG, either through a criminal restitution order, civil monetary penalty or assessment, a global civil settlement or judgement, or any other form of civil action, including recovery of an overpayment, receives a monetary recovery from an entity/individual, the entirety of such monetary recovery belongs exclusively to AHCCCS and the Contractor has no claim to any portion of this recovery. The Contractor hereby assigns to AHCCCS each, every, any and all of its rights to recover overpayments due to fraud, waste or abuse including any and all monetary recoveries in connection with, related to, or otherwise arising out of the overpayment(s).

In the event that the Contractor has recovered an overpayment, the Contractor must notify AHCCCS/OIG as specified in Section F, Attachment F3, Contractor Chart of Deliverables. AHCCCS/OIG will notify the Contractor when the investigation concludes. If it is determined by AHCCCS/OIG to not be a fraud, waste, or abuse case, the Contractor shall adhere to the applicable AHCCCS policy manuals for disposition.

Disclosure Information: The Contractor shall submit all disclosure Information requested in ACOM Policy 103 and its attachments, and as required by federal and state law, including but

not limited to the following: Disclosure of Ownership or Control Interest; fiscal agents; business transactions; persons convicted of crimes as delineated in regulation, ACOM Policy 103, and in Section F, Attachment F3, Contractor Chart of Deliverables; and creditors [42 CFR 455, Subpart B, 42 CFR 455.436, 42 CFR 438.608(c), 42 CFR 455.436, SMDL 08-003 and 09-001, Sections 1124(a)(2)(A) and 1903(m)(2)(A)(viii) of the Social Security Act]. Disclosures shall be made in accordance with ACOM Policy 103, as directed by regulation, and upon request from AHCCCS or CMS [42 CFR 455, Subpart B].

The Contractor shall provide the above-listed disclosure information to AHCCCS at any and all of the following times (Sections 1124(a)(2)(A) and 1903(m)(2)(A)(viii) of the Social Security Act, and 42 CFR 455.104(c)(3)):

1. Upon the Contractor submitting the Proposal in accordance with the State's procurement process,
2. Upon the Contractor executing the Contract with the State,
3. Upon renewal or extension of the Contract.
4. 45 days prior to the effective date of commencement of operations for a change in Contractor Organizational Structure. Refer to ACOM Policy 317 for more information,
5. Within 35 days after any change , and
6. Upon request by AHCCCS.

The Contractor shall immediately notify AHCCCS/OIG of any person who has been excluded through these checks as specified in Section F, Attachment F3, Contractor Chart of Deliverables.

Federal Financial Participation (FFP) is not available for any amounts paid to a Contractor that could be excluded from participation in Medicare or Medicaid for any of the following reasons:

1. The Contractor is controlled by a sanctioned individual under Section 1128(b)(8) of the Social Security Act [42 CFR 438.808(a), 42 CFR 438.808(b)(1), 42 CFR 431.55(h), Section 1903(i)(2) of the Social Security Act, 42 CFR 1001.1901(c), 42 CFR 1002.3(b)(3); SMDL 6/12/08, SMDL 1/16/09],
2. The Contractor has a contractual relationship that provides for the administration, management or provision of medical services, or the establishment of policies, or the provision of operational support for the administration, management or provision of medical services, either directly or indirectly, with an individual convicted of certain crimes as described in Section 1128(b)(8)(B) of the Social Security Act [42 C FR 438.808(a), 42 CFR 438.808(b)(2), 42 CFR 431.55(h), Section 1903(i)(2) of the Social Security Act, 42 CFR 1001.1901(c), 42 CFR 1002.3(b)(3), SMDL 6/12/08; SMDL 1/16/09],
3. The Contractor has a contractual relationship that provides for the administration, management or provision of medical services, or the establishment of policies, or the provision of operational support for the administration, management or provision of medical services, either directly or indirectly, with an individual or entity that is, or is affiliated with a person/entity that is, debarred, suspended, or excluded from participating in procurement activities under the Federal Acquisition Regulation (FAR) or from participating in non-procurement activities under regulation issued under Executive Order

- No. 12549 or under guidelines implementing Executive Order No. 12549 [42 CFR 438.808(a), 42 CFR 438.808(b)(2), 42 CFR 438.610(a), 42 CFR 431.55(h), Section 1903(i)(2) of the Social Security Act, 42 CFR 1001.1901(c), 42 CFR 1002.3(b)(3), SMDL 6/12/08, SMDL 1/16/09, Executive Order No. 12549],
4. The Contractor has a contractual relationship that provides for the administration, management or provision of medical services, or the establishment of policies, or the provision of operational support for the administration, management or provision of medical services, either directly or indirectly, with an individual excluded from participation in any Federal health care program under Section 1128 or 1128A of the Social Security Act [42 CFR 438.808(a), 42 CFR 438.808(b)(2), 42 CFR 438.610(b), 42 CFR 431.55(h), Section 1903(i)(2) of the Social Security Act, 42 CFR 1001.1901(c), 42 CFR 1002.3(b)(3), SMDL 6/12/08, SMDL 1/16/09], and
 5. The Contractor employs or contracts, directly or indirectly, for the furnishing of health care, utilization review, medical social work, or administrative services, with one of the following:
 - a. Any individual or entity that is, or was affiliated with a person/entity that is excluded from participation in any Federal health care programs [42 CFR 438.808, 42 CFR 438.610; Section 1903(i)(2) of the Social Security Act, 42 CFR 1001.1901(c), 42 CFR 1002.3(b)(3), SMDL 6/12/08, SMDL 1/16/09, Executive Order No. 12549], and
 - b. Any entity that would provide those services through an excluded individual or entity excluded from participation in any Federal healthcare program [42 CFR 438.808, 42 CFR 438.610, Section 1903(i)(2) of the Social Security Act, 42 CFR 431.55(h), 42 CFR 1001.1901(c), 42 CFR 1002.3(b)(3), SMDL 6/12/08, and SMDL 1/16/09].

Should AHCCCS learn that the Contractor has a prohibited relationship with an individual or entity that is excluded from participation in any Federal health care program under section 1128 or 1128A of the Social Security Act, AHCCCS may not renew or extend the existing agreement with the Contractor unless the Secretary provides to the state and to Congress a written statement describing compelling reasons that exist for renewing or extending the agreement despite the prohibited affiliation [42 CFR 438.610(d)(3), 42 CFR 438.610(b)].

The Contractor shall require Fiscal Agents and Administrative Services Subcontractors to adhere to the requirements outlined above regarding disclosure Information requested in ACOM Policy 103 and its attachments, and as required by federal and state law, including but not limited to the following: Disclosure of Ownership or Control Interest; fiscal agents; business transactions; persons convicted of crimes [42 CFR 455, Subpart B, 42 CFR 455.436, 42 CFR 438.608(c), 42 CFR 455.436, SMDL 09-001, Sections 1124(a)(2)(A) and 1903(m)(2)(A)(viii) of the Social Security Act]. Administrative Services Subcontractors shall disclose to AHCCCS/OIG the identity of any excluded person [42 CFR 438.604(a)(6), 42 CFR 438.606, 42 CFR 455.104, 42 CFR 438.230, 42 CFR 438.608(c)(2)]. Refer to ACOM Policy 103 and its attachments.

The Contractor is prohibited from paying for an item or service (other than an emergency item or service, not including items or services furnished in an emergency room of a hospital) furnished under the plan by any individual or entity during any period when the individual or entity is excluded from participation under title V, XVIII, XIX, XX, or XXI pursuant to Sections 1128, 1128A, 1156, or 1842(j)(2) and (1903(i) and 1903(i)(2)(A)) of the Social Security Act.

The Contractor is prohibited from paying for an item or service (other than an emergency item or service, not including items or services furnished in an emergency room of a hospital) furnished at the medical direction or on the prescription of a physician, during the period when such physician is excluded from participation under title V, XVIII, XIX, XX, or XXI pursuant to section 1128, 1128A, 1156, or 1842(j)(2) of the Social Security Act and when the person furnishing such item or service knew, or had reason to know, of the exclusion (after a reasonable time period after reasonable notice has been furnished to the person) (Sections 1903(i) and 1903(i)(2)(B)) of the Social Security Act).

The Contractor is prohibited from paying for an item or service (other than an emergency item or service, not including items or services furnished in an emergency room of a hospital) furnished by an individual or entity to whom the State has failed to suspend payments during any period in which the State has notified the Contractor of a pending investigation of a credible allegation of fraud against the individual or entity, unless the State determines there is good cause not to suspend such payments (Section 1903(i) and 1903(i)(2)(C)) of the Social Security Act).

Termination of Provider From Contractor Network of Providers: The Contractor shall ensure, for itself and require of any subcontractor(s), that any provider of services or person terminated from participation in the AHCCCS Medicaid Program, other XIX programs, Title XVIII or XXI programs, shall be terminated from participating with Contractor as a provider in any of Contractor's network of providers who render services to individuals eligible to receive medical assistance pursuant to Title XIX.

59. RECORD RETENTION

The Contractor shall maintain records relating to covered services and expenditures including reports to AHCCCS and documentation used in the preparation of reports to AHCCCS. The Contractor shall comply with all specifications for record keeping established by AHCCCS. All records shall be maintained to the extent and in such detail as required by AHCCCS rules and policies. Records shall include but not be limited to financial statements, records relating to the quality of care, medical records, prescription files and other records specified by AHCCCS.

The Contractor shall make available, at all reasonable times during the term of this Contract, any of its records for inspection, audit or reproduction by any authorized representative of AHCCCS, State or Federal government. The Contractor shall be responsible for any costs associated with the reproduction of requested information.

The Contractor shall preserve and make available all records for a period of five years from the date of final payment under this Contract unless a longer period of time is required by law.

The Contractor shall comply with the record keeping requirements delineated in 42 CFR 438.3(u) and retain such records for a period of no less than 10 years.

For retention of patient medical records, the Contractor shall ensure compliance with A.R.S. §12-2297 which provides, in part, that a health care provider shall retain patient medical records according to the following:

1. If the patient is an adult, the provider shall retain the patient medical records for at least six years after the last date the adult patient received medical or health care services from that provider, and
2. If the patient is under 18 years of age, the provider shall retain the patient medical records either for at least three years after the child's eighteenth birthday or for at least six years after the last date the child received medical or health care services from that provider, whichever date occurs later.

In addition, the Contractor shall comply with the record retention periods specified in HIPAA laws and regulations, including, but not limited to, 45 CFR 164.530(j)(2).

If this Contract is completely or partially terminated, records shall be retained as described above.

60. SYSTEMS AND DATA EXCHANGE REQUIREMENTS

The Contractor is required to exchange data with AHCCCS relating to the information requirements of this Contract and as required to support the data elements to be provided to AHCCCS. All data exchanged must be in the formats prescribed by AHCCCS, which include those required/covered by the Health Insurance Portability and Accountability Act (HIPAA). Details for the formats may be found in the HIPAA Transaction Companion Guides, Trading Partner Agreements, AHCCCS Encounter Manual, and in the AHCCCS Technical Interface Guidelines (TIG), available on the AHCCCS website.

The information exchanged with AHCCCS shall be in accordance with all procedures, policies, rules, or statutes in effect during the term of this Contract. If any of these procedures, policies, rules, regulations or statutes are hereinafter changed, both parties agree to conform to these changes following notification by AHCCCS.

Electronic Transactions: The Contractor is required to accept and generate all required HIPAA compliant electronic transactions from or to any provider or their assigned representative interested in and capable of electronic submission of eligibility verifications, claims, claims status verifications or prior authorization requests; or the receipt of electronic remittance. The Contractor must be able to make claims payments via electronic funds transfer and have the capability to accept electronic claims attachments.

Contractor Data Exchange: Before a Contractor may exchange data with AHCCCS, certain agreements, authorizations and control documents are required, including the completion and submission of the EDI Trading Partner Agreement in order to exchange data with AHCCCS.

With the completion of required documents as outlined in the AHCCCS Encounter Manual, each Contractor is assigned a Transmission Submitter Number (TSN) for encounter submissions. The Contractor may elect to obtain additional TSNs based upon processing or tracking needs.

Contractor Responsibilities: The Contractor is responsible for any incorrect data, delayed submission or payment (to the Contractor or its subcontractors), and/or penalty applied due to any error, omission, deletion, or incorrect data submitted by the Contractor. Any data that does not meet the standards required by AHCCCS shall not be accepted by AHCCCS.

The Contractor is required to provide an attestation that any data transmitted is accurate and truthful, to the best of the Contractor's Chief Executive Officer, Chief Financial Officer or designee's knowledge [42 CFR 438.606] as outlined by AHCCCS in the HIPAA Transaction Companion Guides and Trading Partner Agreements.

Neither the State of Arizona nor AHCCCS shall be responsible for any incorrect or delayed payment to the Contractor's subcontractors resulting from error, omission, deletion, or erroneous input data caused by the Contractor in the submission of AHCCCS claims.

The Contractor is also responsible for identifying any inconsistencies immediately upon receipt of data from AHCCCS. If any unreported inconsistencies are subsequently discovered, the Contractor shall be responsible for the necessary adjustments to correct its records at its own expense.

Member Data: The Contractor shall accept from AHCCCS original evidence of eligibility and enrollment in the AHCCCS prescribed electronic data exchange formats. Upon request, the Contractor shall provide to AHCCCS PCP assignments in an AHCCCS prescribed electronic data exchange format.

Claims Data: This system must be capable of collecting, storing and producing information for the purposes of financial, medical and operational management.

The Contractor shall develop and maintain a HIPAA compliant claims processing and payment system capable of processing, cost avoiding and paying claims in accordance with A.R.S. §36-2903 and §36-2904 and A.A.C. R9-22-701.10. The system must be adaptable to updates in order to support future AHCCCS claims related policy requirements on a timely basis as needed.

On a recurring basis, monthly based on adjudication date, AHCCCS shall provide the Contractor an electronic file of claims and encounter data, for members enrolled with the Contractor who have received services that adjudicated from another contractor or through AHCCCS FFS for purposes of member care coordination. Data sharing will comply with Federal privacy regulations.

In addition, the Contractor shall implement and meet the following milestones in order to make claims processing and payment more efficient and timely:

1. Receive 85% of total claims (e.g. professional, institutional and dental), with a minimum 60% requirement by form type, based on volume of actual claims excluding claims processed by Pharmacy Benefit Managers (PBMs) electronically,
2. Produce and distribute 75% of remittances electronically, and
3. Provide 85% of claims payments via EFT.

AHCCCS intends to increase the percentage requirements over the term of the Contract.

System Changes and Upgrades: The costs of software changes are included in administrative costs paid to the Contractor. There is no separate payment for software changes. A PMMIS systems contact will be assigned to the Contractor after Contract award.

The Contractor shall ensure that changing or making major upgrades to the information systems affecting claims processing, payment or any other major business component, is accompanied by a plan which includes a timeline, milestones, and outlines adequate testing to be completed before implementation. The Contractor shall notify and provide the system change plan to AHCCCS for review and comment as specified in Section F, Attachment F3, Contractor Chart of Deliverables.

Health Insurance Portability and Accountability Act (HIPAA): The Contractor shall comply with the Administrative Simplification requirements of 45 CFR Parts 160 and 162 that are applicable to the operations of the Contractor by the dates required by the implementing Federal regulations as well as all subsequent requirements and regulations as published.

Data Security: The Contractor is required to have a security audit performed by an independent third party on an annual basis. The annual audit report must be submitted to AHCCCS as specified in Section F, Attachment F3, Contractor Chart of Deliverables.

The audit must include, at a minimum, a review of Contractor compliance with all security requirements as outlined in the AHCCCS Security Rule Compliance Summary Checklist, as specified in ACOM Policy 108. In addition, the audit must include a review of Contractor policies and procedures to verify that appropriate security requirements have been adequately incorporated into the Contractor's business practices, and the production processing systems.

The audit must result in a findings report and as necessary a corrective action plan, detailing all issues and discrepancies between the security requirements and the Contractor's policies, practices and systems. The corrective action plan must also include timelines for corrective actions related to all issues or discrepancies identified. The annual report must include the findings and corrective action plan and must be submitted to AHCCCS for review and approval. AHCCCS will verify that the required audit has been completed and the approved remediation plans are in place and being followed.

Health Information Exchange (HIE): The Contractor is required to contract with Arizona Health Current, a non-profit organization which provides a secure network ("The Network") for health information exchange. The Contractor shall sign a participation agreement for The Network. As

a participant of The Network, the Contractor shall be identified by The Network as a “data user” and is expected to become a “data supplier” over time, as required by AHCCCS.

To further the integration of technology based solutions and the promotion of interoperability of electronic health records within the system of care, AHCCCS will increase opportunities for providers and Contractors to utilize technological functions for processes that are necessary to meet Medicaid requirements. Expanding the adoption and use of health information technology may reduce total spending on health care by diminishing the number of inappropriate tests and procedures, reducing paperwork and administrative overhead, and decreasing the number of adverse events resulting from medical errors. The Contractor is expected to actively participate in offering information and providing provider support and education to further expand provider adoption and use of health information technology. It is AHCCCS' expectation that the Contractor review operational processes to reduce provider hassle factors by implementing technological solutions for those providers utilizing electronic health records and to incentivize providers to implement and meaningfully use health information technology as a standard of doing business with the AHCCCS program. AHCCCS also anticipates establishing minimum standards, goals and requirements related to operational areas where improved efficiencies or effectiveness could be achieved. AHCCCS anticipates accelerating statewide Health Information Exchange (HIE) participation for all Medicaid providers and Contractors by:

1. Requiring that behavioral health and physical health providers use The Network for secure sharing of clinical information between physical and behavioral health providers,
2. Administering an HIE onboarding program for high volume Medicaid hospitals, Federally Qualified Health Centers, Rural Health Clinics, Look-a-Like clinics and other eligible groups of Medicaid providers,
3. Supporting the acceleration of electronic prescribing by Arizona Medicaid providers,
4. Joining the State level HIE for governance, policy making, and information technology service offerings, and
5. Identifying value-based purchasing opportunities that link with a providers adoption and use of Health Information Technology (HIT)

The Contractor shall encourage providers that are participating in the Medicaid EHRS Incentive Program (i.e. eligible hospitals and eligible professionals) to continue to move through the Promoting Interoperability continuum, accelerate the participation of other provider types in their network, and participate in planning activities that will result in improved care coordination and health care delivery for members.

The Contractor is expected to collaborate with AHCCCS and a qualifying HIE Organization to target efforts to specific areas where HIT and HIE can bring significant change and progress including efforts focused on:

1. Coordinating the secure sharing of clinical health information between providers,
2. Identifying additional partnerships for integrated care among other health care delivery participants,

3. Identifying and implementing strategies for high need/high cost members,
4. Coordination of care for members who are enrolled in the American Indian Health Program (AIHP),
5. Coordination of care for members who are transitioning between AHCCCS and Qualified Health Plans,
6. Coordination of care for AHCCCS eligible and enrolled members involved in transitioning in or out of the Justice system,
7. Pharmacy management,
8. Quality improvement activities and reporting as identified by the Contractor or AHCCCS, and
9. Other activities as identified by AHCCCS and that are allowed under the Permitted User Policy of the Qualifying HIE Organization.

61. ENCOUNTER DATA REPORTING

Complete, accurate and timely reporting of encounter data is crucial to the success of the AHCCCS program. AHCCCS uses encounter data to pay reinsurance benefits, set Fee-For-Service and capitation rates, determine reconciliation amounts, determine disproportionate share payments to hospitals, and to determine compliance with performance standards. Furthermore, increased emphasis on encounter data is highlighted in the Medicaid Managed Care Regulations published on May 6, 2016. The Contractor shall submit encounter data to AHCCCS for all services for which the Contractor incurred a financial liability and claims for services eligible for processing by the Contractor where no financial liability was incurred including services provided during prior period coverage [42 CFR 438.604(a)(1); 42 CFR 438.606; 42 CFR 438.818. This requirement is a condition of the CMS grant award [42 CFR 438.242(b)(1)][42 CFR 455.1 (a)(2)].

New Contractors must successfully exchange encounter data for all applicable form types with AHCCCS no later than 120 days after the start of the Contract or be subject to possible corrective actions up to and including sanctions and enrollment caps.

Encounter Submissions: Encounters must be submitted in the format prescribed by AHCCCS. Encounter data must be provided to AHCCCS as outlined in the HIPAA Transaction Companion Guides, Trading Partner Agreements, the AHCCCS Technical Interface Guidelines (TIG) and the AHCCCS Encounter Manual, including, but not limited to, inclusion of data to identify the physician who delivers services to patients per Section 1903(m)(2)(A)(xi) of the Social Security Act.

Professional, Institutional and Dental Encounters not involving services eligible for Federal Drug Rebate processing shall be received by AHCCCS no later than 210 days after the end of the month in which the service was rendered, or the effective date of the enrollment with the Contractor, whichever date is later. Failure to submit encounters within 210 days may result in sanctions as specified in the AHCCCS Encounter Manual.

Covered outpatient drugs dispensed to individuals eligible for medical assistance who are enrolled with the Contractor shall be subject to the same rebate requirements as the State is subject under Section 1927 of the Social Security Act; the State shall collect such rebates from

manufacturers (Section 1903(m)(2)(A)(xiii) of the Social Security Act and SMDL 10-006). To ensure AHCCCS compliance with this requirement, pharmacy related encounter data and other encounters involving services eligible for Federal Drug Rebate processing must be provided to AHCCCS no later than 30 days after the end of the quarter in which the pharmaceutical item was dispensed. The Contractor must report information on the total number of units of each dosage form and strength and package size by National Drug Code of each covered outpatient drug dispensed (other than covered outpatient drugs that under subsection (j)(1) of Section 1927 of the Social Security Act [42 USCS §1396r-8] are not subject to the requirements of that Section) and such other data as required by AHCCCS (Section 1903(m)(2)(A)(xiii) of the Social Security Act and SMDL 10-006).

