ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM

CONTRACT AMENDMENT

1. AMENDMENT #: 26	2. CONTRACT #: AHCCCS:YH15-0001 DCS:ADCS15-074550	3. EFFECTIVE DATE OF AMENDMENT: OCTOBER 1, 2025	4. PROGRAM: DCS CHP

5. CONTRACTOR/PROVIDER NAME AND ADDRESS:

Arizona Department of Child Safety (DCS)
Comprehensive Health Plan (CHP)
PO Box 29202, Site Code 942C
Phoenix, Arizona 85038-9202

6. PURPOSE: To extend the Contract term and amend the following Contract Sections for the period October 1, 2025, through September 30, 2026 as stated below.

7. THE ABOVE REFERENCED CONTRACT IS HEREBY AMENDED AS FOLLOWS:

- Section B, Capitation Rates and Contractor Specific Requirements
- Section C, Definitions
- Section D, Program Requirements
- Section E, Terms and Conditions
- Section F, Attachments

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.

Electronic Submission: An electronic or portable document file (PDF) copy of this amendment shall serve as the original.

8. IN WITNESS WHEREOF THE PARTIES HERETO SIGN THEIR NAMES IN AGREEMENT.

9. NAME OF CONTRACTOR/PROVIDER:	10. ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM
SIGNATURE OF AUTHORIZED INDIVIDUAL: **DO NOT SIGN** **SEE SEPARATE SIGNATURE PAGE**	**SIGNATURE:** **DO NOT SIGN** **SEE SEPARATE SIGNATURE PAGE**
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 specified in this Contract. In consideration for these services, the Contractor will be paid the following rate per member per month until otherwise modified by Contract amendment.

ARIZONA DEPARTMENT OF CHILD SAFETY (DCS)
COMPREHENSIVE HEALTH PLAN (CHP)

Capitation Rates:

EFFECTIVE OCTOBER 1, 2025 – SEPTEMBER 30, 2026
$1,860.52

Contractor Specific Requirements:

Geographic Service Areas: The DCS CHP Contractor serves eligible members statewide in the following Geographic Service Areas (GSAs) and counties:

GSA	COUNTY
NORTH	Apache, Coconino, Mohave, Navajo, Yavapai
CENTRAL	Gila, Maricopa, Pinal
SOUTH	Cochise, Graham, Greenlee, Pima, Santa Cruz, Yuma, La Paz

Zip Code Alignment: Zip codes 85542, 85192, and 85550 were moved from the GSA, which includes Gila County and assigned to the GSA, which includes Graham County. As part of the Greater AZ Integrated RBHA implementation effective October 1, 2015, this move occurred to align tribal members from a single tribe into a single RBHA. This change was implemented for this Contract as well in order to keep zip code assignment consistent between AHCCCS lines of business.

[END OF SECTION B: CAPITATION RATES AND CONTRACTOR SPECIFIC REQUIREMENTS]

SECTION C: DEFINITIONS

638 TRIBAL FACILITY

A facility that is owned and/or operated by a Federally recognized American Indian/Alaskan Native (AI/AN) 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 Tribal 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, non-compliance with licensure standards, misuse of billing numbers, or misuse or abuse of billing privileges. It also includes beneficiary practices that result in unnecessary costs to the AHCCCS Program [42 CFR 455.2].

ABUSE (OF A CHILD)

As specified in ARS 8-201(2), abuse of a child is defined as follows:
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. Abuse includes:

1. 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 specified in the ARS Title 13, Chapter 14.
2. 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 ARS 13-3401.
3. Unreasonable confinement of a child.

ABUSE (OF A MEMBER)

Abuse of a Vulnerable Adult or the Abuse of a Child who is a member as specified in ARS 46-451(A)(1), ARS 8-201(2), ARS 46-451(A)(10).

ABUSE (OF A VULNERABLE ADULT)

As specified in ARS 46-451(A)(1), (i) An intentional infliction of physical harm, (ii) Injury caused by negligent acts or omissions, (iii) Unreasonable confinement, or (iv) Sexual abuse or sexual assault.