A Contractor shall prepare, review, verify, certify, and submit, encounters for consideration to AHCCCS. Upon submission, the Contractor must provide attestation that the services listed were actually rendered.

The Contractor shall be subject to sanctions for noncompliance with encounter submission completeness, accuracy and timeliness requirements.

Encounter Reporting: The Contractor must produce reports for the purposes of tracking, trending, reporting process improvement and monitoring submissions and revisions of encounters. The Contractor shall submit these reports to AHCCCS as required per the AHCCCS Encounter Manual, TIG, or as directed by AHCCCS and as further specified in Section F, Attachment F3, Contractor Chart of Deliverables.

On a monthly basis AHCCCS will produce encounter reconciliation files containing the prior 30 months of approved, voided, plan-denied, pended and AHCCCS-denied encounters received and processed by AHCCCS. These files must be utilized to compare the encounter financial data reported with plan claims data, and to compare submitted encounters to processed claims to validate completeness of encounter submissions.

Encounter Supporting Data Files: AHCCCS provides the Contractor with periodic (no less than twice monthly) full replacement files containing provider and medical coding information as stored in PMMIS. These files shall be used by the Contractor in conjunction with the Contractor's data to ensure accurate Encounter Reporting. Refer to the AHCCCS Encounter Manual or TIG for further information regarding the content and layouts of these files.

Encounter Corrections: The Contractor is required to monitor and resolve pended encounters and encounters denied by AHCCCS.

The Contractor is further required to submit replacement or voided encounters in the event that claims are subsequently corrected following the initial encounter submission. This includes corrections as a result of inaccuracies identified by fraud and abuse audits or investigations conducted by AHCCCS or the Contractor. The Contractor must void encounters for claims that are recouped in full. For recoupments that result in a reduced claim value or adjustments that result in an increased claim value, replacement encounters must be submitted. Refer to the

AHCCCS Encounter Manual for instructions regarding the submission of corrected, replaced or voided encounters.

Encounter Performance Standards: AHCCCS has established encounter performance standards as detailed in the AHCCCS Encounter Manual. All encounters including approved, pended, denied and voided encounters, impact completeness, accuracy, and timeliness rates. Rates below the established standards (pended encounters that have pended for more than 120 days for example), or poor encounter performance overall, may result in Corrective Action Plans and/or sanctions.

Encounter Validation Studies: Per CMS requirements, AHCCCS will conduct encounter validation studies of the Contractor's encounter submissions. These studies may result in sanctions of the Contractor and/or require a corrective action plan for noncompliance with related encounter submission requirements.

The purpose of encounter validation studies is to compare recorded utilization information from a medical record or other source with the Contractor's submitted encounter data. Any and all covered services may be validated as part of these studies. The criteria used in encounter validation studies may include timeliness, correctness and omission of encounters. Refer to the AHCCCS Encounter Data Validation Technical Document for further information.

AHCCCS may revise study methodology, timelines and sanction amounts based on agency review or as a result of consultations with CMS. The Contractor will be notified in writing of any significant change in study methodology.

62. ENROLLMENT AND CAPITATION TRANSACTION UPDATES

AHCCCS produces daily enrollment transaction updates identifying new members and changes to existing members' demographic, eligibility and enrollment data as outlined in the HIPAA Transaction Companion Guides, Trading Partner Agreements, and the AHCCCS Technical Interface Guidelines (TIG) available on the AHCCCS website. These files shall be utilized by the Contractor to update its member records on a timely and consistent basis. The daily enrollment transaction update, that is run immediately prior to the monthly enrollment and capitation transaction, is referred to as the "last daily" and will contain all rate code changes made for the prospective month, as well as any new enrollments and disenrollments as of the first of the prospective month.

AHCCCS also produces a daily Manual Payment Transaction as outlined in the TIG, available on the AHCCCS website, which identifies enrollment or disenrollment activity that was not included on the daily enrollment transaction update due to internal edits. The Contractor shall use the Manual Payment Transaction in addition to the daily enrollment transaction update to update its member records.

A daily capitation transaction as outlined in the HIPAA Transaction Companion Guides, and Trading Partner Agreements, will be produced to provide the Contractor with member-level capitation

payment information. This file will show changes to the prospective capitation payments, as sent in the monthly file, resulting from enrollment changes that occur after the monthly file is produced. This file will also identify mass adjustments to and/or manual capitation payments that occurred at AHCCCS after the monthly file is produced.

On a daily and monthly basis AHCCCS provides the Contractor with the Rate Code Summary electronic file as outlined in the TIG available on the AHCCCS website, which summarizes the capitation activity for the processing cycle.

The enrollment and capitation transaction updates distributed monthly are generally produced two days before the end of every month. The update will identify the total active population for the Contractor as of the first day of the next month. These updates contain the information used by AHCCCS to produce the monthly capitation payment for the next month. The Contractor must reconcile the member files (including the member's Medicare status, TPL information, etc.) with the AHCCCS monthly update. After reconciling the monthly update information, the Contractor will work to resolve any discrepancies and record the results of the reconciliation. Results of the reconciliation will be made available to AHCCCS upon request. After completion of the reconciliation the Contractor will resume posting daily updates beginning with the last two days of the month. The last two daily updates are different from the regular daily updates in that they pay and/or recoup capitation for the next month. If the Contractor detects an error through the monthly update process, the Contractor shall notify AHCCCS/ISD.

63. PERIODIC REPORTING REQUIREMENTS

Under the terms and conditions of its CMS grant award, AHCCCS requires periodic reports, encounter data and other information from the Contractor. The submission of late, inaccurate, or otherwise incomplete reports shall constitute failure to report subject to the penalty provisions described in Section D, Paragraph 68, Administrative Actions.

Standards applied for determining adequacy of required reports are as follows [42 CFR 438.242(b)(2)]:

1. **Timeliness:** Reports or other required data shall be received on or before scheduled due dates.
2. **Accuracy:** Reports or other required data shall be prepared in strict conformity with appropriate authoritative sources and/or AHCCCS defined standards.
3. **Completeness:** All required information shall be fully disclosed in a manner that is both responsive and pertinent to report intent with no material omissions.

The Contractor shall comply with all reporting requirements contained in this Contract. The Contractor shall submit any other data, documentation, or information relating to the performance of the entity's obligations as required by the State or Secretary [42 CFR 438.604(b) and 42 CFR 438.606]. AHCCCS requirements regarding reports, including but not limited to, report content, report frequency, and report submission, are subject to change at any time during

the term of the Contract. The Contractor shall comply with all changes specified by AHCCCS, including those pertaining to subcontractor reporting requirements. The Contractor shall be responsible for continued reporting beyond the term of the Contract.

64. REQUESTS FOR INFORMATION

AHCCCS may, at any time during the term of this Contract, request financial, clinical or other information from the Contractor. Responses shall fully disclose all financial, clinical or other information requested. Information may be designated as confidential but may not be withheld from AHCCCS as proprietary. Information designated as confidential may not be disclosed by AHCCCS without the prior written consent of the Contractor except as required by law. Upon receipt of such requests for information from AHCCCS, the Contractor shall provide complete information to AHCCCS as requested no later than 10 business days after the receipt of the request unless otherwise specified in the request itself.

If the Contractor believes the requested information is confidential and may not be disclosed to third parties, the Contractor shall provide a detailed legal analysis to AHCCCS, within the timeframe designated by AHCCCS, setting forth the specific reasons why the information is confidential and describing the specific harm or injury that would result from disclosure. In the event that AHCCCS withholds information from a third party as a result of the Contractor's statement, the Contractor shall be responsible for all costs associated with the nondisclosure, including but not limited to legal fees and costs.

65. DISSEMINATION OF INFORMATION

Upon request, the Contractor shall disseminate information prepared by AHCCCS or the Federal government to its members and subcontractors. All costs shall be the responsibility of the Contractor.

66. READINESS REVIEWS

The purpose of a Readiness Review is to assess a Contractor's readiness and ability to provide covered services to members in accordance with this Contract. A Readiness Review is conducted at the discretion of AHCCCS to review programmatic operations of the Contractor. Programmatic operations subject to readiness reviews include but are not limited to: service delivery changes, IT system modifications, and change of Contractor. The Contractor must satisfy AHCCCS' requirements on all Readiness Review elements in order to continue operating under this Contract [42 CFR 438.66(d)(3)].

67. MONITORING AND OPERATIONAL REVIEWS

The Contractor shall comply with all reporting requirements contained in this Contract and AHCCCS Policy. In accordance with CMS requirements, AHCCCS has in effect procedures for monitoring the Contractors' operations to ensure program compliance and identify best practices,

including, but not limited to, evaluation of submitted deliverables, ad hoc reporting, and periodic focused and Operational Reviews (ORs).

These monitoring procedures will include, but are not limited to, operations related to the following [42 CFR 438.66(c)(1) – (12):

1. Member enrollment and disenrollment,
2. Processing member grievances and appeals,
3. Processing Provider Claim Disputes and Appeals,
4. Findings from the State's External Quality Review process
5. Results of member satisfaction surveys conducted by the Contractor,
6. Performance on required quality measures,
7. Medical management committee reports and minutes,
8. Annual quality improvement plan,
9. Audited financial and encounter data,
10. Medical loss ratio summary reports,
11. Customer service performance data,
12. Any other data related to the provision of LTSS,
13. Violations subject to intermediate sanctions, as set forth in Subpart I of 42 CFR 438,
14. Violations of the conditions for receiving federal financial participation, as set forth in Subpart J of 42 CFR 438, and
15. All other provisions of the Contract, as appropriate.

Operational Reviews: In accordance with CMS requirements 42 CFR 434.6(a)(5) and A.A.C. Title 9, Chapter 22 Article 5, AHCCCS, or an independent agent, will conduct periodic ORs of the Contractor to ensure program compliance and identify best practices [42 CFR 438.204].

The reviews will identify and make recommendations for areas of improvement, monitor the Contractor's progress towards implementing mandated programs or operational enhancements, and provide the Contractor with technical assistance when necessary. The type and duration of the review will be solely at the discretion of AHCCCS.

Except in cases where advance notice is not possible or advance notice may render the review less useful, AHCCCS will give the Contractor at least three weeks advance notice of the date of the scheduled OR. AHCCCS reserves the right to conduct reviews without notice to monitor Contractual requirements and performance as needed.

AHCCCS may request, at the expense of the Contractor, to conduct on-site reviews of functions performed at out of State locations and will coordinate travel arrangements and accommodations with the Contractor.

In preparation for the reviews, the Contractor shall cooperate with AHCCCS by forwarding in advance policies, procedures, job descriptions, contracts, records, logs and other material upon request. Documents not requested in advance shall be made available during the course of the

review. Contractor personnel shall be available at all times during review activities. The Contractor shall provide an appropriate private workspace and internet access.

The Contractor will be furnished a copy of the draft OR Report and will be given an opportunity to comment on any OR findings prior to AHCCCS issuing the final OR Report. AHCCCS reserves the right to publish information related to the results of any OR. The Contractor must develop corrective action plans based on recommendations provided in the final OR Report. The corrective action plans and modifications to the corrective action plans must be approved by AHCCCS. Unannounced follow-up reviews may be conducted at any time after the initial OR to determine the Contractor's progress in implementing recommendations and achieving compliance.

The Contractor shall not distribute or otherwise make available the OR Tool, draft OR Report or final OR Report to other Contractors.

68. ADMINISTRATIVE ACTIONS

Sanctions: In accordance with applicable Federal and State regulations, A.A.C. R9-22-606, ACOM Policy 408, ACOM Policy 440, Section 1932 of the Social Security Act or any implementing regulation, and the terms of this Contract, AHCCCS may impose sanctions for failure to comply with any provision of this Contract, including but not limited to: temporary management of the Contractor; monetary penalties; suspension of enrollment; withholding of payments; granting members the right to terminate enrollment without cause; suspension of new enrollments, suspension of payment for new enrollments, refusal to renew, or termination of the Contract, or any related subcontracts [42 CFR 422.208, 42 CFR 438.56(c)(2)(iv), 42 CFR 438.700, 702, and 704, 706, 722, 45 CFR 92.36(i)(1), 45 CFR 74.48, 42 CFR 438.726(b), 42 CFR 438.730(e)(1)(i)and(ii), Sections 1903 and 1932 of the Social Security Act] See also Section E, Paragraph 45, Temporary Management/Operation of a Contractor and Paragraphs 47 through 50 regarding Termination of the Contract.

Written notice will be provided to the Contractor specifying the sanction to be imposed, the grounds for such sanction and either the length of suspension or the amount of capitation to be withheld. The Contractor may dispute the decision to impose a sanction in accordance with the process outlined in A.A.C. R9-34-401 et seq.

Notice to Cure: AHCCCS may provide a written Notice to Cure to the Contractor outlining the details of the non-compliance and timeframe to remedy the Contractor's performance. If, at the end of the specified time period, the Contractor has complied with the Notice to Cure requirements, AHCCCS may choose not to impose a sanction.

Technical Assistance: For Technical Assistance the Contractor shall note the following Technical Assistance Provisions:

1. Recognize AHCCCS' technical assistance to help the Contractor achieve compliance with any relevant Contract terms or Contract subject matter issues does not relieve the Contractor of its obligation to fully comply with all terms in this Contract,

2. Recognize that the Contractor's acceptance of AHCCCS' offer or provision of technical assistance shall not be utilized as a defense or a mitigating factor in a Contract enforcement action in which compliance with Contract requirements is at issue,
3. Recognize that AHCCCS not providing technical assistance to the Contractor as it relates to compliance with a Contract requirement or any and all other terms, shall not be utilized as a defense or a mitigating factor in a Contract enforcement action in which compliance with Contract requirements is at issue, and
4. Recognize that a Contractor's subcontractor participation in a technical assistance matter, in full or in part, does not relieve the Contractor of its contractual duties nor modify the Contractor's contractual obligations.

69. CONTINUITY OF OPERATIONS AND RECOVERY PLAN

The Contractor shall develop a Continuity of Operations and Recovery Plan as detailed in ACOM Policy 104, to manage unexpected events and the threat of such occurrences, that which may negatively and significantly impact business operations and the ability to deliver services to members. All staff shall be trained on, and familiar with, the Plan. This Plan shall, at a minimum, include planning and training for:

1. Electronic/telephonic failure,
2. Complete loss of use of the main site and any satellite offices in and out of State,
3. Loss of primary computer system/records,
4. Extreme weather conditions,
5. Communication between the Contractor and AHCCCS in the event of a business disruption, and
6. Periodic testing (at least annually).

The Continuity of Operations and Recovery Plan shall be updated annually. The Contractor shall submit a summary of its Continuity of Operations and Recovery Plan to AHCCCS as specified in Section F, Attachment F3, Contractor Chart of Deliverables.

70. MEDICARE REQUIREMENTS

Medicaid members also enrolled in Medicare are referred to as dual eligible members. To improve care coordination for AHCCCS dual eligible members, the State requires the Contractor or its affiliated organization (Contractor) to provide Medicare benefits to dual eligible members through a CMS- and State-contracted Medicare Advantage Dual Eligible Special Needs Plan (D-SNP) for all counties in the Contractor's contracted Geographic Service Area(s) (GSAs). To match the population served, the D-SNP Type shall be a D-SNP subset that matches this Contract.

The Contractor's D-SNP shall provide care coordination as well as information and data reporting as required by AHCCCS, and as detailed in its executed *Medicare Advantage D SNP Health Plan Agreement* with AHCCCS, which outlines requirements that aim to improve care coordination and timely information sharing for enrolled dual eligible members consistent with 42 CFR 422.107, the Medicare Improvements for Patients and Providers Act of 2008 (MIPPA), and the Affordable Care Act. State-contracted D-SNP MIPPA Agreements are available on the

AHCCCS website. Further information regarding execution of a D-SNP MIPPA Agreement with AHCCCS is available in ACOM Policy 107.

Medicare Structure: The Contractor shall ensure the integration of Medicare and Medicaid services. As required by A.R.S. §36-2906.01, a Contractor shall establish an affiliated corporation whose only authorized business is to provide services under this Contract to AHCCCS eligible persons enrolled with the Contractor. This affiliated corporation shall be established within 120 days of contract award. In addition, the Contractor shall, by January 1, 2019, operate a CMS- and State-contracted D-SNP serving beneficiaries eligible for both Medicare and Medicaid. The Contractor shall have, and assure AHCCCS it does have, the legal and actual authority to direct, manage, and control the operations of both the corporation established under this Contract and the companion Medicare D-SNP organization to the extent necessary to ensure integration of Medicare and AHCCCS services for persons enrolled with the Contractor for both programs. The State-contracted D-SNP shall be an affiliated organization of the Contractor as defined.

Medicaid Eligibility: D-SNPs are responsible for coordinating care on behalf of enrolled full benefit dual eligible members who are defined as:

1. Qualified Medicare Beneficiary with full AHCCCS medical assistance benefits (QMB+),
2. Specified Low Income Medicare Beneficiary with full AHCCCS medical assistance benefits (SLMB+), or
3. Other Full Benefit Dual Eligible Beneficiary (Other FBDE), to include Freedom to Work waiver members.

Medicare Branding: The Contractor shall establish and implement appropriate CMS-approved branding for offered Medicare D-SNP product(s) that is be readily identifiable by members and providers as an integrated health plan for both Medicare and Medicaid covered services.

Medicare State Certification: Medicare Advantage plans are required to be licensed under State law. As outlined in A.R.S §36-2903(B)(2), AHCCCS has the authority to certify its Contractors for Medicare purposes. The Contractor may apply for its companion Medicare Advantage D-SNP certification through AHCCCS, or apply and obtain such licensure through the Arizona Department of Insurance. The AHCCCS certification process is detailed in ACOM Policy 106.

State Contracting with D-SNPs: AHCCCS shall not contract with any D-SNP to serve the Contractor's dual eligible population outside of awarded contracts. Contractors who fail to maintain a D-SNP for all counties in awarded GSAs will be subject to sanctions. D-SNPs are subject to the AHCCCS Value-Based Purchasing (VBP) Policy; see ACOM Policy 318 for current contract year requirements. Detailed D-SNP responsibilities are outlined in *Medicare Advantage D SNP Health Plan Agreement* as available on the AHCCCS website.

Member Transition: The Contractor is required to participate in all activities as directed by AHCCCS which pertain to member transitions as a result of (not inclusive): a termination of a D-

SNP contract with CMS, an AHCCCS contract termination or Geographic Service Area change arising from a procurement or other program administration activity, or such contract termination initiated by the D-SNP. Within five (5) calendar days of identification, the Contractor shall notify AHCCCS in the case of significant changes to the terms of its contract with CMS to protect beneficiary and State interests including, but not limited to: D-SNP contract non-renewals, service area changes and reductions, proposed member transitions to another D-SNP product offered in the same CMS contract by the State-contracted MIPPA Medicare Advantage Organization, terminations, deficiencies, notices of intent to deny, and novation agreements.

The Contractor shall notify AHCCCS/DHCM of all received D-SNP related CMS warning letters, notices of intent to deny, imposed civil monetary penalties, or Corrective Action Plans (CAPs) as specified in Attachment F3, Contractor Chart of Deliverables.

Default (Seamless Conversion) Enrollment Activities to Enhance Alignment: State-contracted D-SNPs not previously approved by CMS for Default (Seamless Conversion) Enrollment activities shall submit to CMS an initial application to perform such activities, subject to the requirements of 42 CFR 422.66 and applicable CMS regulatory subguidance. CMS approval of an initial application to perform default (seamless conversion) enrollment activities shall be obtained by no later than January 1, 2019, or as soon as practicable thereafter as applicable as determined by CMS.

D-SNPs currently authorized by CMS to perform default (seamless conversion) enrollment activities shall renew such authorizations in accordance with the requirements and timeframes of 42 CFR 422.66 and applicable CMS regulatory subguidance.

D-SNP shall coordinate default (seamless conversion) enrollment of newly Medicare eligible individuals who are currently enrolled only in its companion Medicaid Plan. Default (seamless conversion) enrollment procedures are detailed by CMS in 42 CFR 422.66 and *Medicare Managed Care Manual*, Chapter 2, Section 40.1.4, and includes individuals who are aging-in to Medicare, as well as those qualifying for Medicare upon the completion of the 24 month waiting period due to a disability. D-SNP shall report on default (seamless conversion) enrollment statistics and monthly to AHCCCS on an informational basis only, as specified in its State-contracted MIPPA Agreement.

Other Activities to Enhance Alignment: AHCCCS will continue to establish requirements to improve alignment for dual eligible members, including but not limited to, passive enrollment and other initiatives that enhance care coordination. State-contracted D-SNPs shall collaborate with AHCCCS, and CMS as applicable, in developing and implementing additional strategies that enhance alignment of dual eligible members enrolled in D-SNPs and companion Medicaid Plans.

71. PENDING ISSUES

The following constitute pending items that may be resolved after the issuance of this Contract or any Contract amendment. Any program changes due to the resolution of the issues will be reflected in future amendments to the Contract. Capitation rates may also be adjusted to reflect

the financial impact of program changes. The items in this paragraph are subject to change and should not be considered all-inclusive.

AHCCCS and its Contractors are subject to legislative mandates, directives, regulatory changes, executive and court orders related to any term in this Contract that may result in changes to the program. AHCCCS will either amend the Contract or incorporate changes in policies incorporated in the Contract by reference.

Electronic Visit Verification (EVV): Pursuant to Section 1903 of the Social Security Act (42 U.S.C. 1396b), AHCCCS is mandated to implement EVV for non-skilled in-home services (attendant care, personal care, homemaker, habilitation, respite) by January 1, 2019 and for in-home skilled nursing services (home health) by January 1, 2023.

The EVV system, must at a minimum, electronically verify the:

1. Type of service performed,
2. Individual receiving the service,
3. Date of the service,
4. Location of service delivery,
5. Individual providing the service, and
6. Time the service begins and ends.

AHCCCS is currently engaged in procurement processes and operational planning to ensure the compliance with the EVV mandate in calendar year 2019. EVV is not applicable to the provision of services in licensed residential and non-residential settings. EVV is mandated for the provision of the following in-home care services regardless of the population served (i.e. members receiving physical health, behavioral health and long term services and supports). More information on EVV may be found at: www.azahcccs.gov/EVV. Service codes are not all inclusive and may be modified or changed based on the Centers for Medicare and Medicaid Services, stakeholder or other information provided during the EVV design and development process.

Service	Service Codes
Attendant Care	S5125
Companion Care	S5135
Habilitation	T2021
Home Health (aide, therapy, nursing services)	Nursing (G0299, G0300, S9123 and S9124) Home Health Aide (T1021) Therapies <ul style="list-style-type: none"> • Physical Therapy (G0151 and S9131) • Occupational Therapy (G0152 and S9129) • Respiratory Therapy (S5181) • Speech Therapy (G0153 and S9128)
Homemaker	S5130
Personal Care	T1019

Respite	S5150 and S5151
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Managed Care Regulations: On May 6, 2016 the Centers for Medicare & Medicaid Services (CMS) published final rules focused on: advancing delivery system reform, strengthening quality and consumer protections, promoting accountability, and aligning Medicaid managed care rules with other health insurance coverage programs. The provisions of the rule will be implemented in phases throughout years 2016, 2017, and 2018.

The final rule provisions include significant operational changes to numerous areas of the Medicaid Program, including but not limited to the following:

1. Requirements for Long Term Services and Supports,
2. Network development standards (see below),
3. Grievance and Appeal Systems,
4. Member rights,
5. Member information,
6. Quality improvement,
7. Capitation rate development, and
8. Limitations on capitation payments for services provided to individuals age 21-64 receiving services in an Institution for Mental Disease (IMD).

Member Tracking and Homeless Management Information System: AHCCCS is considering a relationship with the Continuum of Care (CoC) to gain access to the *Homeless Management Information Systems* (HMIS) in order to identify AHCCCS members who are homeless. AHCCCS would then share this information with Contractors to provide early intervention and medically necessary services.

As part of this effort, AHCCCS will work with Contractors to identify opportunities and requirements for Contractors and related housing network providers.

Potential Changes in Federal Medicaid Policy: The White House and Congressional leaders have signaled an intention to repeal and replace the Affordable Care Act (ACA), which may result in future changes to the Medicaid program. In 2017, several attempts were made to pass such legislation but none were successful. AHCCCS will continue to monitor proposed legislation and its potential impacts to Medicaid. Common features of the previously proposed legislation have included changing the federal funding structure of the Medicaid program to a block grant or per capita cap, eliminating the enhanced matching rates for the Medicaid expansion populations under the ACA, and allowing for increased flexibility in the administration of state Medicaid programs.

AHCCCS will continue to monitor federal legislation relating to both CHIP and the Medicaid program, and Contractors will be required to comply with any applicable changes made by upcoming legislation as well as any policies or provisions adopted by AHCCCS. In addition, Arizona may utilize these contracts to facilitate implementation of changes to coverage, which includes the establishment of a new, non-Medicaid program to provide access to insurance for

individuals currently covered through the Medicaid expansion and the Federally Facilitate Marketplace.

As mentioned above, the current federal Administration has indicated an increased willingness to provide regulatory flexibility to states. One such flexibility is community engagement requirements for able-bodied adult Medicaid beneficiaries. In 2015, the Arizona State Legislature passed Senate Bill 1092 (codified as A.R.S. §36-2903.09), which requires AHCCCS to request an amendment to the current Section 1115 Waiver to allow Arizona to implement a work requirement, additional verification requirements, and a lifetime limit on coverage for able-bodied adult AHCCCS members. Each year, AHCCCS must re-apply to CMS for each element of SB 1092 that CMS has not yet approved.

AHCCCS has sought broad-based stakeholder feedback regarding the SB 1092 Waiver Amendment pursuant to 42 CFR 431.408. In January 2017, over 140 participants attended AHCCCS community forums in Phoenix, Flagstaff, and Tucson, as well as an in-person tribal consultation. In addition, AHCCCS received more than 500 written public comments, including 14 letters from tribal nations and tribal affiliated organizations. On December 19, 2017, AHCCCS submitted a waiver amendment request to CMS seeking authority to implement work requirements and a five-year maximum lifetime benefit limit for certain able-bodied AHCCCS members. This waiver amendment, titled "AHCCCS Works" was informed by robust stakeholder feedback and is designed to provide low-income, able-bodied adults the tools needed to gain and maintain meaningful employment. AHCCCS expects that the Contractor will have a participatory role in AHCCCS Works when it is implemented that will include, but not be limited to, assisting members with compliance with AHCCCS Works requirements. AHCCCS will collaborate with the Contractor throughout CYE 19 regarding the role of the Contractor in anticipation of CMS approval of the Waiver request.

Section 1115 Waiver Demonstration: As part of the Agency's initiatives to improve and modernize the Medicaid program, AHCCCS continues to work with CMS on various pending waiver requests. Waiver approvals may necessitate changes to the terms of this Contract which will be executed through a Contract amendment, if necessary. Refer to the AHCCCS website for pending Waiver proposals and amendments.

Transplant Reinsurance: AHCCCS has established contracts for transplantation services to develop a network of facilities and practitioners to provide solid organ and tissue transplant services to eligible members. Reinsurance coverage is available to Contractors for transplants performed at an AHCCCS contracted facility. See Section D, Paragraph 53, Reinsurance for additional information. AHCCCS is engaging a consultant to review the transplant contracts, the scope of those contracts, and the reimbursement methodologies. It is AHCCCS' intent that amended contracts be in place by October 1, 2019. To the extent that changes to those contracts impact the transplant reinsurance language found in Section D, Paragraph 53, Reinsurance, AHCCCS shall amend the paragraph prior to October 1, 2019.

72. VALUE-BASED PURCHASING

Value-Based Purchasing (VBP) is a cornerstone of AHCCCS' strategy to bend the upward trajectory of health care costs. AHCCCS is implementing initiatives to leverage the managed care model toward value based health care systems where members' experience and population health are improved, per-capita health care cost is limited to the rate of general inflation through aligned incentives with managed care organization and provider partners, and there is a commitment to continuous quality improvement and learning. The Contractor shall participate in VBP efforts.

Alternative Payment Model (APM) Initiatives: The purpose of the APM initiatives (further described in the Section D, Paragraph 50, Compensation) is to encourage Contractor activity in the area of quality improvement by aligning the incentives of the Contractor and provider through APM strategies in the Health Care Payment Learning and Action Network (LAN) APM Framework with a focus on Categories 2, 3, and 4. Requirements are further delineated in ACOM Policy 306 and ACOM Policy 307 and as specified in Section F, Attachment F3, Contractor Chart of Deliverables.

Value-Based Providers: The Contractor shall develop strategies that ensure that members are directed to providers who participate in VBP initiatives and who offer value as determined by measureable outcomes. The Contractor shall submit annually to AHCCCS/DHCM a Value-Based Providers/Centers of Excellence attachment to its Provider Network Development and Management Plan as required under ACOM Policy 415, and submitted as specified in Section F, Attachment F3, Contractor Chart of Deliverables, describing its strategies to direct members to valued providers. See below for report details.

Centers of Excellence: Centers of Excellence are facilities and/or programs that are recognized as providing the highest levels of leadership, quality, and service. Centers of Excellence align physicians and other providers to achieve higher value through greater focus on appropriateness of care, clinical excellence, and patient satisfaction. Identification of a Centers of Excellence should be based on criteria such as procedure volumes, clinical outcomes, and treatment planning and coordination. Identification of appropriate conditions and/or procedures most suitable to a relationship with a Centers of Excellence should be based on analysis of the Contractor's data which demonstrates a high degree of variance in cost and/or outcomes.

Adult System of Care: The Contractor shall contract with Centers of Excellence which implement evidence based practices and track outcomes for adult members with chronic pain with or without co-occurring opioid use disorder that address behavioral and physical healthcare needs.

Children's System of Care: The Contractor shall contract with Centers of Excellence which implement evidence based practices and track outcomes for the following children with special healthcare needs:

1. Children aged birth to five with behavioral health needs: Staffed with specialists who are endorsed by the Infant Toddler Mental Health Coalition of Arizona (ITMHCA) or other Endorsement program recognized under the Alliance for the Advancement of Infant Mental Health (formerly the League of States using the Michigan Association for Infant Mental Health Endorsement®),
2. Children at risk of/with Autism Spectrum Disorder (ASD),
3. Adolescents with substance use disorders, e.g.
 - a. Adolescent Community Reinforcement Approach (A-CRA),
 - b. Assertive Community Care (ACC),
 - c. Global Appraisal of Individual Needs (GAIN), and
4. Transition Aged Youth:
 - a. First episode psychosis programs, and
 - b. Transition to Independence (TIP) Model.

To encourage Contractor activity which incentivizes utilization of the best value providers for select, evidenced based, high volume procedures or conditions, the Contractor shall submit a Value Based Providers/Centers of Excellence attachment to its Provider Network Development and Management Plan as required under ACOM Policy 415, and submitted to AHCCCS/DHCM, as specified in Section F, Attachment F3, Contractor Chart of Deliverables.

The attachment shall incorporate the ongoing implementation of contracts with Centers of Excellence. The Contractor shall identify the Centers of Excellence under contract for the contract year being reported and shall include a description as to how these Centers were selected.

Value Based Providers/Centers of Excellence Attachment

The Value-Based Providers/Centers of Excellence Attachment shall outline the Contractor's process to develop, maintain and monitor activities for both high value providers and Centers of Excellence. The Attachment shall be limited to no more than two pages and include at a minimum:

1. Description of the Contractor's initiatives to encourage member utilization,
2. Goals and outcome measures for the Contract Year,
3. Description of monitoring activities to occur throughout the year,
4. Evaluation of the effectiveness of the previous year's initiatives ,
5. Summary of lessons learned and any implemented changes,
6. Description of the most significant barriers,
7. Plans to encourage providers determined to offer high value but not participating in Alternative Payment Model (APM) initiatives, if any, to participate in Alternative Payment Model (APM) contracts, and
8. Plan for next Contract Year.

E-Prescribing: E-Prescribing is an effective tool to improve members' health outcomes and reduce costs as delineated in ACOM Policy 321. Benefits afforded by the electronic transmission of prescription-related information include, but are not limited to: reduced medication errors,

reductions of drug and allergy interactions and therapeutic duplication, and increased prescription accuracy. The Contractor shall increase its E-Prescribing rate of original prescriptions in accordance with ACOM Policy 321.

The NCPDP Prescription Origin Code and Fill Number (Original or Refill Dispensing) must be submitted on all pharmacy encounter records, as outlined in the AHCCCS NCPDP Post Adjudicated History Transaction Companion Guide, in order for AHCCCS to measure the Contractor's success.

[END OF SECTION D: PROGRAM REQUIREMENTS]

SECTION E: CONTRACT TERMS AND CONDITIONS**1. ADVERTISING AND PROMOTION OF CONTRACT**

The Contractor shall not advertise or publish information for commercial benefit concerning this contract without the prior written approval of the Contracting Officer.

2. APPLICABLE LAW

Arizona Law - The law of Arizona applies to this contract including, where applicable, the Uniform Commercial Code, as adopted in the State of Arizona.

Implied Contract Terms - Each provision of law and any terms required by law to be in this Contract are a part of this Contract as if fully stated in it.

3. ARBITRATION

The parties to this Contract agree to resolve all disputes arising out of or relating to this contract through arbitration, after exhausting applicable administrative review, to the extent required by A.R.S. §12-1518 except as may be required by other applicable statutes.

4. ASSIGNMENT AND DELEGATION

The Contractor shall not assign any rights nor delegate all of the duties under this Contract, without the prior written consent of AHCCCS. Delegation of less than all of the duties of this Contract must conform to the requirements of Section D, Subcontracts.

5. ASSIGNMENT OF CONTRACT AND BANKRUPTCY

This contract is voidable and subject to immediate cancellation by AHCCCS upon the Contractor becoming insolvent or filing proceedings in bankruptcy or reorganization under the United States Code, or assigning rights or obligations under this Contract without the prior written consent of AHCCCS.

6. AUDIT AND INSPECTION

The Contractor shall comply with all provisions specified in applicable A.R.S. §35-214 and §35-215 and AHCCCS rules and policies and procedures relating to the audit of the Contractor's records and the inspection of the Contractor's facilities. The Contractor shall fully cooperate with AHCCCS staff and allow them reasonable access to the Contractor's staff, subcontractors, members, and records [42 CFR 438.3(h)].

The Contractor's or any subcontractor's books and records shall be subject to audit at any time by AHCCCS and, where applicable, the Federal government, to the extent that the books and records relate to the performance of the contract or subcontracts [42 CFR 438.3(h), Section 1903(m)(2)(A)(iv) of the Social Security Act].

AHCCCS, or its duly authorized agents, and the Federal government may evaluate through on-site inspection or other means, the quality, appropriateness and timeliness of services performed under this Contract.

The right to audit under this section exists during the term of this Contract and for 10 years from the termination of this Contract or the date of completion of any audit, whichever is later [42 CFR 438.3(h)].

7. AUTHORITY

This Contract is issued under the authority of the Contracting Officer who signed this contract. Changes to the contract, including the addition of work or materials, the revision of payment terms, or the substitution of work or materials, directed by an unauthorized State employee or made unilaterally by the Contractor are violations of the Contract and of applicable law. Such changes, including unauthorized written Contract amendments, shall be void and without effect, and the Contractor shall not be entitled to any claim under this contract based on those changes.

8. CHANGES

AHCCCS may at any time, by written notice to the Contractor, make changes within the general scope of this Contract. If any such change causes an increase or decrease in the cost of, or the time required for, performance of any part of the work under this Contract, the Contractor may request an adjustment in compensation paid under this Contract. The Contractor must request an adjustment within 30 days from the date of receipt of the change notice.

Contract amendments are subject to approval by the Centers for Medicare and Medicaid Services (CMS), and approval is withheld until all amendments are signed by the Contractor. When AHCCCS issues an amendment to modify the contract, the Contractor shall ensure Contract amendments are signed and submitted to AHCCCS by the date specified by AHCCCS. The provisions of such amendment will be deemed to have been accepted on the day following the date AHCCCS requires an executed amendment, even if the amendment has not been signed by the Contractor, unless within that time the Contractor notifies AHCCCS in writing that it refuses to sign the amendment. If the Contractor provides such notification, AHCCCS will initiate termination proceedings.

9. CHOICE OF FORUM

The parties agree that jurisdiction over any action arising out of or relating to this contract shall be brought or filed in a court of competent jurisdiction located in the State of Arizona.

10. COMPLIANCE WITH APPLICABLE LAWS, RULES AND REGULATIONS

The Contractor shall comply with all applicable Federal and State laws and regulations including Title VI of the Civil Rights Act of 1964; Title IX of the Education Amendments of 1972 (regarding education programs and activities); the Age Discrimination Act of 1975; the Rehabilitation Act of 1973 (regarding education programs and activities), and the Americans with Disabilities Act of 1990 as amended; section 1557 of the Patient Protection and Affordable Care Act; EEO provisions; Copeland Anti-Kickback Act; Davis-Bacon Act; Contract Work Hours and Safety Standards; Rights to Inventions Made Under a Contract or Agreement; Clean Air Act and Federal Water Pollution Control Act; Byrd Anti-Lobbying Amendment [42 CFR 438.3(f)(1); 42 CFR 438.100(d)]. The Contractor shall maintain all applicable licenses and permits.

In accordance with 42 CFR 438.3(d)(3) and 42 CFR 438.3(d)(4), A.R.S. §41-1461 et seq., and Executive Order 2009-09, the Contractor will not discriminate against individuals eligible to enroll on the basis of health status or need for healthcare services, race, color, national origin, sex, sexual orientation, gender identity or disability and the Contractor will not use any policy or practice that has the effect of discriminating on any of these bases.

The Contractor accepts individuals eligible for enrollment in the order in which they apply without restriction (except as otherwise specified by CMS), up to the limits set under the Contract [42 CFR 438.3(d)(1)].

11. CONFIDENTIALITY AND DISCLOSURE OF CONFIDENTIAL INFORMATION

The Contractor shall safeguard confidential information in accordance with Federal and State laws and regulations, including but not limited to: the Health Insurance Portability and Accountability Act of 1996 (Public Law 104-191); 45 CFR parts 160 and 164, 42 CFR 431, Subpart F; 42 CFR Part 2; A.R.S. §36-664; A.R.S. §36-2903; A.R.S. §36-2932; A.R.S. §41-1959; A.R.S. §46-135; and any rules implanting those State statutes (e.g. A.A.C R9-22-503, A.A.C. R9-22-512 and A.A.C. R9-28-514).

The Contractor shall establish and maintain procedures and controls that are acceptable to AHCCCS for the purpose of assuring that no information contained in its records or obtained from AHCCCS or others carrying out its functions under the contract shall be used or disclosed by its agents, officers or employees, except as required to efficiently perform duties under the contract. Except as required or permitted by law, the Contractor also agrees that any information pertaining to individual persons shall not be divulged other than to employees or officers of the Contractor as needed for the performance of duties under the contract, unless otherwise agreed to, in writing, by AHCCCS.

The Contractor shall not, without prior written approval from AHCCCS, either during or after the performance of the services required by this contract, use, other than for such performance, or disclose to any individual other than AHCCCS personnel with a need to know, any information, data, material, or exhibits created, developed, produced, or otherwise obtained during the course of the work required by this contract. This nondisclosure requirement shall also pertain to any information contained in reports, documents, or other records furnished to the Contractor by AHCCCS.

12. CONFLICT OF INTEREST

The Contractor shall not undertake any work that represents a potential conflict of interest, or which is not in the best interest of AHCCCS or the State without prior written approval by AHCCCS. The Contractor shall fully and completely disclose any situation that may present a conflict of interest. If the Contractor is now performing or elects to perform during the term of this Contract any services for any AHCCCS health plan, provider or Contractor or an entity owning or controlling same, the Contractor shall disclose this relationship prior to accepting any assignment involving such party.

13. CONTINUATION OF PERFORMANCE THROUGH TERMINATION

The Contractor shall continue to perform, in accordance with the requirements of the Contract, up to the date of termination and as directed in the termination notice.

14. CONTRACT

The Contract between AHCCCS and the Contractor shall include: 1) the Request for Proposal (RFP) including AHCCCS policies and procedures incorporated by reference as part of the RFP, 2) the Proposal submitted by the Contractor in response to the RFP including any Best and Final Offers, and 3) any Contract amendments. In the event of a conflict in language between the Proposal (including any Best and Final Offers) and the RFP (including AHCCCS policies and procedures incorporated by reference), the provisions and requirements set forth and/or referenced in the RFP (including AHCCCS policies and procedures incorporated by reference) shall govern.

The Contract shall be construed according to the laws of the State of Arizona. The State of Arizona is not obligated for the expenditures under the contract until funds have been encumbered.

15. CONTRACT INTERPRETATION AND AMENDMENT

No Parol Evidence - This contract is intended by the parties as a final and complete expression of their agreement. No course of prior dealings between the parties and no usage of the trade shall supplement or explain any term used in this Contract.

No Waiver - Either party's failure to insist on strict performance of any term or condition of the Contract shall not be deemed a waiver of that term or condition even if the party accepting or acquiescing in the non-conforming performance knows of the nature of the performance and fails to object to it.

Written Contract Amendments - The contract shall be modified only through a written Contract amendment within the scope of the Contract signed by the Contracting Officer on behalf of the State and signed by a duly authorized representative of the Contractor.

Administrative Changes - The Procurement Officer, or authorized designee, reserves the right to correct any obvious clerical, typographical or grammatical errors, as well as errors in party contact information (collectively, "Administrative Changes"), prior to or after the final execution of an Agreement or Agreement Amendment. Administrative Changes subject to permissible corrections include: misspellings, grammar errors, incorrect addresses, incorrect Agreement Amendment numbers, pagination and citation errors, mistakes in the labeling of the rate as either extended or unit, and calendar date errors that are illogical due to typographical error. The Procurement Office shall subsequently notice the contractor of corrections to administrative errors in a written confirmation letter with a copy of the corrected Administrative Change attached.

16. COOPERATION WITH OTHER CONTRACTORS

AHCCCS may award other Contracts for additional work related to this Contract and Contractor shall fully cooperate with such other contractors and AHCCCS employees or designated agents. The Contractor shall not commit or permit any act which will interfere with the performance of work by any other Contractor or by AHCCCS employees.

17. COVENANT AGAINST CONTINGENT FEES

The Contractor warrants that no individual or agency has been employed or retained to solicit or secure this Contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee. For violation of this warranty, AHCCCS shall have the right to annul this Contract without liability.

18. DATA CERTIFICATION

The Contractor shall certify that financial and encounter data submitted to AHCCCS is complete, accurate and truthful [42 CFR 438.604; 42 CFR 438.606(b)]. Certification of financial and encounter data must be submitted concurrently with the data [42 CFR 438.606(c); 42 CFR 438.604(a) - (b)]. Certification may be provided by the Contractor CEO, CFO or an individual who is delegated authority to sign for, and who reports directly to the CEO or CFO [42 CFR 438.604; 42 CFR 438.606(a)].

19. DISPUTES

Contract claims and disputes shall be adjudicated in accordance with State Law, AHCCCS Rules and this contract.

Except as provided by A.A.C. Title 9, Chapter 22, Article 6, the exclusive manner for the Contractor to assert any dispute against AHCCCS shall be in accordance with the process outlined in A.A.C. Title 9, Chapter 34 and A.R.S. §36-2932. All disputes except as provided under A.A.C. Title 9, Chapter 22, Article 6 shall be filed in writing and be received by AHCCCS no later than 60 days from the date of the disputed notice. All disputes shall state the factual and legal basis for the dispute. Pending the final resolution of any disputes involving this contract, the Contractor shall proceed with performance of this Contract in accordance with AHCCCS' instructions, unless AHCCCS specifically, in writing, requests termination or a temporary suspension of performance.