ACTIVE TREATMENT	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.
ACTIVE TREATMENT – CHILDREN'S REHABILITATION SERVICES (CRS)	A current need for treatment of the CRS qualifying condition(s) or it is anticipated that treatment or evaluation for continuing treatment of the CRS qualifying condition(s) will be needed within the next 18 months from the last date of service for treatment of any CRS qualifying condition (AAC R9-22-1301).
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].
ACUTE CARE ONLY (ACO)	The enrollment status of a member who is otherwise financially and medically eligible for Arizona Long Term Care Services (ALTCS) but who: a. Refuses Home and Community Based Services (HCBS) offered by the Case Manager, b. Has made an uncompensated transfer that makes him or her ineligible, c. Resides in a setting in which Long Term Services and Supports (LTSS) cannot be provided, or d. Has an equity value in a home that exceeds $713,000. These ALTCS enrolled members are eligible to receive acute medical services but not eligible to receive Long Term Care (LTC) institutional, alternative residential or Home and Community Based Services (HCBS).
ADJUDICATED CLAIM	A claim that has been received and processed by the Contractor which resulted in a payment or denial of payment.
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 AOC provide the necessary support for the supervision and administration of all State courts.

ADMINISTRATIVE SERVICES SUBCONTRACT/ SUBCONTRACTOR	An agreement that delegates any of the requirements of the Contract with AHCCCS, including, but not limited to the following: a. Claims processing, including pharmacy claims, b. Pharmacy Benefit Manager (PBM), c. Dental Benefit Manager, d. Credentialing, including those for only primary source verification (i.e., Credential Verification Organization [CVO]), e. Medicaid Accountable Care Organization (ACO)/Clinically Integrated Network (CIN), f. Service Level Agreements with any Division or Subsidiary of a corporate parent owner, and g. Department of Child Safety Comprehensive Health Plan (DCS CHP) and DES DDD Subcontracted Health Plan. A person (individual or entity) who holds an Administrative Services Subcontract is an Administrative Services Subcontractor. Providers are not Administrative Services Subcontractors.
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.
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).
ADULT BEHAVIORAL HEALTH THERAPEUTIC HOME (ABHTH)	A licensed residence that provides behavioral health treatment, which maximizes the ability of an individual experiencing behavioral health symptoms to live and participate in the community and to function in an independent manner that includes assistance in the self-administration of medication and any ancillary services (such as living skills and health promotion) indicated by the member's Treatment Plan, as appropriate.
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.
AGENT	Any individual who has been delegated the authority to obligate or act on behalf of a provider [42 CFR 455.101].
AHCCCS AMERICAN INDIAN HEALTH PROGRAM (AIHP)	A Fee-For-Service (FFS) 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 Tribal facility or any other AHCCCS registered provider.

AHCCCS COMPLETE CARE (ACC) CONTRACTOR	A contracted Managed Care Organization (also known as a health plan) that is responsible for the provision of specific physical and behavioral health services to certain Title XIX/XXI populations as specified in Contract No. YH19-0001 and which does not have the expanded contractual responsibilities of an ACC-RBHA under Competitive Contract Extension (CCE) No. YH20-0002.
AHCCCS COMPLETE CARE-REGIONAL BEHAVIORAL HEALTH AGREEMENT (ACC-RBHA) CONTRACTOR	An AHCCCS Complete Care (ACC) Contractor with expanded contractual responsibilities, as specified in Competitive Contract Extension (CCE) No. YH20-0002, for the provision of Non-Title XIX/XXI services for Title XIX/XXI and Non-Title XIX/XXI members and comprehensive Title XIX/XXI physical health and behavioral health services to eligible individuals with a Serious Mental Illness (SMI) designation.
AHCCCS CONTRACTOR OPERATIONS MANUAL (ACOM)	The ACOM provides Administrative, Claims, Financial, and Operational Policies of the AHCCCS Administration. The ACOM also provides information to Contractors and subcontractors who have delegated responsibilities under the Contract.
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 MANAGED CARE ORGANIZATION (MCO)	An organization or entity that has a prepaid capitated Contract with AHCCCS pursuant to ARS 36-2904, 36-2940, or 36-2944 to provide goods and services to members either directly or through subcontracts with providers, in conformance with contractual requirements, AHCCCS Statutes and Rules, and Federal law and regulations.
AHCCCS MEDICAL POLICY MANUAL (AMPM)	The AMPM provides information to Contractors and Providers regarding services that are covered within the AHCCCS program. The AMPM is applicable to both Managed Care Organizations (MCOs) and Fee-For-Service (FFS) Programs and Providers.
AHCCCS MEMBER	REFER TO “MEMBER”.
AHCCCS RULES	REFER TO “ARIZONA ADMINISTRATIVE CODE”.