20. E-VERIFY REQUIREMENTS

In accordance with A.R.S §41-4401, the Contractor warrants compliance with all Federal immigration laws and regulations relating to employees and warrants its compliance with Section A.R.S. §23-214, Subsection A.

21. EFFECTIVE DATE

The effective date of this Contract shall be the date referenced on page 1 of this Contract or any subsequent amendments.

22. EMPLOYEES OF THE CONTRACTOR

All employees of the Contractor employed in the performance of work under the Contract shall be considered employees of the Contractor at all times, and not employees of AHCCCS or the State. The Contractor shall comply with the Social Security Act, Workman's Compensation laws and Unemployment laws of the State of Arizona and all State, local and Federal legislation relevant to the Contractor's business.

23. FEDERAL IMMIGRATION AND NATIONALITY ACT

The Contractor shall comply with all Federal, State and local immigration laws and regulations relating to the immigration status of their employees during the term of the Contract. Further, the Contractor shall flow down this requirement to all subcontractors utilized during the term of the Contract. The State shall retain the right to perform random audits of Contractor and subcontractor records or to inspect papers of any employee thereof to ensure compliance. Should the State determine that the Contractor and/or any subcontractors be found noncompliant, the State may pursue all remedies allowed by law, including, but not limited to; suspension of work, termination of the contract for default and suspension and/or debarment of the Contractor.

24. GRATUITIES

AHCCCS may, by written notice to the Contractor, immediately terminate this contract if it determines that employment or a gratuity was offered or made by the Contractor or a representative of the Contractor to any officer or employee of the State for the purpose of influencing the outcome of the procurement or securing the Contract, an amendment to the Contract, or favorable treatment concerning the Contract, including the making of any determination or decision about Contract performance. AHCCCS, in addition to any other rights or remedies, shall be entitled to recover exemplary damages in the amount of three times the value of the gratuity offered by the Contractor.

25. INCORPORATION BY REFERENCE

This Solicitation and all attachments and amendments, the Contractor's Proposal, best and final offer accepted by AHCCCS, and any approved subcontracts are hereby incorporated by reference into the Contract.

26. INDEMNIFICATION

Contractor/Vendor Indemnification (Not Public Agency): The parties to this Contract agree that the State of Arizona, its departments, agencies, boards and commissions shall be indemnified and held harmless by the Contractor for the vicarious liability of the State as a result of entering into this Contract. The Contractor agrees to indemnify, defend, and hold harmless the State from and against any and all claims, losses, liability, costs, and expenses, including attorney's fees and costs, arising out of litigation against AHCCCS including, but not limited to, class action lawsuits challenging actions by the Contractor. The requirement for indemnification applies irrespective of whether or not the Contractor is a party to the lawsuit. Each Contractor shall indemnify the State, on a pro rata basis based on population, attorney's fees and costs awarded against the State as well as the attorney's fees and costs incurred by the State in defending the lawsuit. The Contractor shall also indemnify AHCCCS, on a pro rata basis based on population, the administrative expenses incurred by AHCCCS to address Contractor deficiencies arising out of the litigation. The parties further agree that the State of Arizona, its departments, agencies, boards and commissions shall be responsible for its own negligence and/or willful misconduct. Each party to this Contract is responsible for its own negligence and/or willful misconduct.

Contractor/Vendor Indemnification (Public Agency): Each party ("as indemnitor") agrees to indemnify, defend, and hold harmless the other party ("as indemnitee") from and against any and all claims, losses, liability, costs, or expenses (including reasonable attorney's fees) (hereinafter

collectively referred to as 'claims') arising out of bodily injury of any person (including death) or property damage but only to the extent that such claims which result in vicarious/derivative liability to the indemnitee, are caused by the act, omission, negligence, misconduct, or other fault of the indemnitor, its officers, officials, agents, employees, or volunteers.

27. INDEMNIFICATION - PATENT AND COPYRIGHT

To the extent permitted by applicable law the Contractor shall defend, indemnify and hold harmless the State against any liability including costs and expenses for infringement of any patent, trademark or copyright arising out of contract performance or use by the State of materials furnished or work performed under this Contract. The State shall reasonably notify the Contractor of any claim for which it may be liable under this paragraph.

28. INSURANCE

The Contractor is required to maintain insurance, at a minimum, as specified below in *Standard Professional Service Contract*.

STANDARD PROFESSIONAL SERVICE CONTRACT

INDEMNIFICATION CLAUSE: To the fullest extent permitted by law, Contractor shall defend, indemnify, and hold harmless the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees (hereinafter referred to as "Indemnitee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Contractor or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of, or recovered under, the Workers' Compensation Law or arising out of the failure of such Contractor to conform to any Federal, State, or local law, statute, ordinance, rule, regulation, or court decree. It is the specific intention of the parties that the Indemnitee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnitee, be indemnified by Contractor from and against any and all claims. It is agreed that Contractor will be responsible for primary loss investigation, defense, and judgment costs where this indemnification is applicable. In consideration of the award of this Contract, the Contractor agrees to waive all rights of subrogation against the State of Arizona, its officers, officials, agents, and employees for losses arising from the work performed by the Contractor for the State of Arizona.

This indemnity shall not apply if the Contractor or subcontractor(s) is/are an agency, board, commission or university of the State of Arizona.

INSURANCE REQUIREMENTS:

Contractor shall procure and maintain, until all of their obligations have been discharged, including any warranty periods under this Contract, insurance against claims for injury to persons or damage to property arising from, or in connection with, the performance of the work hereunder by the Contractor, its agents, representatives, employees or subcontractors.

The *Insurance Requirements* herein are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract. The State of Arizona in no way warrants that the minimum limits contained herein are sufficient to protect the Contractor from liabilities that arise out of the performance of the work under this Contract by the Contractor, its agents, representatives, employees or subcontractors, and the Contractor is free to purchase additional insurance.

A. MINIMUM SCOPE AND LIMITS OF INSURANCE: Contractor shall provide coverage with limits of liability not less than those stated below.

1. Commercial General Liability (CGL) – Occurrence Form

Policy shall include bodily injury, property damage, and broad form contractual liability coverage.

- General Aggregate \$2,000,000

- Products – Completed Operations Aggregate \$1,000,000
- Personal and Advertising Injury \$1,000,000
- Damage to Rented Premises \$50,000
- Each Occurrence \$1,000,000

- a. The policy shall be endorsed, as required by this written agreement, to include the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor.
- b. Policy shall contain a waiver of subrogation endorsement, as required by this written agreement, in favor of the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

2. Business Automobile Liability

Bodily Injury and Property Damage for any owned, hired, and/or non-owned automobiles used in the performance of this Contract.

- Combined Single Limit (CSL) \$1,000,000

- a. Policy shall be endorsed, as required by this written agreement, to include the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees as additional insureds with respect to liability arising out of the activities performed by, or on behalf of, the Contractor involving automobiles owned, hired and/or non-owned by the Contractor.
- b. Policy shall contain a waiver of subrogation endorsement as required by this written agreement in favor of the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

3. Workers' Compensation and Employers' Liability

- Workers' Compensation Statutory
- Employers' Liability
 - Each Accident \$1,000,000
 - Disease – Each Employee \$1,000,000
 - Disease – Policy Limit \$1,000,000

- a. Policy shall contain a waiver of subrogation endorsement, as required by this written agreement, in favor of the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

- b. This requirement shall not apply to each Contractor or subcontractor that is exempt under A.R.S. §23-901, and when such Contractor or subcontractor executes the appropriate waiver form (Sole Proprietor or Independent Contractor).

4. Professional Liability (Errors and Omissions Liability)

Each Claim	\$ 2,000,000
Annual Aggregate	\$ 2,000,000

- a. In the event that the professional liability insurance required by this Contract is written on a claims-made basis, Contractor warrants that any retroactive date under the policy shall precede the effective date of this Contract; and that either continuous coverage will be maintained or an extended discovery period will be exercised for a period of two (2) years beginning at the time work under this Contract is completed.
- b. Policy shall cover professional misconduct or wrongful acts for those positions defined in the Scope of Work of this Contract.

B. ADDITIONAL INSURANCE REQUIREMENTS: The policies shall include, or be endorsed to include, as required by this written agreement, the following provisions:

1. The Contractor's policies, as applicable, shall stipulate that the insurance afforded the Contractor shall be primary and that any insurance carried by the Department, its agents, officials, employees or the State of Arizona shall be excess and not contributory insurance, as provided by A.R.S. §41-621 (E).
2. Insurance provided by the Contractor shall not limit the Contractor's liability assumed under the indemnification provisions of this Contract.

C. NOTICE OF CANCELLATION: Applicable to all insurance policies required within the Insurance Requirements of this Contract, Contractor's insurance shall not be permitted to expire, be suspended, be canceled, or be materially changed for any reason without thirty (30) days prior written notice to the State of Arizona. Within two (2) business days of receipt, Contractor must provide notice to the State of Arizona if they receive notice of a policy that has been or will be suspended, canceled, materially changed for any reason, has expired, or will be expiring. Such notice shall be sent to AHCCCS as specified in Section F, Attachment F3, Contractor Chart of Deliverables, of this Contract.

D. ACCEPTABILITY OF INSURERS: Contractor's insurance shall be placed with companies licensed in the State of Arizona or hold approved non-admitted status on the Arizona Department of Insurance List of Qualified Unauthorized Insurers. Insurers shall have an "A.M. Best" rating of not less than A- VII. The State of Arizona in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.

- E. **VERIFICATION OF COVERAGE:** Contractor shall furnish AHCCCS with certificates of insurance (valid ACORD form or equivalent approved by the State of Arizona) evidencing that Contractor has the insurance as required by this Contract. An authorized representative of the insurer shall sign the certificates.

All such certificates of insurance and policy endorsements must be received by AHCCCS as specified in Section F, Attachment F3, Contractor Chart of Deliverables, of this Contract before work commences. The State's receipt of any certificates of insurance or policy endorsements that do not comply with this written agreement shall not waive or otherwise affect the requirements of this agreement.

Each insurance policy required by this Contract must be in effect at, or prior to, commencement of work under this Contract. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal, is a material breach of contract.

All certificates required by this Contract shall be sent directly to AHCCCS as specified in Section F, Attachment F3, Contractor Chart of Deliverables, of this Contract. The AHCCCS contract number and project description shall be noted on the certificate of insurance. The State of Arizona reserves the right to require complete copies of all insurance policies required by this Contract at any time.

- F. **SUBCONTRACTORS:** Contractor's certificate(s) shall include all subcontractors as insureds under its policies or Contractor shall be responsible for ensuring and/or verifying that all subcontractors have valid and collectable insurance as evidenced by the certificates of insurance and endorsements for each subcontractor. All coverages for subcontractors shall be subject to the relevant insurance section of the AHCCCS Minimum Subcontract Provisions located on the AHCCCS website. AHCCCS reserves the right to require, at any time throughout the life of the Contract, proof from the Contractor that its subcontractors have the required coverage. All subcontractors are required to maintain insurance and to provide verification upon request.
- G. **APPROVAL AND MODIFICATIONS:** AHCCCS, in consultation with State Risk, reserves the right to review or make modifications to the insurance limits, required coverages, or endorsements throughout the life of this Contract, as deemed necessary. Such action will not require a formal Contract amendment but may be made by Administrative Action.
- H. **EXCEPTIONS:** In the event the Contractor or subcontractor(s) is/are a public entity, then the Insurance Requirements shall not apply. Such public entity shall provide a certificate of self-insurance. If the Contractor or subcontractor(s) is/are a State of Arizona agency, board, commission, or university, none of the above shall apply.

[END INSURANCE REQUIREMENTS]

29. IRS W9 FORM

In order to receive payment under any resulting contract, the Contractor shall have a current IRS W-9 Form on file with the State of Arizona.

30. LIMITATIONS ON BILLING AND COLLECTION PRACTICES

Except as provided in Federal and State Law and regulations, the Contractor shall not bill, nor attempt to collect payment directly or through a collection agency from an individual who was AHCCCS eligible at the time the covered service(s) were rendered, or from the financially responsible relative or representative for covered services that were paid or could have been paid by the system.

31. LOBBYING

No funds paid to the Contractor by AHCCCS, or interest earned thereon, shall be used for the purpose of influencing or attempting to influence an officer or employee of any Federal or State agency, a member of the United States Congress or State Legislature, an officer or employee of a member of the United States Congress or State Legislature in connection with awarding of any Federal or State contract, the making of any Federal or State grant, the making of any Federal or State loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment or modification of any Federal or State contract, grant, loan, or cooperative agreement. The Contractor shall disclose if any funds paid to the Contractor by AHCCCS have been used or will be used to influence the individuals and entities indicated above and will assist AHCCCS in making such disclosures to CMS.

32. NO GUARANTEED QUANTITIES

AHCCCS does not guarantee the Contractor any minimum or maximum quantity of services or goods to be provided under this contract.

33. NON-EXCLUSIVE REMEDIES

The rights and the remedies of AHCCCS under this Contract are not exclusive.

34. OFF-SHORE PERFORMANCE OF WORK PROHIBITED

Any services that are described in the specifications or scope of work that directly serve the State of Arizona or its clients and involve access to secure or sensitive data or personal client data shall be performed within the defined territories of the United States. Unless specifically stated otherwise in the specifications, this paragraph does not apply to indirect or "overhead" services, redundant back-up services or services that are incidental to the performance of the contract. This provision applies to work performed by subcontractors at all tiers. No claims paid by the Contractor to a network provider, out-of-network provider, subcontractor or financial institution located outside of the United States are considered in the development of actuarially sound capitation rates [42 CFR 438.602].

35. ORDER OF PRECEDENCE

The parties to this contract shall be bound by all terms and conditions contained herein. For interpreting such terms and conditions the following sources shall have precedence in descending order: The Constitution and laws of the United States and applicable Federal regulations; the

terms of the CMS Section 1115 waiver for the State of Arizona; the Arizona State Plan; the Constitution and laws of Arizona, and applicable State Rules; the terms of this Contract which consists of the RFP, the Proposal of the Successful Offeror, and any Best and Final Offer including any attachments, executed amendments and modifications; and AHCCCS policies and procedures.

36. OWNERSHIP OF INFORMATION AND DATA

Materials, reports and other deliverables created under this Contract are the sole property of AHCCCS. The Contractor is not entitled to any rights to those materials and may not transfer any rights to anyone else. Except as necessary to carry out the requirements of this Contract, as otherwise allowed under this Contract, or as required by law, the Contractor shall not use or release data, information or materials, reports, or deliverables derived from that data or information without the prior written consent of AHCCCS. Data, information and reports collected or prepared by the Contractor in the course of performing its duties and obligations under this Contract shall not be used by the Contractor for any independent project of the Contractor or publicized by the Contractor without the prior written permission of AHCCCS. Subject to applicable State and Federal laws and regulations, AHCCCS shall have full and complete rights to reproduce, duplicate, disclose and otherwise use all such information.

At the termination of the contract, the Contractor shall make available all such data to AHCCCS within 30 days following termination of the contract or such longer period as approved by AHCCCS/OOD. For purposes of this subsection, the term "data" shall not include member medical records.

Except as otherwise provided in this Section, if any copyrightable or patentable material is developed by the Contractor in the course of performance of this Contract, the Federal government, AHCCCS and the State of Arizona shall have a royalty-free, nonexclusive, and irrevocable right to reproduce, publish, or otherwise use, and to authorize others to use, the work for State or Federal government purposes. The Contractor shall additionally be subject to the applicable provisions of 45 CFR Part 75.

37. RELATIONSHIP OF PARTIES

The Contractor under this Contract is an independent Contractor. Neither party to this Contract shall be deemed to be the employee or agent of the other party to the Contract.

38. RIGHT OF OFFSET

AHCCCS shall be entitled to offset against any sums due the Contractor any expenses or costs incurred by AHCCCS or damages assessed by AHCCCS concerning the Contractor's non-conforming performance or failure to perform the Contract, including but not limited to expenses, costs and damages.

39. RIGHT TO ASSURANCE

If AHCCCS, in good faith, has reason to believe that the Contractor does not intend to perform or is unable to continue to perform this Contract, the procurement officer may demand in writing that the Contractor give a written assurance of intent to perform. The demand shall be sent to the Contractor by certified mail, return receipt required. Failure by the Contractor to provide

written assurance within the number of days specified in the demand may, at the State's option, be the basis for terminating the contract.

40. RIGHT TO INSPECT PLANT OR PLACE OF BUSINESS

AHCCCS may, at reasonable times, inspect the part of the plant or place of business of the Contractor or subcontractor that is related to the performance of this Contract, in accordance with A.R.S. §41-2547.

41. SEVERABILITY

The provisions of this Contract are severable. Any term or condition deemed illegal or invalid shall not affect any other term or condition of the contract.

42. SUSPENSION OR DEBARMENT

The Contractor shall not employ, consult, subcontract or enter into any agreement for Title XIX services with any person or entity who is debarred, suspended or otherwise excluded from Federal procurement activity or from participating in non-procurement activities under regulations issued under Executive Order 12549 [42 CFR 438.610] or under guidelines implementing Executive Order 12549. This prohibition extends to any entity which employs, consults, subcontracts with or otherwise reimburses for services any person substantially involved in the management of another entity which is debarred, suspended or otherwise excluded from Federal procurement activity. The Contractor is obligated to screen all employees and contractors to determine whether any of them have been excluded from participation in Federal health care programs. The Contractor can search the HHS-OIG website by the names of any individuals. The database can be accessed at www.oig.hhs.gov/fraud/exclusions.asp.

The Contractor shall not retain as a director, officer, partner or owner of 5% or more of the Contractor entity, any person, or affiliate of such a person, who is debarred, suspended or otherwise excluded from Federal procurement activity.

AHCCCS may, by written notice to the Contractor, immediately terminate this contract if it determines that the Contractor has been debarred, suspended or otherwise lawfully prohibited from participating in any public procurement activity.

43. TEMPORARY MANAGEMENT/OPERATION OF A CONTRACTOR

Temporary Management/Operation by AHCCCS: Pursuant to the Medicaid Managed Care Regulations, 42 CFR Part 438, Subpart I, and A.R.S. §36-2903, AHCCCS is authorized to impose temporary management for a Contractor under certain conditions. Under Federal law, temporary management may be imposed if AHCCCS determines that there is continued egregious behavior by the Contractor, including but not limited to the following: substantial failure to provide medically necessary services the Contractor is required to provide; imposition on members premiums or charges that exceed those permitted by AHCCCS, discrimination among members on the basis of health status or need for health care services; misrepresentation or falsification of information to AHCCCS or CMS; misrepresentation or falsification of information furnished to a member or provider; distribution of marketing materials that have not been approved by AHCCCS or that are false or misleading; or behavior contrary to any requirements of Sections 1903(m) or

1932 of the Social Security Act. Temporary management may also be imposed if AHCCCS determines that there is substantial risk to members' health or that temporary management is necessary to ensure the health of members while the Contractor is correcting the deficiencies noted above or until there is an orderly transition or reorganization of the Contractor. Under Federal law, temporary management is mandatory if AHCCCS determines that the Contractor has repeatedly failed to meet substantive requirements in Sections 1903(m) or 1932 of the Social Security Act. Pursuant to 42 CFR 438.706, AHCCCS shall not delay imposition of temporary management to provide a hearing before imposing this sanction [42 CFR 438.706(b) - (d); section 1932(e)(2)(B)(ii) of the Social Security Act].

If AHCCCS undertakes direct operation of the Contractor, AHCCCS, through designees appointed by the Director, shall be vested with full and exclusive power of management and control of the Contractor as necessary to ensure the uninterrupted care to persons and accomplish the orderly transition of persons to a new or existing Contractor, or until the Contractor corrects the contract performance failure to the satisfaction of AHCCCS. AHCCCS shall have the power to employ any necessary assistants, to execute any instrument in the name of the Contractor, to commence, defend and conduct in its name any action or proceeding in which the Contractor may be a party; such powers shall only apply with respect to activities occurring after AHCCCS undertakes direct operation of the Contractor in connection with this Section.

All reasonable expenses of AHCCCS related to the direct operation of the Contractor, including attorney fees, cost of preliminary or other audits of the Contractor and expenses related to the management of any office or other assets of the Contractor, shall be paid by the Contractor or withheld from payment due from AHCCCS to the Contractor.

44. TERM OF CONTRACT AND OPTION TO RENEW

The initial term of this Contract shall be for three initial years, with two (2) two-year options to extend, not to exceed a total contracting period of seven years. The Contract year is October 1 through September 30 with an annual October 1 renewal. The terms and conditions of any such contract extension shall remain the same as the original Contract except, as otherwise amended. Any contract extension or renewal shall be through Contract amendment, and shall be at the sole option of AHCCCS.

If the Contractor has been awarded a Contract in more than one GSA, each such Contract will be considered separately renewable. AHCCCS may renew the Contractor's Contract in one GSA, but not in another. In the event AHCCCS determines there are issues of noncompliance by the Contractor in one GSA, AHCCCS may request an enrollment cap for the Contractor's contracts in all other GSAs. Further, AHCCCS may require the Contractor to renew all currently awarded GSAs, or may terminate the contract if the Contractor does not agree to renew all currently awarded GSAs.

Contract amendments, including renewals, are subject to approval by the Centers for Medicare and Medicaid Services (CMS). When the Contracting Officer issues an amendment to extend or renew the contract, the provisions of such extension or renewal will be deemed to have been accepted 30 days after the date of mailing by the Contracting Officer, unless a different time

period is specified by AHCCCS, even if the extension or renewal amendment has not been signed by the Contractor, unless within that time the Contractor notifies the Contracting Officer in writing that it refuses to sign the extension or renewal amendment. Failure of an existing Contractor to accept an amendment to extend or renew may result in immediate suspension/termination of member assignment. If the Contractor provides such notification, the Contracting Officer may initiate contract termination proceedings.