ALTERNATIVE HOME AND COMMUNITY BASED SERVICES (HCBS) SETTING

A living arrangement where a member may reside and receive HCBS. The setting shall be approved by the director, and either:

1. Licensed or certified by a regulatory agency of the State.
2. Operated by the Indian tribe or tribal organization, or an urban Indian organization, and has met all the applicable standards for State licensure, regardless of whether it has actually obtained the license (AAC R9-28-101).

The possible types of settings include:

1. For an individual with an intellectual/developmental disability:
   a. Community residential settings,
   b. Group homes,
   c. State-operated group homes,
   d. Group foster homes,
   e. Adult Behavioral Health Therapeutic Homes (ABHTH), and
   f. Behavioral health respite homes.
2. For an individual who is Elderly and/or have a Physical Disability (E/PD):
   a. Adult foster care homes,
   b. Assisted living homes or assisted living centers, units only,
   c. Adult Behavioral Health Therapeutic Homes (ABHTH), and
   d. Behavioral health respite homes.

AMBULATORY CARE

Preventive, diagnostic, and treatment services provided on an outpatient basis by physicians, nurse practitioners, physician assistants and/or other health care providers.

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 USC 126 and 47 USC 5.

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.

APPEAL
[AS REQUIRED BY CMS 42 CFR 457.1207, 42 CFR 438.10(C)(4)(i)]

To ask for review of a decision that denies or limits a service.

APPEAL RESOLUTION

The written determination by the Contractor concerning an appeal.

APPLIED BEHAVIOR ANALYSIS (ABA) BEHAVIOR TECHNICIAN	A credentialed paraprofessional who implements an Applied Behavior Analysis (ABA) plan under the close, on-going supervision of a licensed behavior analyst or assistant behavior analyst.
ARIZONA ADMINISTRATIVE CODE (AAC)	The official publication of Arizona's codified Rules and published by the Administrative Rules Division.
ARIZONA DEPARTMENT OF CHILD SAFETY (DCS)	The department established pursuant to ARS 8-451 to protect children and to perform the following: 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 ARS Title 8, Chapter 4.
ARIZONA DEPARTMENT OF CHILD SAFETY (DCS) COMPREHENSIVE HEALTH PLAN (DCS CHP)	A Contractor that is responsible for the provision of covered, medically necessary AHCCCS services for foster children in Arizona. Prior to April 1, 2021, CHP was the Comprehensive Medical and Dental Program (CMDP) (ARS 8-512).
ARIZONA DEPARTMENT OF HEALTH SERVICES (ADHS)	The State agency that has the powers and duties set forth in ARS 36-104 and ARS Title 36, Chapters 5 and 34.
ARIZONA DEPARTMENT OF JUVENILE CORRECTION (ADJC)	The State agency responsible for all juveniles adjudicated as delinquent and committed to its jurisdiction by the County juvenile courts.
ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM (AHCCCS)	Arizona's Medicaid Program, approved by the Centers for Medicare and Medicaid Services (CMS) as an Arizona Section 1115 Demonstration Waiver, and specified in ARS 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 ARS 36-2931 et seq., to eligible members who are either Elderly and/or have a Physical Disability (E/PD), and to members with Developmental Disabilities (DD), through contractual agreements and other arrangements. REFER TO "LINE OF BUSINESS."
ARIZONA REVISED STATUTES (ARS)	Laws of the State of Arizona.