If the Contractor chooses not to renew this contract, the Contractor may be liable for certain costs associated with the transition of its members to a different Contractor. The Contractor is required to provide 180 days advance written notice to the Contracts and Purchasing Administrator of its intent not to renew the contract. If the Contractor provides the Contracts and Purchasing Administrator written notice of its intent not to renew this contract at least 180 days before its expiration, this liability for transition costs may be waived by the Contracting Officer.

45. TERMINATION

AHCCCS reserves the right to terminate this Contract in whole or in part by reason of force majeure, due to the failure of the Contractor to comply with any term or condition of the Contract, including, but not limited to, circumstances which present risk to member health or safety, and as authorized by the Balanced Budget Act of 1997 and 42 CFR 438.710. The term force majeure means an occurrence that is beyond the control of AHCCCS and occurs without its fault or negligence. Force majeure includes acts of God and other similar occurrences beyond the control of AHCCCS which it is unable to prevent by exercising reasonable diligence.

AHCCCS reserves the right to terminate this Contract and transition members to a different Contractor, or provide Medicaid benefits through other State plan or 1115 Waiver authority, if the State determines that the Contractor has failed to carry out the substantive terms of its Contract or has failed to meet the applicable requirements of sections 1932, 1903(m) or 1905(t) of the Social Security Act [42 CFR 438.708(a), 42 CFR 438.708(b), sections 1903(m), 1905(t), 1932 of the Social Security Act].

If the Contractor is providing services under more than one contract with AHCCCS, AHCCCS may deem unsatisfactory performance under one Contract to be cause to require the Contractor to provide assurance of performance under any and all other Contracts. In such situations, AHCCCS reserves the right to seek remedies under both actual and anticipatory breaches of Contract if adequate assurance of performance is not received. The Contracting Officer shall mail written notice of the termination and the reason(s) for it to the Contractor by certified mail, return receipt requested [Section 1932(e)(4) of the Social Security Act, 42 CFR 438.722(a) - (b)]. Pursuant to the Balanced Budget Act of 1997 and 42 CFR 438.710, 42 CFR 438.10, AHCCCS shall provide the Contractor with a pre-termination hearing before termination of the Contract.

Upon termination, all documents, data, and reports prepared by the Contractor under the contract shall become the property of and be delivered to AHCCCS immediately on demand.

The Contractor shall retain, preserve and make available records, within the timeframes required by State and Federal law, including but not limited to, those records related to member grievances

and appeal records, litigation, base data, Medical Loss Ratio (MLR) reports, claims settlement and those covered under HIPAA, as required by Contract, State and Federal law, including but not limited to 45 CFR 164.530(j)(2) and 42 CFR 438.3(u). See ACOM Policy 440.

AHCCCS may, upon termination of this Contract, procure on terms and in the manner that it deems appropriate, materials or services to replace those under this Contract. The Contractor shall be liable for any excess costs incurred by AHCCCS in re-procuring the materials or services.

46. TERMINATION - AVAILABILITY OF FUNDS

If, funds are not presently available to support the continuation of performance under this Contract beyond the current fiscal year, this Contract may be terminated at the end of the period for which funds are available. No legal liability on the part of AHCCCS for any payment may arise under this Contract until funds are made available for performance of this Contract.

Notwithstanding any other provision in the Agreement, this Agreement may be terminated by Contractor, if, for any reason, there are not sufficient appropriated and available monies for the purpose of maintaining this Agreement. In the event of such termination, the Contractor shall have no further obligation to AHCCCS.

47. TERMINATION FOR CONFLICT OF INTEREST

AHCCCS may cancel this contract without penalty or further obligation if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of AHCCCS is, or becomes at any time while the Contract or any extension of the Contract is in effect, an employee of, or a consultant to, any other party to this Contract with respect to the subject matter of the Contract. The cancellation shall be effective when the Contractor receives written notice of the cancellation unless the notice specifies a later time.

If the Contractor is a political subdivision of the State, it may also cancel this Contract as provided by A.R.S. §38-511.

48. TERMINATION FOR CONVENIENCE

AHCCCS reserves the right to terminate the Contract in whole or in part at any time for the convenience of the State without penalty or recourse. The Contracting Officer shall give written notice by certified mail, of the termination at least 90 days before the effective date of the termination. Upon receipt of written notice, the Contractor shall stop all work, as directed in the notice, notify all subcontractors of the effective date of the termination and minimize all further costs to the State. In the event of termination under this paragraph, all documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to AHCCCS immediately upon demand. The Contractor shall be entitled to receive just and equitable compensation for work in progress, work completed and materials accepted before the effective date of the termination.

49. THIRD PARTY ANTITRUST VIOLATIONS

The Contractor assigns to the State any claim for overcharges resulting from antitrust violations to the extent that those violations concern materials or services supplied by third parties to the Contractor toward fulfillment of this Contract.

50. TYPE OF CONTRACT

Fixed-Price, stated as capitated per member per month, except as otherwise provided.

51. WARRANTY OF SERVICES

The Contractor warrants that all services provided under this Contract will conform to the requirements stated herein. AHCCCS' acceptance of services provided by the Contractor shall not relieve the Contractor from its obligations under this warranty. In addition to its other remedies, AHCCCS may, at the Contractor's expense, require prompt correction of any services failing to meet the Contractor's warranty herein. Services corrected by the Contractor shall be subject to all of the provisions of this Contract in the manner and to the same extent as the services originally furnished.

[END OF SECTION E: CONTRACT TERMS AND CONDITIONS]

SECTION F: ATTACHMENTS

ATTACHMENT F1:

MEMBER GRIEVANCE AND APPEAL SYSTEM STANDARDS

CONTRACT/RFP NO. YH19-0001

SECTION F: ATTACHMENTS

ATTACHMENT F1: MEMBER GRIEVANCE AND APPEAL SYSTEM STANDARDS

The Contractor shall have a written policy delineating its Grievance and Appeal System which shall be in accordance with applicable Federal and State laws, regulations and policies, including, but not limited to 42 CFR Part 438 Subpart F. The Contractor shall furnish Grievance and Appeal System information to members no later than 12 days after the Contractor receives notice of the enrollment and annually thereafter. The Contractor shall provide this information to subcontractors at the time of Contract and make this information available in its provider manual and on its website. Additionally, the Contractor shall provide written notification of any significant change in this policy at least 30 days before the intended effective date of the change.

The written information provided to members describing the Grievance and Appeal System as well as Contractor appeal and grievance notices, including denial and termination notices, shall be available in the prevalent non-English language spoken for each LEP population in the Contractor's service area [42 CFR 438.3(d)(3)]. These written materials must also be made available in alternate formats upon request at no cost. Auxiliary aids and services must also be made available upon request and at no cost. These written materials shall include taglines in the prevalent non-English languages in Arizona and in large print (font size of at least 18 point) explaining the availability of written translation or oral interpretation services to understand the information and include the Contractor's toll free and TTY/TDY telephone numbers for customer service. Oral interpretation services shall not substitute for written translation of vital materials. Refer to ACOM Policy 404 and ACOM Policy 406 for additional information and requirements [42 CFR 438.408(d)(1), 42 CFR 438.10].

The Contractor shall inform members that oral interpretation services are available in any language, and alternative communication formats are available for members who have hearing or vision impairment.

For additional information regarding the member Notice of Adverse Benefit Determination process and state developed notice templates refer to ACOM Policy 414 and 42 CFR Part 438[42 CFR 438.10(c)(4)(ii)]. For additional information regarding member information requirements refer to ACOM Policy 404 and ACOM Policy 406. Failure to comply with any of these provisions may result in an imposition of sanctions.

At a minimum, the Contractor must comply with the following Grievance and Appeal System Standards and incorporate these requirements into its policies and/or procedures:

1. The Contractor shall maintain accurate records of all grievances and appeals in a manner accessible to the state and available upon request to CMS and which must contain at a minimum the following [42 CFR 438.416(a), 42 CFR 438.416(b)(1) - (6), 42 CFR 438.416(c)]:
 - a. A general description of the reason for an appeal or grievance
 - b. The date received
 - c. The date of each review or, if applicable, review meeting

SECTION F: ATTACHMENTS

ATTACHMENT F1:

MEMBER GRIEVANCE AND APPEAL SYSTEM STANDARDS

CONTRACT/RFP NO. YH19-0001

- d. The resolution at each level of appeal or grievance
 - e. The date of resolution at each level
 - f. The name of the member for whom the appeal or grievance was filed
 - g. The name of the individual filing the appeal or grievance on behalf of the member, if applicable
 - h. The date the request for hearing was received, if applicable
2. The Contractor has an effective mechanism in place for tracking receipt, acknowledgement, investigation, and resolution of grievances and appeals, and for tracking requests for hearing within the required timeframes.
 3. The Contractor shall track and trend Grievance and Appeal System information as a source of information for quality improvement and in accordance with the AHCCCS Grievance and Appeal System Reporting Guide.
 4. Information explaining the grievance, appeal, and fair hearing procedures and timeframes. This information shall include a description of the circumstances when there is a right to a hearing, the method for obtaining a hearing, the requirements which govern representation at the hearing, the right to file grievance and appeals and the requirements and timeframes for filing a grievance, appeal, or request for hearing.
 5. The Contractor must provide members any reasonable assistance in completing forms and taking other procedural steps related to the grievance and appeal process. This included but is not limited to auxiliary aids and services upon request, such as interpreter services and toll free numbers that have adequate TTY/TTD and interpreter capability [42 CFR 438.406(a)].
 6. The availability of toll-free numbers that a member can use to file a grievance or appeal by phone if requested by the member.
 7. Oral inquiries seeking to appeal an Adverse Benefit Determination are treated as appeals, and are confirmed in writing unless the member or the provider requests expedited resolution [42 CFR 438.406(b)(3)].
 8. The Contractor shall permit both oral and written appeals and grievances [42 CFR 438.402(c)(3)(i)] [42 CFR 438.402(c)(3)(ii)].
 9. The Contractor shall acknowledge receipt of each grievance and appeal. For grievances, the Contractor is not required to acknowledge receipt of the grievance in writing, however, if the member requests written acknowledgement, the acknowledgement must be made within five business days of receipt of the request. For appeals, the Contractor shall acknowledge receipt of standard appeals in writing within five business days of receipt and within one day of receipt of expedited appeals [42 CFR 438.406(b)(1)], 42 CFR 438.228(a)].

SECTION F: ATTACHMENTS

ATTACHMENT F1:

MEMBER GRIEVANCE AND APPEAL SYSTEM STANDARDS

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10. The Contractor shall ensure individuals who make decisions regarding grievances and appeals are individuals not involved in any previous level of review or decision making, or a subordinate of such individuals. The Contractor shall also ensure individuals who make decisions regarding: 1) appeals of denials based on lack of medical necessity, 2) grievances regarding denials of expedited resolutions of appeals or 3) grievances or appeals involving clinical issues have the appropriate clinical expertise in treating the member's condition or disease [42 CFR 438.406(b)(2)(ii)(A)-(C), 42 CFR 438.228(a)]. Decisions makers on grievance and appeals of adverse benefit determinations take into account all comments, documents, records, and other information submitted by the member or their representative without regard to whether such information was submitted or considered in the initial adverse benefit determination [42 CFR 438.406(b)(2)(iii), 42 CFR 438.228(a)]. AHCCCS does not offer or arrange for an external medical review as described in 42 CFR 438.402(c)(1)(i)(B).
11. The Contractor shall not delegate the Grievance and Appeal System requirements to its providers.
12. Define a grievance as a member's expression of dissatisfaction with any matter, other than an adverse benefit determination [42 CFR 438.400(b)]. There are no time limits for filing a member grievance.
13. A member must file a grievance with the Contractor and the member is not permitted to file a grievance directly with AHCCCS [42 CFR 438.402(c)(3)(i)].
14. The Contractor shall address identified issues as expeditiously as the member's condition requires and must resolve each grievance within 10 business days of receipt, absent extraordinary circumstances. However, no grievances shall exceed 90 days for resolution. Contractor decisions on member grievances cannot be appealed [42 CFR 438.408(a), 42 CFR 438.408(b)(1)].
15. The Contractor responds to a grievance in writing, if a member requests a written explanation of the resolution, and the response must be mailed within 10 business days of resolution of the grievance.
16. If resolution to a grievance or appeal of an adverse benefit determination is not completed when the timeframe expires, the member is deemed to have exhausted the Contractor's grievance process and can file a request for hearing [42 CFR 438.408].
17. The resolution timeframe for an appeal may be extended by up to 14 calendar days if the member requests the extension or if the Contractor shows that there is a need for additional information and that the delay is in the member's interest [42 CFR 438.408(c)(1)(i)].
18. If the Contractor extends the timeframe for resolution of an appeal not at the request of the member, the Contractor must make reasonable efforts to give the member prompt oral notice of the delay and give the member written notice within two calendar days of the reason for the decision to extend the timeframe and inform the member of the right to file a grievance if the member disagrees with that decision [42 CFR 438.408(c)(2)(i)-(ii)].

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19. Define a service authorization request as a request by the member, the representative, or a provider for a physical or behavioral health service for the member which requires Prior Authorization (PA) by the Contractor [42 CFR 438.210]. The Contractor shall ensure completion of the service authorization request decision within the timeframe applicable to the particular type of the authorization request: 1) authorization requests for medications and 2) authorization requests that do not involve medications. The Contractor shall process standard and expedited authorization requests as service authorization requests that do not involve medications. The Contractor shall process service authorization requests pertaining to medications according to the timeframes applicable to medication requests and not according to the standard or expedited timeframes used for non medication service authorization requests.
20. The Contractor shall issue service authorization decisions for medications no later than 24 hours from receipt of the submitted request for the medication regardless of whether the due date for the medication authorization decision falls on a weekend (Saturday and Sunday) or legal holiday as defined by the State of Arizona. If the prior authorization request lacks sufficient information for the Contractor to render a decision for the medication, the Contractor shall send a request for additional information to the prescriber no later than 24 hours from receipt of the request. The Contractor shall issue a final decision no later than seven business days from the initial date of the request. Refer to 42 CFR 438.3(s).
21. The Contractor shall ensure that the date/hour it receives the request, whichever is applicable, is considered the date/time of receipt of the service authorization request. The Contractor may use electronic date stamps or manual stamping for logging the receipt.
22. Define a standard service authorization request. A standard authorization request is a request for a service that is not a medication and which does not meet the definition of an expedited service authorization request. For standard service authorization requests, the date the Contractor receives the request is considered the date of receipt and is used to determine the due date for completion of the decision. For standard authorization decisions (those not involving medications), the Contractor must provide a Notice of Adverse Benefit Determination to the member as expeditiously as the member's health condition requires, but not later than 14 calendar days following the receipt of the authorization request, regardless of whether the 14th day falls on a weekend (Saturday and Sunday) or legal holiday as defined by the State of Arizona, with a possible extension of up to 14 additional calendar days if the member or provider requests an extension or if the Contractor establishes a need for additional information and the delay is in the member's best interest [42 CFR 438.210(d)(1), 42 CFR 438.404(c)(3) and(c)(4)]. The Notice of Adverse Benefit Determination must comply with the advance notice requirements when there is a termination or reduction of a previously authorized service or when there is a denial of an authorization request and the physician asserts that the requested service/treatment is a necessary continuation of a previously authorized service.
23. Define an expedited authorization request. An expedited authorization request is a request for a service that is not a medication in which either the requesting provider indicates, or the

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Contractor determines, that following the standard timeframes for issuing an authorization decision could seriously jeopardize the member's life or health or ability to attain, maintain, or regain maximum function. For expedited authorization decisions (those not involving medications), the Contractor must provide a Notice of Adverse Benefit Determination to the member as expeditiously as the member's health condition requires, but not later than 72 hours following the receipt of the authorization request, regardless of whether the 72 hour deadline falls on a weekend (Saturday and Sunday) or legal holiday as defined by the State of Arizona, with a possible extension of up to 14 calendar days if the member or provider requests an extension or if the Contractor establishes a need for additional information and the delay is in the member's interest [42 CFR 438.210(d)(2)(ii), 42 CFR 438.404(c)(6)].

24. For service authorization decisions for medications, the Contractor must provide a Notice of Adverse Benefit Determination no later than 24 hours from receipt of the authorization request regardless of whether the due date for the medication authorization decision falls on a weekend (Saturday and Sunday) or legal holiday as defined by the State of Arizona. If the prior authorization request for the medication lacks sufficient information for the Contractor to render a decision for the medication, the Contractor shall send a request for additional information to the prescriber no later than 24 hours from receipt of the request. The Contractor must provide the Notice of Adverse Benefit Determination no later than seven business days from the initial date of the authorization request. 42 CFR 438.3(s)
25. Define an Adverse Benefit Determination as set forth below [42 CFR 438.400(b)] and permit a member, or their designated representative, to file an appeal of an Adverse Benefit Determination taken by the Contractor. Adverse Benefit Determinations are any of the following:
 - a. Denial or limited authorization of a requested service, including determinations based on the type or level of service, requirements for medical necessity, appropriateness, setting, or effectiveness of a covered benefit;
 - b. Reduction, suspension, or termination of a previously authorized service;
 - c. Denial, in whole or in part, of payment for a service;
 - d. Failure to provide services in a timely manner, as defined by the State;
 - e. Failure to act within the timeframes provided in 42 CFR 438.408(b)(1) and (2) required for standard resolution of appeals and standard disposition of grievances; or
 - f. Denial of a rural member's request to obtain services outside the Contractor's network under 42 CFR 438.52(b)(2)(ii), when the Contractor is the only Contractor in the rural area
 - g. Denial of a member's request to dispute a financial liability, including cost sharing, copayments, premiums, deductibles, coinsurance, or other member financial liabilities.
26. The Notice of Adverse Benefit Determination for a service authorization decision that is not completed within the standard, expedited, or medication authorization request timeframes, whichever is applicable, will be made on the date that the timeframes expire [42 CFR 438.404(c)(5)]. If the Contractor extends the timeframe to make a standard or expedited authorization decision, the Contractor must give the member written notice of the reason to extend the timeframe and inform the member of the right to file a grievance if the member disagrees with the decision. The Contractor must issue and carry out its decision as expeditiously

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as the member's health condition requires and no later than the date the extension expires [42 CFR 438.210(d)(1)(ii), 42 CFR 438.404(c)(4)(i)]and (ii)].

27. The Contractor shall notify the requesting provider, in writing, of the decision to deny or reduce a service authorization request.
28. The Contractor shall provide a Notice of Adverse Benefit Determination: 1) at least 10 days before the date of a termination, suspension or reduction of previously authorized AHCCCS services, except as provided in (a)-(e) below; 2) at least five days before the date of adverse benefit determination in the case of suspected fraud; 3) at the time of any adverse benefit determination affecting the claim when there has been a denial of payment for a service, in whole or in part; 4) within 14 calendar days from receipt of a standard service authorization request, within 72 hours from receipt of an expedited service authorization request, unless an extension is in effect, or within 24 hours from receipt of a medication authorization request, unless additional information is needed from the prescriber in which case the determination must be provided no later than seven days from receipt of the initial request. For service authorization decisions, the Contractor shall also ensure that the Notice of Adverse Benefit Determination provides the member with advance notice and the right to request continued benefits for all terminations and reductions of a previously authorized service and for denials when the physician asserts that the requested service/treatment which has been denied is a necessary continuation of a previously authorized service [42 CFR 438.404(c)(1), 42 CFR 431.211] [42 CFR 438.404(c)(1), 42 CFR 431.214, 42 CFR 438.404(c)(2)].

As described below, the Contractor may elect to mail a Notice of Adverse Benefit Determination no later than the date of Adverse Benefit Determination when [42 CFR 438.404(c)(1), 42 CFR 431.213, 42 CFR 431.231(d), Section 1919(e)(7) of the Social Security Act, 42 CFR 483.12(a)(5)(i), 42 CFR 483.12(a)(5)(ii)]:

- a. The Contractor receives notification of the death of a member;
 - b. The member signs a written statement requesting service termination or gives information requiring termination or reduction of services (which indicates understanding that the termination or reduction will be the result of supplying that information);
 - c. The member is admitted to an institution where he/she is ineligible for further services;
 - d. The member's address is unknown and mail directed to the member has no forwarding address;
 - e. The member has been accepted for Medicaid in another local jurisdiction.
29. The Notice of Adverse Benefit Determination must explain: 1) the adverse benefit determination the Contractor has taken or intends to take, 2) the reasons for the adverse benefit determination including the right of the member to be provided upon request, and at no charge, reasonable access to copies of all documents, records and other information related to the adverse benefit determination; this information includes medical necessity criteria, any processes, strategies or evidentiary standards used in setting coverage limits, 3) the member's right to file an appeal with the Contractor, 4) the procedures for exercising these rights, 5) circumstances when expedited resolution is available and how to request it and 6) the member's right to receive continued

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benefits pending resolution of the appeal, how to request continued benefits and the circumstances under which the member may be required to pay for the cost of these services. The Notice of Adverse Benefit Determination shall comply with ACOM Policy 414 [42 CFR 438.404(b)(1)-(b)(6) 42 CFR 438.402(b) - (c)].

30. Define an appeal as the request for review of an Adverse Benefit Determination, as defined above[42 CFR 438.400(b)].
31. Define a standard appeal. The Contractor shall resolve standard appeals as expeditiously as the member's health condition requires but no later than 30 calendar days from the date of receipt of the appeal unless an extension is in effect [42 CFR 438.408(a), 42 CFR 438.408(b)(2)]. If a Notice of Appeal Resolution is not completed when the timeframe expires, the member's appeal shall be considered to be denied by the Contractor, and the member can file a request for hearing [42 CFR 438.402(b), 42 CFR 438.228(a)].
32. Define an expedited appeal as an appeal in which the Contractor determines (for a request from a member) or the Provider indicates (when making the request for the member or in support of the member's request) that taking the time for standard resolution could seriously jeopardize the member's life, physical or mental health, or ability to attain, maintain, or regain maximum function. The Contractor shall resolve all expedited appeals as expeditiously as the member's health condition requires but not later than 72 hours from the date the Contractor receives the expedited appeal (unless an extension is in effect) [42 CFR 438.408(a), 42 CFR 438.408(b)(3)]. The Contractor shall make reasonable efforts to provide oral notice to a member regarding an expedited resolution appeal [42 CFR 438.408(d)(2)(ii)]. If a Notice of Appeal Resolution is not completed when the timeframe expires, the member's appeal shall be considered to be denied by the Contractor, and the member can file a request for hearing [42 CFR 438.402(b), 42 CFR 438.228(a)].
33. A member shall be given 60 calendar days from the date of the Contractor's Notice of Adverse Benefit Determination to file an appeal [42 CFR 438.402(c)(2)(ii)].
34. Explain that a provider or authorized representative acting on behalf of a member and with the member's written consent, may file an appeal, grievance, or request a state fair hearing request[42 CFR 438.402(c)(1)(i)-(ii); 42 CFR 438.408]. The provider or authorized representative acting on behalf of the member shall be given 60 calendar days from the date of the Contractor's Notice of Adverse Benefit Determination to file an appeal either orally or in writing Unless an expedited resolution is requested, oral appeals must be followed by a written, signed appeal [42 CFR 438.402(c)(2)(ii)].
35. The Contractor includes, as parties to the appeal, the member, the member's legal representative, or the legal representative of a deceased member's estate [42 CFR 438.406(b)(6)].
36. That the Contractor must ensure that punitive action is not taken against a provider who either requests an expedited resolution or supports a member's appeal [42 CFR 438.410(b)].

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37. The resolution timeframes for standard appeals and expedited appeals may be extended up to 14 calendar days if the member requests the extension or if the Contractor establishes a need for additional information and that the delay is in the member's interest [42 CFR 438.408(c), 42 CFR 438.408(b)].
38. If the Contractor extends the timeframe for resolution of an appeal when not requested by the member, the Contractor shall make reasonable efforts to give the member prompt oral notice and follow-up within two calendar days with a written notice of the reason for the decision to extend the timeframe and the member's grievance rights [42 CFR 438.408(c)(2)(i)-(iii), 42 CFR 438.408(b)(2)and (3)].
39. The Contractor shall establish and maintain an expedited review process for appeals when 1)the Contractor determines (for a request from a member) the standard resolution timeframe could seriously jeopardize the member's life, physical or mental health, or ability to attain, maintain, or regain maximum function or 2)the provider indicates (in making the request on behalf of the member or in support of the member's request) the standard resolution timeframe could seriously jeopardize the member's life, physical or mental health, or ability to attain, maintain, or regain maximum function [42 CFR 438.210(d)(2)(i), 42 CFR 438.404(c)(6), 42 CFR 438.410(a)].
40. If the Contractor denies a request for expedited resolution, it must transfer the appeal to the 30-calendar day timeframe for a standard appeal [42 CFR 438.410(c), 42 CFR 438.408(b)(2), 42 CFR 438.408(c)(2)]. The Contractor must make reasonable efforts to give the member prompt oral notice and follow-up within two calendar days with a written notice of the denial of expedited resolution and the member's grievance rights.
41. For appeals, the Contractor provides the member a reasonable opportunity to present evidence and to make legal and factual arguments in person and in writing [42 CFR 438.406(b)(4)]. The Contractor must inform the member of the limited time available to provide this information sufficiently in advance of the resolution timeframe [42 CFR 438.406, 42 CFR 438.408(b), 42 CFR 438.408(c)].
42. For appeals, the Contractor provides the member and his/her representative the member's case file including medical records, other documents and any new or additional evidence considered, relied upon, or generated by the Contractor (or at the direction of the Contractor) in connection with the appeal. This information must be provided at no charge to the member and sufficiently in advance of the resolution timeframe [42 CFR 438.406(b)(5)].
43. The Contractor shall provide written Notice of Appeal Resolution to the member and the member's representative or the representative of the deceased member's estate which must contain: 1) the results of the resolution process, including the legal citations or authorities supporting the determination, and the date it was completed, and 2) for appeals not resolved wholly in favor of members: a) the member's right to request a State fair hearing (including the requirement that the member must file the request for a hearing in writing) no later than 120 days

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after the date the member receives the Contractor's notice of appeal resolution and how to do so, b) the right to receive continued benefits pending the hearing when the member has requested a hearing within 10 calendar days from the date the notice of resolution was sent and how to request continuation of benefits and c) information explaining that the member may be held liable for the cost of benefits if the hearing decision upholds the Contractor [42 CFR 438.408(d)(2)(i) and (ii), 42 CFR 438.10, 42 CFR 438.408(e)(1) - (2)].

44. The Contractor shall continue benefits if all of the following occur: [42 CFR 438.420; 42 CFR 438.402(c)(2)(ii)]:
- a. The member files the request for an appeal within 60 calendar days following the date on the Adverse Benefit Determination notice.
 - b. The appeal involves:
 - i. The termination, suspension, or reduction of a previously authorized service, or
 - ii. A denial and the physician asserts that the requested service/treatment is a necessary continuation of the previously authorized service.
 - c. The member's services were ordered by an authorized provider.
 - d. When the appeal was filed, the period covered by the original authorization has not expired,
AND
 - e. The member files a request for continuation of benefits on or before the later of the following:
 - i. Within 10 calendar days of the Contractor sending the notice of adverse benefit determination, or
 - ii. The intended effective date of the Contractor's proposed adverse benefit determination.
45. If at a member's request benefits are continued or are reinstated while the appeal or state fair hearing is pending, benefits shall be continued until one of the following occur [42 CFR 438.420(c)(1)-(3), 42 CFR 438.408(d)(2)]:
- a. The member withdraws the appeal or request for state fair hearing.
 - b. The member does not request a state fair hearing and continuation of benefits within 10 calendar days from the date the Contractor sends the notice of an adverse appeal resolution.
 - c. A state fair hearing decision adverse to the member is issued.

The Contractor shall continue benefits regardless of the period of the initial prior authorization, if all of the requirements in 41 are met.

The Contractor may, consistent with AHCCCS policy on recoveries and as specified in Contract, recover the cost of continued services furnished to the member while the appeal or state fair hearing was pending if the final resolution of the appeal or state fair hearing upholds the Contractor's Adverse Benefit Determination [42 CFR 438.420(d); 42 CFR 431.230(b)]

43. If the member files a request for hearing the Contractor must ensure that the hearing request and supporting documentation is submitted to the AHCCCS Office of Administrative Legal Services (OALS) as specified by ACOM Policy 445 and Attachment F3, Contractor Chart of Deliverables. State fair hearing notices will be issued by the AHCCCS Administration and are not delegated to the Contractor [42 CFR 438.228(b)].

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44. That if the Contractor or the State fair hearing decision reverses a decision to deny, limit or delay services not furnished during the appeal or the pendency of the hearing process, the Contractor shall authorize or provide the services as expeditiously as the member's health condition requires but no later than 72 hours from the date it receives the notice reversing the determination [42 CFR 438.424]. Services must be authorized within the above timeframe irrespective of whether the Contractor contests the decision.
45. If the Contractor or State fair hearing decision reverses a decision to deny authorization of services and the disputed services were received pending appeal, the Contractor shall pay for those services, as specified in policy and/or regulation.
46. If the Contractor or the Director's Decision reverses a decision to deny, limit, or delay authorization of services, and the member received the disputed services while the appeal was pending, the Contractor shall process a claim for payment from the provider in a manner consistent with the Contractor's or Director's Decision and applicable statutes, Rules, policies, and contract terms. The provider shall have 90 days from the date of the reversed decision to submit a clean claim to the Contractor for payment. For all claims submitted as a result of a reversed decision, the Contractor is prohibited from denying claims for un-timeliness if they are submitted within the 90 day timeframe. The Contractor is also prohibited from denying claims submitted as a result of a reversed decision because the member failed to request continuation of services during the appeals/hearing process: a member's failure to request continuation of services during the appeals/hearing process is not a valid basis to deny the claim.
47. If the Contractor or State fair hearing decision upholds a decision to deny authorization of services and the disputed services were received pending the appeal or State fair hearing decision, the Contractor may recover the cost of those services from the member.

[END OF ATTACHMENT F1: MEMBER GRIEVANCE AND APPEAL SYSTEM STANDARDS]

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ATTACHMENT F2:

PROVIDER CLAIM DISPUTE STANDARDS

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ATTACHMENT F2: PROVIDER CLAIM DISPUTE STANDARDS

The Contractor shall have in place a written claim dispute policy for its subcontractors and non-contracted providers. The policy shall be in accordance with applicable Federal and State laws, regulations and policies.

Failure to comply with any of these provisions may result in the imposition of sanctions.

The Contractor shall comply with the following provisions:

1. The Provider Claim Dispute Policy shall stipulate that all claim disputes must be adjudicated in Arizona, including those claim disputes arising from claims processed by an Administrative Services Subcontractor.
2. That the Provider Claim Dispute Policy shall be provided to all subcontractors at the time of contract. For providers without a contract, the Contractor shall send a copy of its Provider Claim Dispute Policy within 45 days of receipt of a claim. The policy may be mailed with a remittance advice, provided the remittance is sent within 45 days of receipt of a claim.
3. That the Provider Claim Dispute Policy must specify that all claim disputes challenging claim payments, denials or recoupments must be filed in writing with the Contractor no later than 12 months from the date of service, 12 months after the date of eligibility posting or within 60 days after the payment, denial or recoupment of a timely claim submission, whichever is later.
4. The Provider Claim Dispute Policy must specify a physical local address in Arizona for the submission of all provider claim disputes and hearing requests.
5. That specific individuals are appointed with authority to require corrective action and with requisite experience to administer the claim dispute process.
6. The Contractor shall develop and maintain a tracking log for all claim disputes containing sufficient information to identify the Complainant, date of receipt, nature of the claim dispute, resolution of the claim dispute and the date of resolution.
7. That claim disputes are acknowledged in writing and within five business days of receipt.
8. Claim disputes are thoroughly investigated using the applicable statutory, regulatory, contractual and policy provisions, ensuring that relevant facts are obtained from all parties.
9. All documentation received by the Contractor during the claim dispute process is dated upon receipt.

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10. All claim disputes are filed in a secure, designated area and are retained for five years following the Contractor's decision, the AHCCCS decision, judicial appeal or close of the claim dispute, whichever is later, unless otherwise provided by law.
11. The Provider Claim Dispute Policy must specify a copy of the Contractor's Notice of Decision (Decision) shall be mailed to all parties no later than 30 days after the provider files a claim dispute with the Contractor, unless the provider and Contractor agree to a longer period. The Decision must include and describe in detail the following:
 - a. The nature of the claim dispute.
 - b. The specific factual and legal basis for the dispute, including but not limited to, an explanation of the specific facts that pertain to the claim dispute, the identification of the member name, pertinent dates of service, dates and specific reasons for Contractor denial/payment of the claim, and whether or not the provider is a contracted provider.
 - c. An explanation of 1) how the Contractor applies the relevant and specific facts in the case to the relevant laws to support the Contractor's decision and 2) the applicable statutes, rules, contractual provisions, policies, and procedures, if applicable. Reference to general legal authorities alone is not acceptable.
 - d. The Provider's right to request a hearing by filing a written request to the Contractor no later than 30 days after the date the provider receives the Decision.
 - e. If the claim dispute is overturned, in full or in part, the requirement that the Contractor shall reprocess and pay the claim(s) in a manner consistent with the decision within 15 business days of the date of the Decision.
12. If the provider files a written request for hearing, the Contractor must ensure that the hearing request and supporting documentation is submitted to the AHCCCS Office of Administrative Legal Services (OALS), as specified by ACOM Policy 445 and Attachment F3, Contractor Chart of Deliverables.
13. If the Contractor upholds a claim dispute and a request for hearing is subsequently filed, the Contractor must review the matter to determine why the request for hearing was filed and resolve the matter when appropriate.
14. If the Contractor's Decision regarding a claim dispute is reversed, in full or in part, through the appeal process, the Contractor shall reprocess and pay the claim(s) in a manner consistent with the Decision, along with any applicable interest, within 15 business days of the date of the Decision.
15. If the Contractor or the State fair hearing decision reverses a decision to deny, limit or delay services not furnished during the claim dispute or the pendency of the hearing process, the Contractor shall authorize or provide the services promptly and as expeditiously as the member's health condition requires but no later than 72 hours from the date it receives the notice reversing the determination [42 CFR 438.424]. Services must be authorized within the above timeframe irrespective of whether the Contractor contests the decision.

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[END OF ATTACHMENT F2: PROVIDER CLAIMS DISPUTE STANDARDS]

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ATTACHMENT F3: CONTRACTOR CHART OF DELIVERABLES

The following table is a summary of the periodic reporting requirements for the Contractor and is subject to change at any time during the term of the Contract. The table is presented for convenience only and should not be construed to limit the Contractor’s responsibilities in any manner. Content for all deliverables is subject to review. AHCCCS may assess sanctions if it is determined that late, inaccurate or incomplete data is submitted.

The deliverables listed below are due by 5:00 PM Arizona Time on the due date indicated, if the due date falls on a weekend or a State Holiday the due date is 5:00 PM Arizona Time on the next business day.

All deliverables which are noted to be submitted via SharePoint are to be submitted to the SharePoint Contract Compliance site at: compliance.azahcccs.gov. Should AHCCCS modify the submission process for deliverables AHCCCS shall provide a letter of instruction to the Contractor outlining changes to the deliverable submission process.

Refer to Contractor Chart of Deliverables below

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**ATTACHMENT F3:
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Area	Timeframe	Report	When Due	Contract Section	Contract Paragraph	Reference/ Policy	Checklist-Template-Reporting Form	Send To	Submitted Via
AHCCCS OFFICE OF ADMINSTRATIVE LEGAL SERVICES	Ad Hoc	State Fair Hearing Request Documentation: Claim Dispute Request	No later than five business days from receipt of the hearing request	Section F	Attachment F2	ACOM Policy 445	ACOM Policy 445, Attachment A	AHCCCS OALS Intake Unit	FTP server
AHCCCS OFFICE OF ADMINSTRATIVE LEGAL SERVICES	Ad Hoc	State Fair Hearing Request Documentation: Expedited Member Appeal Request	No later than one business day from receipt of the expedited hearing request	Section F	Attachment F1	ACOM Policy 445	ACOM Policy 445, Attachment A	AHCCCS OALS Intake Unit	FTP server
AHCCCS OFFICE OF ADMINSTRATIVE LEGAL SERVICES	Ad Hoc	State Fair Hearing Request Documentation: Standard Member Appeal Request	No later than five business days from receipt of the hearing request	Section F	Attachment F1	ACOM Policy 445	ACOM Policy 445, Attachment A	AHCCCS OALS Intake Unit	FTP server

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Area	Timeframe	Report	When Due	Contract Section	Contract Paragraph	Reference/ Policy	Checklist-Template-Reporting Form	Send To	Submitted Via
AHCCCS PROCUREMENT OFFICE	Ad Hoc	Certifications of Insurance	Within 10 days of notification of Contract award and prior to commencement of any services under this Contract	Section E	Paragraph 28	N/A	N/A	AHCCCS Procurement Office	Email notification to AHCCCS Procurement
AHCCCS PROCUREMENT OFFICE	Ad Hoc	Insurance Material Change	Within 30 days of event	Section E	Paragraph 28	N/A	N/A	AHCCCS Procurement Office	Email notification to AHCCCS Procurement
DBF TPL UNIT	Ad Hoc	Third Party Liability Reporting - Involving Commercial Insurance Payor Sources: TPL Leads File or Via the TPL Referral Web Portal	Within 10 days of discovery	Section D	Paragraph 54	AHCCCS Technical Interface Guidelines	N/A	AHCCCS ISD or the AHCCCS TPL Contractor (HMS)	AHCCCS SFTP or the TPL Referral Web Portal: ecenter.hmsy.com/

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Area	Timeframe	Report	When Due	Contract Section	Contract Paragraph	Reference/ Policy	Checklist-Template-Reporting Form	Send To	Submitted Via
DBF TPL UNIT	Ad Hoc	Third Party Liability Reporting - Other Third Party Liability Recoveries: For Determination of a Mass Tort, Total Plan Case, or Joint Case	Within 10 days of discovery	Section D	Paragraph 54	AHCCCS Technical Interface Guidelines	N/A	AHCCCS TPL Contractor	Email, Fax, or mail submission
DBF TPL UNIT	Ad Hoc	Total Plan Case Settlement Reporting via Monthly File (When reporting, Contractors must use the monthly file or the ad hoc form)	20 th day of the month	Section D	Paragraph 54	ACOM Policy 434	ACOM Policy 434, Attachment A	AHCCCS TPL Management Analyst	Email, Fax, or mail submission

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DBF TPL UNIT	Ad Hoc	Total Plan Case Settlement Reporting via the Settlement Notification Form (When reporting, Contractors must use the monthly file or the ad hoc form)	Within 10 business days from the settlement date	Section D	Paragraph 54	ACOM Policy 434	ACOM Policy 434, Attachment A	AHCCCS TPL Management Analyst	Email, Fax, or mail submission
DHCAA HUMAN RIGHTS COMMITTEE	Monthly	Redacted Report of Each Use of Seclusion/Restraint Concerning All Enrolled Persons	15 th of each month	Section D	Paragraph 22	AMPM Policy 962	AMPM Policy 962, Attachment B	DHCAA Human Rights Committee Coordinator	SharePoint
DHCAA HUMAN RIGHTS COMMITTEE	Monthly	Redacted Seclusion/ Restraint Summary Report Concerning All Enrolled Persons	15th of each month	Section D	Paragraph 22	AMPM Policy 962	AMPM Policy 962, Attachment B	DHCAA Human Rights Committee Coordinator	SharePoint

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DHCM CLINICAL ADMINISTRATOR	Ad Hoc	Communication of Adverse Action to Provider	Within one business day	Section D	Paragraph 22	AMPM Chapter 900	N/A	DHCM Clinical Administrator	SharePoint
DHCM CLINICAL ADMINISTRATOR	Quarterly	Key Staff: Staff Primary and Back-Up Contact Information for Urgent Issue Resolution-Non Business Hours	5 days after the start of each quarter	Section D	Paragraph 15	N/A	N/A	DHCM Clinical Administrator	SharePoint
DHCM CLINICAL RESOLUTION	Ad Hoc	Contractor Response to AHCCCS regarding Member Grievances (Response to problem resolution)	Initial 2 to 72 hour response as indicated by complaint urgency	Grievance and Appeal System Requirements	Paragraph 22	N/A	N/A	DHCM Clinical Resolution Unit	Email to the Clinical Resolution Specialist

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DHCM DATA ANALYSIS AND RESEARCH	Ad Hoc	Corporate Compliance: CMS Compliance Issues Related to HIPAA Transaction and Code Set Complaints or Sanction	Immediately upon discovery	Section D	Paragraph 58	N/A	N/A	DHCM Encounter Administrator	SharePoint
DHCM DATA ANALYSIS AND RESEARCH	Ad Hoc	IMD Placement Exceeding 15 Days	Within one business day of identification	Section D	Paragraph 9	ACOM Policy 109	ACOM Policy 109, Attachment A	DHCM Encounter Administrator	IMDPlacement@azahcccs.gov
DHCM DATA ANALYSIS AND RESEARCH	Ad Hoc	Medical Records or Supporting Documentation	As specified in the requesting letter	Section D	Paragraph 61	AHCCCS Data Validation Technical Document	N/A	DHCM Encounter Administrator	FTP server
DHCM DATA ANALYSIS AND RESEARCH	Annually	AHCCCS Security Rule Compliance Report	June 1	Section D	Paragraph 60	ACOM Policy 108	ACOM Policy 108, Attachment A	DHCM Data Analysis and Research Manager	SharePoint

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DHCM DATA ANALYSIS AND RESEARCH	Monthly	Corrected Pended Encounter Data	Monthly, according to established schedule	Section D	Paragraph 61	AHCCCS Encounter Manual	N/A	DHCM Encounter Administrator	FTP server
DHCM DATA ANALYSIS AND RESEARCH	Monthly	New Day Encounter	Monthly, according to established schedule	Section D	Paragraph 61	AHCCCS Encounter Manual	N/A	DHCM Encounter Administrator	FTP server
DHCM DATA ANALYSIS AND RESEARCH	Quarterly	Encounter Submission and Tracking	15 days after the end of each quarter	Section D	Paragraph 61	AHCCCS Encounter Manual	N/A	DHCM Encounter Administrator	FTP server
DHCM DATA ANALYSIS AND RESEARCH	Quarterly	Plan Overrides	15 days after the end of each quarter	Section D	Paragraph 61	AHCCCS Encounter Manual	N/A	DHCM Encounter Administrator	FTP server
DHCM DATA ANALYSIS AND RESEARCH	Quarterly	Plan Voids	15 days after the end of each quarter	Section D	Paragraph 61	AHCCCS Encounter Manual	N/A	DHCM Encounter Administrator	FTP server

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DHCM FINANCE	Ad Hoc	Change in Contractor Organizational Structure: Automatic Clearing House (ACH) Vendor Authorization Form	45 days prior to the effective date and commencement of operations	Section D	Paragraph 49	ACOM Policy 317	N/A	DHCM Financial Consultant	SharePoint
DHCM FINANCE	Ad Hoc	Corporate Cost Allocation Plans and Adjustment in Management Fees	Prior approval required	Section D	Paragraph 36	N/A	N/A	DHCM Finance Manager	SharePoint
DHCM FINANCE	Ad Hoc	Advances, Loans, Loan Guarantees, Investments, or Equity Distributions to Related Parties or Affiliates	Submit for approval prior to effective date	Section D	Paragraph 46	N/A	N/A	DHCM Finance Manager	FTP server with email notification

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DHCM FINANCE	Ad Hoc	Health Insurance Providers Fee: No fee due (if Annual Reporting Does Not Apply)	(Suspended)	Section D	Paragraph 50	ACOM Policy 320	N/A	DHCM Finance Manager	SharePoint
DHCM FINANCE	Ad Hoc	Physician Incentives: Contractual Arrangements with Substantial Financial Risk	45 days prior to implementation of the Contract	Section D	Paragraph 41	N/A	N/A	DHCM Finance Manager	SharePoint
DHCM FINANCE	Ad Hoc	Performance Bond or Bond Substitute	30 days after notification from AHCCCS of the amount required	Section D	Paragraph 43; Paragraph 44	ACOM Policy 305	N/A	DHCM Program Compliance Auditor	SharePoint
DHCM FINANCE	Annually	APM Strategies Certification (Initial)	Within 60 days of the start of the measurement year	Section D	Paragraph 72	ACOM Policy 306; ACOM Policy 307	ACOM Policy 307, Attachment B	DHCM Finance Manager	Email notification to DHCM Finance Manager

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DHCM FINANCE	Annually	APM Strategies Certification (Final), Structured Payment File, and APM indicator	Within 270 days of the end of the measurement year	Section D	Paragraph 72	ACOM Policy 306; ACOM Policy 307	ACOM Policy 307, Attachment B	DHCM Finance Manager	Email notification to DHCM Finance Manager
DHCM FINANCE	Annually	Community Reinvestment Report	6 months after the Contractor's Fiscal Year End	Section D	Paragraph 50	AHCCCS Financial Reporting Guide For AHCCCS Complete Care Contractors	N/A	DHCM Finance Manager	SharePoint
DHCM FINANCE	Annually	Final Management Letter	120 days after year end	Section D	Paragraph 47	AHCCCS Financial Reporting Guide For AHCCCS Complete Care Contractors	N/A	DHCM Program Compliance Auditor	SharePoint

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DHCM FINANCE	Annually	Health Insurance Providers Fee: Federal and State Income Tax Filings	(Suspended)	Section D	Paragraph 50	ACOM Policy 320	N/A	DHCM Finance Manager	SharePoint
DHCM FINANCE	Annually	Health Insurance Providers Fee: Liability Reporting Template	(Suspended)	Section D	Paragraph 50	ACOM Policy 320	ACOM Policy 320, Attachment B	DHCM Finance Manager	SharePoint
DHCM FINANCE	Annually	Health Insurance Providers Fee: Report of Health Insurance Provider Information (IRS Form 8963)	(Suspended)	Section D	Paragraph 50	ACOM Policy 320	N/A	DHCM Finance Manager	SharePoint

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Area	Timeframe	Report	When Due	Contract Section	Contract Paragraph	Reference/ Policy	Checklist- Template- Reporting Form	Send To	Submitted Via
DHCM FINANCE	Annually	Medical Loss Ratio Report	5 months following the contract year end	Section D	Paragraph 47	AHCCCS Financial Reporting Guide For AHCCCS Complete Care Contractors	N/A	DHCM Finance Manager	SharePoint
DHCM FINANCE	Annually	Reconciliation to Draft Audit	90 days after year end	Section D	Paragraph 47	AHCCCS Financial Reporting Guide For AHCCCS Complete Care Contractors	N/A	DHCM Program Compliance Auditor	SharePoint

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DHCM FINANCE	Annually	Reconciliation to Final Audit	120 days after year end	Section D	Paragraph 47	AHCCCS Financial Reporting Guide For AHCCCS Complete Care Contractors	N/A	DHCM Program Compliance Auditor	SharePoint
DHCM FINANCE	Annually	Related Party Transaction Statement	120 days after year end	Section D	Paragraph 47	AHCCCS Financial Reporting Guide For AHCCCS Complete Care Contractors	N/A	DHCM Program Compliance Auditor	SharePoint

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Area	Timeframe	Report	When Due	Contract Section	Contract Paragraph	Reference/ Policy	Checklist-Template-Reporting Form	Send To	Submitted Via
DHCM FINANCE	Quarterly	Cost Avoidance/Savings Recoveries Report	Due 45 days after the reporting quarter: (Oct - Dec: Due Feb 14) (Jan – March: Due May 15) (Apr – June: Due August 14) (July – Sept: Due Nov 14)	Section D	Paragraph 54	AHCCCS Program Integrity Reporting Guide	N/A	DHCM Program Compliance Auditor	SharePoint
DHCM FINANCE	Quarterly	Financial Reporting Package	60 days after the end of each quarter	Section D	Paragraph 47	AHCCCS Financial Reporting Guide For AHCCCS Complete Care Contractors	N/A	DHCM Program Compliance Auditor	SharePoint

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Area	Timeframe	Report	When Due	Contract Section	Contract Paragraph	Reference/ Policy	Checklist-Template-Reporting Form	Send To	Submitted Via
DHCM FINANCE	Quarterly	FQHC Member Information	60 days after the end of each quarter	Section D	Paragraph 33	AHCCCS Financial Reporting Guide For AHCCCS Complete Care Contractors	N/A	DHCM Program Compliance Auditor	SharePoint
DHCM FINANCE	Quarterly	Premium Tax Reporting	March 15, June 15, September 15, December 15	Section D	Paragraph 50	ACOM Policy 304	N/A	DHCM Finance Program Monitor	SharePoint
DHCM FINANCE	Quarterly	Verification of Receipt of Paid Services	15th day after the end of the quarter that follows the reporting quarter (Oct – Dec: Due April 15) (Jan – March: Due July 15) (April – June: Due Oct 15) (July – Sept: Due Jan 15)	Section D	Paragraph 18	ACOM Policy 424	N/A	DHCM Program Compliance Auditor	SharePoint

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DHCM MCH/EPSTD	Ad Hoc	AHCCCS Certificate of Necessity for Pregnancy Termination & AHCCCS Verification of Diagnosis by Contractor for Pregnancy Termination requests	30 days after the end of the month	Section D	Paragraph 22	AMPM Policy 410	AMPM Policy 410, Attachment C, Attachment D, and Attachment E	DHCM MCH/EPSTD Manager	SharePoint
DHCM MCH/EPSTD	Ad Hoc	Stillbirth Supplement Request	Within six months from the delivery date	Section D	Paragraph 9	AMPM Policy 410	AMPM Policy 410, Attachment B	DHCM MCH/EPSTD Manager	SharePoint
DHCM MCH/EPSTD	Annually	Dental Plan and Evaluation	December 15	Section D	Paragraph 22	AMPM Policy 431	AMPM Exhibit 400-2C	DHCM MCH/EPSTD Manager	SharePoint
DHCM MCH/EPSTD	Annually	EPSTD Plan and Evaluation	December 15	Section D	Paragraph 22	AMPM Policy 430	AMPM Exhibit 400-2B	DHCM MCH/EPSTD Manager	SharePoint

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DHCM MCH/EPSTD	Annually	Maternity and Family Planning Services Plan and Evaluation	December 15	Section D	Paragraph 22	AMPM Policy 420	AMPM Exhibit 400-2A	DHCM MCH/EPSTD Manager	SharePoint
DHCM MCH/EPSTD	Monthly	Pregnancy Termination	30 days after the end of the month	Section D	Paragraph 22	AMPM Policy 410	AMPM Policy 410, Attachment C, Attachment D, and Attachment E	DHCM MCH/EPSTD Manager	SharePoint
DHCM MCH/EPSTD	Monthly	Sterilization Reporting	30 days after the end of the month	Section D	Paragraph 9	AMPM Policy 420	AMPM Policy 420, Attachment A	DHCM MCH/EPSTD Manager	SharePoint
DHCM MCH/EPSTD	Quarterly	EPSTD and Adult Monitoring Report	15 days after the end of each quarter	Section D	Paragraph 22	AMPM Policy 430	AMPM Appendix A	DHCM MCH/EPSTD Manager	SharePoint

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DHCM MCH/EPSTD	Semi-Annually	Number of Pregnant Women who are HIV/AIDS-Positive	30 days after the reporting periods of: [10/1 through 3/31] & [4/1 through 9/30]	Section D	Paragraph 22	AMPM Policy 410	AMPM Policy 410, Attachment A	DHCM MCH/EPSTD Manager	SharePoint
DHCM MEDICAL MANAGEMEN T	Ad Hoc	Changes to Interventions and Parameters to Contractor's Exclusive Pharmacy and/or Single Prescriber Process	30 days prior to implementation	Section D	Paragraph 23	AMPM Policy 310-FF	N/A	DHCM Medical Management Unit	SharePoint
DHCM MEDICAL MANAGEMEN T	Ad Hoc	Mental Health Parity Deficiencies Report	Within 5 business days of identifying the deficiency	Section D	Paragraph 11	N/A	N/A	DHCM Medical Management Unit	SharePoint

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DHCM MEDICAL MANAGEMEN T	Annually	Behavioral Health Residential Facility Medical Necessity Criteria for Admission, Continued Stay, and Discharge Readiness	December 15	Section D	Paragraph 8	AMPM Policy 320-V	N/A	DHCM Medical Management Unit	SharePoint
DHCM MEDICAL MANAGEMEN T	Annually	Documentation Supporting Compliance with Mental Health Parity	August 15	Section D	Paragraph 11	N/A	N/A	DHCM Medical Management Unit	SharePoint
DHCM MEDICAL MANAGEMEN T	Annually	HIV Specialty Provider List	December 15	Section D	Paragraph 23	AMPM Chapter 1000	N/A	DHCM Medical Management Unit	SharePoint
DHCM MEDICAL MANAGEMEN T	Annually	MM Plan, Evaluation, and Work Plan	December 15	Section D	Paragraph 23	AMPM Chapter 1000	AMPM Appendix C, AMPM Appendix G	DHCM Medical Management Unit	SharePoint

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DHCM MEDICAL MANAGEMEN T	Annually	Non-Transplant and Catastrophic Reinsurance	By October 30 of each contract year and when newly enrolled in the plan or newly diagnosed	Section D	Paragraph 53	AMPM Chapter 1000; AHCCCS Reinsurance Policy Manual	N/A	DHCM Medical Management Unit	FTP server with email notification
DHCM MEDICAL MANAGEMEN T	Monthly	Adult and Child ED Wait Times	Suspended	Section D	Paragraph 23	N/A	AMPM Policy 1020, Attachment B	DHCM Medical Management Unit	SharePoint
DHCM MEDICAL MANAGEMEN T	Monthly	Outpatient Commitment COT Monitoring	15 days after month end	Section D	Paragraph 11	N/A	N/A	DHCM Medical Management Unit	SharePoint
DHCM MEDICAL MANAGEMEN T	Monthly	Out of State Placements	The first working day of each month	Section D	Paragraph 11	AMPM Policy 450	AMPM Policy 450, Attachment A	DHCM Medical Management Unit	SharePoint

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DHCM MEDICAL MANAGEMEN T	Monthly	Psychiatric Security Review Board (PSRB)/Guilty Except Insane (GEI) Conditional Release Report	5 th day of the following month	Section D	Paragraph 11	AMPM Policy 1020	AMPM Policy 1020, Attachment A	DHCM Medical Management Unit	SharePoint
DHCM MEDICAL MANAGEMEN T	Quarterly	Justice System Reach-in Monitoring Report	15 days after the end of each quarter	Section D	Paragraph 23	AMPM Policy 1020	AMPM Policy 1020, Attachment C	DHCM Medical Management Unit	SharePoint
DHCM MEDICAL MANAGEMEN T	Quarterly	Inpatient Hospital Showings Report	15 days after the end of each quarter	Section D	Paragraph 23	AMPM Policy 1020		DHCM Medical Management Unit	SharePoint
DHCM MEDICAL MANAGEMEN T	Quarterly	Special Health Care Needs Report	15 days after the end of each quarter	Section D	Paragraph 10	AMPM Policy 1020	AMPM Policy 1020, Attachment D	DHCM Medical Management Unit	SharePoint
DHCM MEDICAL MANAGEMEN T	Quarterly	Transplant Log	15 days after the end of each quarter	Section D	Paragraph 23	AMPM Chapter 1000	N/A	DHCM Medical Management Unit	SharePoint

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DHCM MEDICAL MANAGEMEN T	Semi-Annually	Emergency Department Diversion Summary	October 15; April 15	Section D	Paragraph 23	AMPM Policy 1020	N/A	DHCM Medical Management Unit	SharePoint
DHCM MEDICAL MANAGEMEN T	Semi-Annually	High Need/High Cost Intervention List	Suspended	Section D	Paragraph 23	N/A	Reporting Template as Provided by DHCM, MM	DHCM Medical Management Unit	SharePoint
DHCM MEDICAL MANAGEMEN T	Semi-Annually	High Need/High Cost Member List	October 31 and April 30	Section D	Paragraph 23	AMPM Policy 1020	N/A	DHCM Medical Management Unit	SharePoint
DHCM MEDICAL MANAGEMEN T	Semi-Annually	Pharmacy and/or Prescriber - Member Assignment Report	April 15; October 15	Section D	Paragraph 23	AMPM Policy 310-FF AMPM Policy 1020	AMPM Policy 1020, Attachment E	DHCM Medical Management Unit	SharePoint
DHCM OPERATIONS	Ad Hoc	Administrative Services Subcontractor Non-Compliance Reporting	Within 30 days of discovery	Section D	Paragraph 36	N/A	N/A	DHCM Operations and Compliance Officer	SharePoint

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DHCM OPERATIONS	Ad Hoc	Administrative Services Subcontracts	60 days prior to the beginning date of the subcontract	Section D	Paragraph 36	N/A	N/A	DHCM Operations and Compliance Officer	SharePoint
DHCM OPERATIONS	Ad Hoc	AHCCCS Required Survey Results	45 days after the completion	Section D	Paragraph 18	N/A	N/A	DHCM Operations and Compliance Officer	SharePoint
DHCM OPERATIONS	Ad Hoc	Appointment Availability Review Methods	30 days prior to implementation of the proposed method	Section D	Paragraph 32	ACOM Policy 417	N/A	DHCM Network Administrator	SharePoint
DHCM OPERATIONS	Ad Hoc	Behavioral Health Services in Schools -Implementation Plan	November 1	Section D	Paragraph 50	N/A	Reporting Template as provided by DHCM, System of Care	DHCM System of Care	SharePoint

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DHCM OPERATIONS	Ad Hoc	Claim Recoupments >12 Months from Original Payment	Upon identification by Contractor	Section D	Paragraph 37	ACOM Policy 412	N/A	DHCM Operations and Compliance Officer	SharePoint
DHCM OPERATIONS	Ad Hoc	Copy of each Collaborative Protocols and MOUs with System Stakeholders	Within 180 days of Contract Implementation Date and as requested by AHCCCS thereafter	Section D	Paragraph 23	N/A	N/A	DHCM System of Care	SharePoint
DHCM OPERATIONS	Ad Hoc	Change in Contractor Organizational Structure: Notification	180 days prior to the effective date	Section D	Paragraph 49	ACOM Policy 317	N/A	DHCM Operations and Compliance Officer	SharePoint
DHCM OPERATIONS	Ad Hoc	Change in Contractor Organizational Structure: Transition Plan Initial Documents	180 days prior to the effective date	Section D	Paragraph 49	ACOM Policy 317	N/A	DHCM Operations and Compliance Officer	SharePoint

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DHCM OPERATIONS	Ad Hoc	Change in Contractor Organizational Structure: Transition Plan Final Documents	90 days prior to the effective date	Section D	Paragraph 49	ACOM Policy 317	N/A	DHCM Operations and Compliance Officer	SharePoint
DHCM OPERATIONS	Ad Hoc	Completed Change in Contractor Organizational Structure: Documents Required After AHCCCS Approval	Within 120 days of the completed Change in Contractor Organizational Structure	Section D	Paragraph 49	ACOM Policy 317	N/A	DHCM Operations and Compliance Officer	SharePoint
DHCM OPERATIONS	Ad Hoc	Contractor Request to Add Organizations to Attachment A, Organizations Recognized by AHCCCS	30 days prior to intended use	Section D	Paragraph 17	ACOM Policy 404	ACOM Policy 404, Attachment A	DHCM Operations and Compliance Officer	SharePoint

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DHCM OPERATIONS	Ad Hoc	Data Processes for Recoupments	120 days from receipt of approval	Section D	Paragraph 37	ACOM Policy 412	N/A	DHCM Operations and Compliance Officer	SharePoint
DHCM OPERATIONS	Ad Hoc	D-SNP Related CMS Warning Letters or CAPs	Within 10 calendar days of receipt	Section D	Paragraph 70	N/A	N/A	DHCM Operations and Compliance Officer	SharePoint
DHCM OPERATIONS	Ad Hoc	Final Survey Tool	90 days prior to the intended start	Section D	Paragraph 18	N/A	N/A	DHCM Operations and Compliance Officer	SharePoint
DHCM OPERATIONS	Ad Hoc	ID Cards requiring AHCCCS Approval	30 days prior to dissemination	Section D	Paragraph 17	ACOM Policy 433	N/A	DHCM Operations and Compliance Officer	SharePoint

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DHCM OPERATIONS	Ad Hoc	Independent Audits of Claims Payment/Health Information Systems	Upon request by AHCCCS	Section D	Paragraph 37	N/A	N/A	DHCM Operations and Compliance Officer	SharePoint
DHCM OPERATIONS	Ad Hoc	Key Staff: Contact Information Change	Within one business day of the change	Section D	Paragraph 15	N/A	N/A	DHCM Operations and Compliance Officer	SharePoint
DHCM OPERATIONS	Ad Hoc	Key Staff: Key Position Change	Within 7 days of learning of resignation	Section D	Paragraph 15	N/A	N/A	DHCM Operations and Compliance Officer	SharePoint
DHCM OPERATIONS	Ad Hoc	Key Staff: Notification of Moving Functions Out of State	60 days prior to proposed change	Section D	Paragraph 15	N/A	N/A	DHCM Operations and Compliance Officer	SharePoint

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DHCM OPERATIONS	Ad Hoc	Link to Website Resources for Members with Autism Spectrum Disorder (ASD)	45 days after the start of the Contract Year	Section D	Paragraph 17	N/A	N/A	DHCM Operations and Compliance Officer	SharePoint
DHCM OPERATIONS	Ad Hoc	Marketing Materials	21 days prior to dissemination	Section D	Paragraph 57	ACOM Policy 101	N/A	DHCM Marketing Committee	Email to: MarketingCommittee@azahcccs.gov
DHCM OPERATIONS	Ad Hoc	Material Change to Provider Network	60 days prior to expected implementation of the change	Section D	Paragraph 28	ACOM Policy 439	ACOM Policy 439, Attachment A	DHCM Network Administrator	SharePoint
DHCM OPERATIONS	Ad Hoc	Material Change to Business Operations	60 days prior to expected implementation of the change	Section D	Paragraph 42	ACOM Policy 439	ACOM Policy 439, Attachment A	DHCM Operations and Compliance Officer	SharePoint

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DHCM OPERATIONS	Ad Hoc	Member Handbook (Final Approved Version)	On or before the start of the contract year	Section D	Paragraph 17	ACOM Policy 406	ACOM Policy 406, Attachment A	DHCM Operations and Compliance Officer	SharePoint
DHCM OPERATIONS	Ad Hoc	Member Information Materials	15 days prior to release	Section D	Paragraph 17	ACOM Policy 406	N/A	DHCM Operations and Compliance Officer	SharePoint
DHCM OPERATIONS	Ad Hoc	Non-AHCCCS Required Survey Notification and Results	Notification: 15 days prior to conducting the survey. Results: 45 days after the completion	Section D	Paragraph 18	N/A	N/A	DHCM Operations and Compliance Officer	SharePoint
DHCM OPERATIONS	Ad Hoc	Notification of Change to Website, Member Handbook, and/or Formulary URL	Within one business day	Section D	Paragraph 17	N/A	N/A	DHCM Operations and Compliance Officer	SharePoint

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DHCM OPERATIONS	Ad Hoc	Performance Improvement Plans for System of Care Based on Practice Review findings	Suspended	Section D	Paragraph 11	N/A	N/A	DHCM System of Care	SharePoint
DHCM OPERATIONS	Ad Hoc	Proposed Alternative Multispecialty Interdisciplinary Care Providers	60 days prior to implementation	Section D	Paragraph 26	ACOM Policy 436	N/A	DHCM Operations and Compliance Officer	SharePoint
DHCM OPERATIONS	Ad Hoc	Provider Advances, Equity Distributions, Loans, Loan Guarantees, or Investments	10 days prior to disbursement of funds	Section D	Paragraph 46	ACOM Policy 418	N/A	DHCM Operations and Compliance Officer	SharePoint
DHCM OPERATIONS	Ad Hoc	Request for Exception to Network Standards	Immediately upon identification	Section D	Paragraph 26	ACOM Policy 436	N/A	DHCM Network Administrator	SharePoint

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Area	Timeframe	Report	When Due	Contract Section	Contract Paragraph	Reference/ Policy	Checklist-Template-Reporting Form	Send To	Submitted Via
DHCM OPERATIONS	Ad Hoc	Requests for Changes to Dental Prior Authorization Requirements	As identified	Section D	Paragraph 9	AMPM Policy 431	N/A	DHCM Operations and Compliance Officer	SharePoint
DHCM OPERATIONS	Ad Hoc	Requests for Changes to Uniform Warranty Requirements	As identified	Section D	Paragraph 9	AMPM Policy 431	N/A	DHCM Operations and Compliance Officer	SharePoint
DHCM OPERATIONS	Ad Hoc	Single Claim Recoupments >\$50,000	Submit for approval 30 days prior to anticipated date of distribution	Section D	Paragraph 37	ACOM Policy 412	N/A	DHCM Operations and Compliance Officer	SharePoint
DHCM OPERATIONS	Ad Hoc	System Change Plan	Six months prior to expected implementation	Section D	Paragraph 60	N/A	N/A	DHCM Operations and Compliance Officer	SharePoint

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Area	Timeframe	Report	When Due	Contract Section	Contract Paragraph	Reference/ Policy	Checklist-Template-Reporting Form	Send To	Submitted Via
DHCM OPERATIONS	Ad Hoc	Unexpected Change to Provider Network	Within one business day	Section D	Paragraph 28	N/A	N/A	DHCM Network Administrator	SharePoint
DHCM OPERATIONS	Annually	Administrative Services Subcontractor Evaluation Report	Within 90 days of the start of the contract year	Section D	Paragraph 36	ACOM Policy 438	ACOM Policy 438, Attachment B	DHCM Operations and Compliance Officer	SharePoint
DHCM OPERATIONS	Annually	Continuity of Operations and Recovery Plan Summary	15 days after the start of the contract year	Section D	Paragraph 69	ACOM Policy 104	ACOM Policy 104, Attachment A	DHCM Operations and Compliance Officer	SharePoint
DHCM OPERATIONS	Annually	Cultural Competency Plan Assessment	45 days after the start of the contract year	Section D	Paragraph 19	ACOM Policy 405	ACOM Policy 405, Attachment A	DHCM Operations and Compliance Officer	SharePoint

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Area	Timeframe	Report	When Due	Contract Section	Contract Paragraph	Reference/ Policy	Checklist-Template-Reporting Form	Send To	Submitted Via
DHCM OPERATIONS	Annually	Key Staff: Organization Chart, Functional Organization Chart Listing of All Key Staff Information	15 days after the start of the Contract Year	Section D	Paragraph 15	N/A	N/A	DHCM Operations and Compliance Officer	SharePoint
DHCM OPERATIONS	Annually	Language Access Plan	45 days after the start of the Contract Year	Section D	Paragraph 15	N/A	N/A	DHCM Operations and Compliance Officer	SharePoint
DHCM OPERATIONS	Annually	Link to Website Resources for Members with Autism Spectrum Disorder (ASD)	45 days after the start of the Contract Year	Section D	Paragraph 17	N/A	N/A	DHCM Operations and Compliance Officer	SharePoint
DHCM OPERATIONS	Annually	Marketing Attestation Statement	45 days after the start of the Contract Year	Section D	Paragraph 57	ACOM Policy 101	ACOM Policy 101, Attachment A	DHCM Marketing Committee	Email to: MarketingCom mittee@azahcc cs.gov

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Area	Timeframe	Report	When Due	Contract Section	Contract Paragraph	Reference/ Policy	Checklist-Template-Reporting Form	Send To	Submitted Via
DHCM OPERATIONS	Annually	Member Handbook	August 1 and 30 days prior to any changes	Section D	Paragraph 17	ACOM Policy 406	ACOM Policy 406, Attachment A	DHCM Operations and Compliance Officer	SharePoint
DHCM OPERATIONS	Annually	Member Information Attestation Statement	45 days after the start of the Contract Year	Section D	Paragraph 17	ACOM Policy 404	ACOM Policy 404, Attachment C	DHCM Operations and Compliance Officer	SharePoint
DHCM OPERATIONS	Annually	Provider Network Development and Management Plan	November 15	Section D	Paragraph 28	ACOM Policy 415	ACOM Policy 415, Attachment B	DHCM Network Administrator	SharePoint
DHCM OPERATIONS	Annually	Social Networking Applications Listing with URLs	Within 90 days of the start of the Contract Year and within 30 days of any changes	Section D	Paragraph 17	ACOM Policy 425	N/A	DHCM Operations and Compliance Officer	SharePoint

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DHCM OPERATIONS	Annually	Social Networking Attestation	Within 90 days of the start of the Contract Year	Section D	Paragraph 17	ACOM Policy 425	ACOM Policy 425, Attachment A	DHCM Operations and Compliance Officer	SharePoint
DHCM OPERATIONS	Annually	Staff Contact Information for DES/APS Liaison	15 days after the start of the Contract Year and within 7 days of a change	Section D	Paragraph 15	N/A	N/A	DHCM Operations and Compliance Officer	SharePoint
DHCM OPERATIONS	Annually	Tribal Coordinator Report	November 1	Section D	Paragraph 23	N/A	N/A	DHCM Operations and Compliance Officer	SharePoint
DHCM OPERATIONS	Annually	Website Certification	45 days after the start of the contract year	Section D	Paragraph 17	ACOM Policy 404	ACOM Policy 404, Attachment B	DHCM Operations and Compliance Officer	SharePoint

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Area	Timeframe	Report	When Due	Contract Section	Contract Paragraph	Reference/ Policy	Checklist-Template-Reporting Form	Send To	Submitted Via
DHCM OPERATIONS	Bi-Annually	System of Care Planning Status Update Report	Suspended	Section D	Paragraph 11	N/A	Reporting Template as provided by DHCM SOC	DHCM System of Care	SharePoint
DHCM OPERATIONS	Bi-Monthly (Every Other Month)	Children’s Provider Case Manager Caseload Inventories and Ratios	Suspended	Section D	Paragraph 11	N/A	N/A	DHCM System of Care	SharePoint
DHCM OPERATIONS	Monthly	Claims Dashboard	15 th day of the month following the reporting period	Section D	Paragraph 37	AHCCCS Claims Dashboard Reporting Guide	N/A	DHCM Operations and Compliance Officer	SharePoint
DHCM OPERATIONS	Monthly	Grievance and Appeal System Report	First day of the 2nd Month following the month Being Reported	Section D	Paragraph 25	AHCCCS Grievance and Appeal System Reporting Guide	N/A	DHCM Operations and Compliance Officer	SharePoint

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DHCM OPERATIONS	Monthly	Removal Risk Report	15 th of the prior of the month	Section D	Paragraph 11	N/A	Reporting Template as provided by DHCM, System of Care	DHCM System of Care/Grants Administrator	SharePoint
DHCM OPERATIONS	Quarterly	Appointment Availability Review	15 days after the end of each quarter	Section D	Paragraph 32	ACOM Policy 417	ACOM Policy 417, Attachment A	DHCM Network Administrator	SharePoint
DHCM OPERATIONS	Quarterly	Behavioral Health Services in Schools-Report	30 days after quarter end	Section D	Paragraph 50	N/A	Reporting Template as provided by DHCM, System of Care	DHCM System of Care	SharePoint
DHCM OPERATIONS	Quarterly	Minimum Network Requirements Verification Template	15 days after the start of each quarter (October, January, April, July)	Section D	Paragraph 28	ACOM Policy 436	ACOM Policy 436, Attachment A	DHCM Network Administrator	SharePoint

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Area	Timeframe	Report	When Due	Contract Section	Contract Paragraph	Reference/ Policy	Checklist-Template-Reporting Form	Send To	Submitted Via
DHCM OPERATIONS	Quarterly	Provider Affiliation Transmission	15 days after the start of each quarter (October, January, April, July)	Section D	Paragraph 27	AHCCCS Provider Affiliation Transmission Manual	N/A	DHCM Network Administrator	FTP server with email notification
DHCM OPERATIONS	Quarterly	Provider/Network Changes Due to Rates Report	15 days after the end of each quarter	Section D	Paragraph 28	ACOM Policy 415	ACOM Policy 415, Attachment D	DHCM Network Administrator	SharePoint
DHCM OPERATIONS	Quarterly	Psychiatric Rehabilitation Progress Report	15 days after the end of each quarter	Section D	Paragraph 36	N/A	N/A	DHCM Employment Administrator	SharePoint
DHCM OPERATIONS	Quarterly	Telephone Performance Measures	15 th day of the month following the reporting quarter	Section D	Paragraph 24	ACOM Policy 435	ACOM Policy 435, Attachment A and Attachment B	DHCM Operations and Compliance Officer	SharePoint

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Area	Timeframe	Report	When Due	Contract Section	Contract Paragraph	Reference/ Policy	Checklist-Template-Reporting Form	Send To	Submitted Via
DHCM OPERATIONS	Semi-Annually	Marketing Activities Report	October 10; April 10 Every six months (for the previous six months of data)	Section D	Paragraph 57	ACOM Policy 101	ACOM Policy 101, Attachment B	DHCM Marketing Committee	Email to: MarketingCommittee@azahcccs.gov
DHCM OPERATIONS	Semi-Annually	Member Newsletter	30 days prior to intended publication date	Section D	Paragraph 17	ACOM Policy 404	N/A	DHCM Operations and Compliance Officer	SharePoint
DHCM QUALITY IMPROVEMENT	Ad Hoc	Immunization Audit	As requested by AHCCCS	Section D	Paragraph 22	AMPM Policy 430	N/A	DHCM Quality Improvement Manager	FTP Server with Email Notification

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Area	Timeframe	Report	When Due	Contract Section	Contract Paragraph	Reference/ Policy	Checklist-Template-Reporting Form	Send To	Submitted Via
DHCM QUALITY IMPROVEMENT	Ad Hoc	Performance Improvement Project (PIP) Reports –Updates as Requested Contractor to Utilize AMPM Policy 980, Attachment B for Reporting, Unless Otherwise Directed by AHCCCS	As Requested by AHCCCS	Section D	Paragraph 22	AMPM Policy 980	AMPM Policy 980, Attachment A and B	DHCM Quality Improvement Manager	SharePoint
DHCM QUALITY IMPROVEMENT	Ad Hoc	Physician Incentives: Contractor-Selected and/or Developed Pay for Performance Initiatives	Prior Approval Required	Section D	Paragraph 22	N/A	N/A	DHCM Quality Improvement Manager	SharePoint

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Area	Timeframe	Report	When Due	Contract Section	Contract Paragraph	Reference/ Policy	Checklist-Template-Reporting Form	Send To	Submitted Via
DHCM QUALITY IMPROVEMENT	Annually	Engaging Members Through Technology Executive Summary	December 1	Section D	Paragraph 22	N/A	N/A	DHCM Quality Improvement Manager	SharePoint
DHCM QUALITY IMPROVEMENT	Annually	Integrated Health Care Report	December 1	Section D	Paragraph 22	AMPM Policy 920	AMPM Policy 920, Attachment B	DHCM Quality Improvement Unit	SharePoint

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Area	Timeframe	Report	When Due	Contract Section	Contract Paragraph	Reference/ Policy	Checklist-Template-Reporting Form	Send To	Submitted Via
DHCM QUALITY IMPROVEMEN T	Annually	Performance Improvement Project (PIP) Reports - Baseline, Intervention, or Re-measurement based on applicable reporting year Contractor to utilize AMPM Policy 980, Attachment B for reporting and submit a report for each applicable PIP during the reporting period	December 15	Section D	Paragraph 22	AMPM Policy 980	AMPM Policy 980, Attachment A and B	DHCM Quality Improvement Manager	SharePoint

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Area	Timeframe	Report	When Due	Contract Section	Contract Paragraph	Reference/ Policy	Checklist-Template-Reporting Form	Send To	Submitted Via
DHCM QUALITY IMPROVEMENT	Annually	Performance Improvement Project (PIP) reports – Final Contractor to utilize AMPM 980, Attachment B for Reporting and Submit a Report for Each Applicable PIP During the Reporting Period	December 15 of the year following that in which significant and sustained improvement was demonstrated through AHCCCS official reporting	Section D	Paragraph 22	AMPM Policy 980	AMPM Policy 980, Attachment A and B	DHCM Quality Improvement Manager	SharePoint
DHCM QUALITY IMPROVEMENT	Semi-Annually	Case Review of Behavioral Health Services to Members	April 15 October 15	Section D	Paragraph 22	N/A	N/A	DHCM Quality Improvement Manager	SharePoint
DHCM QUALITY MANAGEMENT	Ad Hoc	Accreditation Status – Receipt, Renewal, or Loss	Within 15 Calendar Days of Notification or Receipt	Section D	Paragraph 22	N/A	N/A	Quality Improvement Manager	SharePoint

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Area	Timeframe	Report	When Due	Contract Section	Contract Paragraph	Reference/ Policy	Checklist-Template-Reporting Form	Send To	Submitted Via
DHCM QUALITY MANAGEMEN T	Ad Hoc	Actions Reported to the National Provider Data Bank (NPDB) or a Regulatory Board	Within one business day of decision for formal action to be taken in accordance with Chapter 900 requirements	Section D	Paragraph 22	AMPM Policy 960	N/A	DHCM Quality Management Manager with cc to DHCM Clinical Administrator	Secure Email
DHCM QUALITY MANAGEMEN T	Ad Hoc	Adverse Action Reporting (Including Limitations and Terminations) of decision for formal action to be taken in accordance with Chapter 900 requirements	Within one business day	Section D	Paragraph 22	AMPM Policy 960	N/A	DHCM Quality Management Manager	Secure Email

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Area	Timeframe	Report	When Due	Contract Section	Contract Paragraph	Reference/ Policy	Checklist-Template-Reporting Form	Send To	Submitted Via
DHCM QUALITY MANAGEMENT	Ad Hoc	Advise of Significant Incidents/ Accidents	Within 1 day of awareness	Section D	Paragraph 22	AMPM Policy 960	N/A	DHCM Quality Management Manager with cc to DHCM Clinical Administrator	Secure Email
DHCM QUALITY MANAGEMENT	Ad Hoc	Credentialing and Re-credentialing Denials	Within one business day	Section D	Paragraph 22	AMPM Policy 950	N/A	DHCM Quality Management Manager	Secure Email
DHCM QUALITY MANAGEMENT	Ad Hoc	High Profile Alerts of Incidents, Accidents, and Deaths	Within 24 hours of awareness	Section D	Paragraph 22	AMPM Chapter 900	N/A	DHCM Quality Management Manager	Secure Email

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Area	Timeframe	Report	When Due	Contract Section	Contract Paragraph	Reference/ Policy	Checklist-Template-Reporting Form	Send To	Submitted Via
DHCM QUALITY MANAGEMEN T	Ad Hoc	Incident, Accident, and Death Reports for Members Within Specified Timeframes into the QMS Portal; Additionally, Significant and/or Potential Media-Coverage IADs must also be sent directly to Quality Management staff as soon as the Contractor is aware of the issue	Within one day of awareness	Section D	Paragraph 22	AMPM Chapter 900	N/A	DHCM Clinical Quality Management Unit	QMS Portal and email notification to Quality Management Manager as appropriate (*significant and/or potential media cases)
DHCM QUALITY MANAGEMEN T	Ad Hoc	QOC Resolution Report	Within 72 hours of completion	Section D	Paragraph 22	N/A	N/A	DHCM Quality Management Unit	QMS Portal with Email to assigned QM Coordinator

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Area	Timeframe	Report	When Due	Contract Section	Contract Paragraph	Reference/ Policy	Checklist-Template-Reporting Form	Send To	Submitted Via
DHCM QUALITY MANAGEMEN T	Annually	Contractor Monitoring Summary	December 15	Section D	Paragraph 22	AMPM Policy 910	N/A	DHCM Quality Management Manager	SharePoint
DHCM QUALITY MANAGEMEN T	Annually	Quality Management/Performance Improvement (QM/PI) Program Plan	December 15	Section D	Paragraph 22	AMPM Policy 920	AMPM Policy 920, Attachment A	DHCM Quality Management Manager /Quality Improvement Manager	SharePoint
DHCM QUALITY MANAGEMEN T	Quarterly	Credentialing Report	30 days after the end of each quarter	Section D	Paragraph 22	AMPM Policy 950	AMPM Policy 950, Exhibit 1	DHCM Quality Management Manager	SharePoint
DHCM QUALITY MANAGEMEN T	Quarterly	HCAC and OPPC	45 days after the end of each quarter	Section D	Paragraph 22	AMPM Chapter 900	N/A	DHCM Quality Management Manager	SharePoint

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Area	Timeframe	Report	When Due	Contract Section	Contract Paragraph	Reference/ Policy	Checklist-Template-Reporting Form	Send To	Submitted Via
DHCM QUALITY MANAGEMENT	Quarterly	QM Report	45 days after the end of each quarter	Section D	Paragraph 22	AMPM Chapter 900	AMPM Policy 960, Attachment A	DHCM Quality Management Manager	SharePoint
DHCM QUALITY MANAGEMENT	Weekly	Behavioral Health Quality of Care (QOC) Concerns Opened in the QMS Portal Report	Tuesday of the following week	Section D	Paragraph 22	N/A	N/A	DHCM Quality Management Unit	SharePoint
DMS, MEMBER DATABASE MANAGEMENT ADMINISTRATION	Ad Hoc	AHCCCS Notification to Set Member Copay Flag to Exempt	Within five days of admission or services being provided and upon discharge from settings identified in ACOM Policy 431	Section D	Paragraph 55	ACOM Policy 431	ACOM Policy 431, Attachment A	AHCCCS, Member Contact and Data Unit (MCDU)	Email to: mcdumemberescalations@azahcccs.gov

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DMS, MEMBER DATABASE MANAGEMENT ADMINISTRATION	Ad Hoc	AHCCCS Notification to Waive Medicare Part D Co-Payments	Immediately upon identification	Section D	Paragraph 56	ACOM Policy 201	ACOM Policy 201, Attachment A	AHCCCS, Member Contact and Data Unit (MCDU)	Email to: mcdumemberescalations@azahcccs.gov
DMS	Monthly	CRS Members With Completed Treatment	15 days after the start of the month (reporting for the prior month)	Section D	Paragraph 9	ACOM Policy 426	N/A	DMS CRS Manager	RightFax
OFFICE OF INDIVIDUAL AND FAMILY AFFAIRS	Quarterly	Roster of Peer and Family Committee Members	15 days after the end of each quarter	Section D	Paragraph 5	AMPM 963	N/A	Office of Individual and Family Affairs	SharePoint

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Area	Timeframe	Report	When Due	Contract Section	Contract Paragraph	Reference/ Policy	Checklist-Template-Reporting Form	Send To	Submitted Via
OFFICE OF INSPECTOR GENERAL	Ad Hoc	Change in Contractor Organizational Structure: Disclosure of Ownership and Control and Disclosure of Information on Persons Convicted of a Crime Information	45 days prior to the effective date of commencement of operations for a Change in Contractor Organizational Structure	Section D	Paragraph 49	ACOM Policy 103; ACOM Policy 317	ACOM Policy 103, Attachment A and Attachment A-1	Office of Inspector General	SharePoint
OFFICE OF INSPECTOR GENERAL	Ad Hoc	Change in Contractor Organizational Structure: Disclosure of Ownership and Control and Disclosure of Information on Persons Convicted of a Crime Information	Within 35 days after any change	Section D	Paragraph 49	ACOM Policy 103; ACOM Policy 317	ACOM Policy 103, Attachment A and Attachment A-1	Office of Inspector General	SharePoint

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OFFICE OF INSPECTOR GENERAL	Ad Hoc	Corporate Compliance: External Auditing Schedule-Changes	Within 7 days of change	Section D	Paragraph 58	ACOM Policy 103	N/A	Office of Inspector General Performance Improvement and Audits	SharePoint
OFFICE OF INSPECTOR GENERAL	Ad Hoc	Exclusions Identified Regarding Persons Convicted of a Crime	Immediately upon identification	Section D	Paragraph 58	N/A	N/A	Office of Inspector General	SharePoint
OFFICE OF INSPECTOR GENERAL	Ad Hoc	Recovered Overpayment	Within 10 days of the recovered overpayment	Section D	Paragraph 58	ACOM Policy 103	N/A	Office of Inspector General	SharePoint
OFFICE OF INSPECTOR GENERAL	Ad Hoc	Report of Alleged Fraud, Waste, Abuse of the AHCCCS Program	Immediately upon identification	Section D	Paragraph 58	ACOM Policy 103	N/A	Office of Inspector General	AHCCCS Website www.azahcccs.gov/Fraud/ReportFraud/

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OFFICE OF INSPECTOR GENERAL	Ad Hoc	Transactions Between the Contractor and a Party in Interest	Within 7 business days	Section D	Paragraph 58	N/A	N/A	Office of Inspector General	SharePoint
OFFICE OF INSPECTOR GENERAL	Annually	Corporate Compliance Plan	15 days after the start of the Contract Year	Section D	Paragraph 58	ACOM Policy 103	N/A	Office of Inspector General	SharePoint
OFFICE OF INSPECTOR GENERAL	Annually	Disclosure Information: Disclosure of Ownership and Control and Disclosure of Information on Persons Convicted of a Crime including Attestation	October 1	Section D	Paragraph 58	ACOM Policy 103	ACOM Policy 103, Attachment A and Attachment A-1	Office of Inspector General	SharePoint
OFFICE OF INSPECTOR GENERAL	Semi-Annually	Corporate Compliance: Executive Audit Summary	July 15 and January 15	Section D	Paragraph 58	ACOM Policy 103	N/A	Office of Inspector General	SharePoint

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OFFICE OF INSPECTOR GENERAL	Semi-Annually	Corporate Compliance: External Auditing Schedule	January 15 and July 15	Section D	Paragraph 58	ACOM Policy 103	N/A	Office of Inspector General	SharePoint
OFFICE OF INSPECTOR GENERAL	Semi-Annually	Corporate Compliance: External Audit Plan	November 15 May 15	Section D	Paragraph 58	ACOM Policy 103	ACOM Policy 103, Attachment C	Office of Inspector General	SharePoint
OFFICE OF WORKFORCE DEVELOPMENT	Annually	Workforce Development Plan	November 15	Section D	Paragraph 26	ACOM Policy 407	N/A	Administrator , Office of Workforce Development	SharePoint
OFFICE OF WORKFORCE DEVELOPMENT	Annually	Workforce Development Plan Implementation Progress Report	May 30	Section D	Paragraph 36	ACOM Policy 407	N/A	Administrator , Office of Workforce Development	Upload to the Learning Management System with notification submitted via SharePoint

[END OF SECTION F: ATTACHMENTS]

SECTION G: CERTIFICATIONS OF OFFEROR AND DISCLOSURE INFORMATION TEMPLATE - RESERVED

[END OF SECTION G: RESERVED]

SECTION H: INSTRUCTIONS TO OFFERORS - RESERVED

[END OF SECTION H: RESERVED]

SECTION I: EXHIBITS - RESERVED

[END OF SECTION I: RESERVED]