ARIZONA STATE PLAN	The written agreements between the State and Centers for Medicare and Medicaid Services (CMS), which describes how the AHCCCS program meets CMS requirements for participation in the Medicaid program and the State Children's Health Insurance Program.
ASSESSMENT	An analysis of a patient's needs for physical health services or behavioral health services to determine which services a health care institution shall provide to the patient as specified in AAC R9-10-101.
ASSISTANT BEHAVIOR ANALYST	An individual who possesses an undergraduate-level certification in behavioral analysis as specified by the national Behavior Analyst Certification Board (BACB) or another nationally recognized certifying body as approved by AHCCCS.
ATTACHMENT	Any item labeled as an Attachment in the Contract or placed in the Attachments section of the Contract.
AUTHORIZED REPRESENTATIVE	An individual who is authorized to apply for medical assistance or act on behalf of another individual (AAC R9-22-101, AAC R9-28-401).
BALANCED BUDGET ACT (BBA)	REFER TO "MEDICAID MANAGED CARE REGULATIONS."
BED HOLD	A 24 hour per day unit of service that is authorized by an Arizona Long Term Care System (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 State Plan Amendment (SPA), 42 CFR 447.40 and 42 CFR 483.12, 9 AAC 28.
BEHAVIORAL HEALTH	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 Mental 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 PARAPROFESSIONAL (BHPP)	As specified in AAC R9-10-100 et seq, an individual who is not a behavioral health professional who provides behavioral health services at or for an Arizona Department of Health Safety (ADHS) licensed health care institution according to the health care institution's policies and procedures that: 1. If the behavioral health services were provided in a setting other than an ADHS licensed health care institution, the individual would be required to be licensed as a behavioral health professional under ARS Title 32, Chapter 33. 2. Are provided under supervision by a behavioral health professional.

BEHAVIORAL HEALTH PROFESSIONAL (BHP)

1. An individual licensed under ARS Title 32, Chapter 33, whose scope of practice allows the individual to:
   a. Independently engage in the practice of behavioral health as defined in ARS 32-3251, or
   b. Except for a Licensed Addiction Technician, engage in the practice of behavioral health as defined in ARS 32-3251 under direct supervision as defined in AAC R4-6-101.
2. A psychiatrist as defined in ARS 36-501.
3. A psychologist as defined in ARS 32-2061.
4. A physician.
5. A behavior analyst as defined in ARS 32-2091.
6. A registered nurse practitioner licensed as an adult Psychiatric and mental health nurse.
7. A registered nurse with:
   a. A psychiatric-mental health nursing certification, or
   b. One year of experience providing behavioral health services.

BEHAVIORAL HEALTH RESIDENTIAL FACILITY (BHRF)

As specified in AAC R9-10-101, health care institution that provides treatment to an individual experiencing a behavioral health issue that:

1. Limits the individual's ability to be independent, or
2. Causes the individual to require treatment to maintain or enhance independence.

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.

BEHAVIORAL HEALTH TECHNICIAN (BHT)

An individual who is not a behavioral health professional who provides the following services to a patient to address the patient's behavioral health issue:

1. With clinical oversight by a behavioral health professional, services that, if provided in a setting other than an Arizona Department of Health Services (ADHS) licensed health care institution, would be required to be provided by an individual licensed under ARS Title 32, Chapter 33.
2. Health-related 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.

BREAST AND CERVICAL CANCER TREATMENT PROGRAM (BCCTP)	Eligible individuals under the Title XIX expansion program for women with income up to 250% of the Federal Poverty Level (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.
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 ARS 36-2904 and ARS 36-2907.
CARE MANAGEMENT	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.
CARE MANAGEMENT PROGRAM (CMP)	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.
CASE MANAGEMENT	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.
CASE MANAGER	An individual assigned as responsible for locating, accessing, and monitoring the provision of services to individuals in conjunction with a clinical team as specified in AAC Title 9, Chapter 21 and Chapter 28, and Title 6, Chapter 6.
CASH MANAGEMENT IMPROVEMENT ACT (CMIA)	Cash Management Improvement Act of 1990 [31 CFR Part 205]. Provides guidelines for the drawdown and transfer of Federal funds.
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)	The federal agency within the United States Department of Health and Human Services (HHS), which administers the Medicare (Title XVIII) and Medicaid (Title XIX) programs, and the State Children's Health Insurance Program (Title XXI).

CHANGE IN ORGANIZATIONAL STRUCTURE

Any of the following:

1. Acquisition.
2. Change in organizational documents (e.g., Amendments to Articles of incorporation, Amendments to Partnership Agreements).
3. Change in Ownership.
4. Change of Management Services Agreement (MSA) Subcontractor (to the extent management of all or substantially all plan functions have been delegated to meet AHCCCS contractual requirements).
5. Joint Venture.
6. Merger.
7. Reorganization.
8. State Agency reorganization resulting from an act of the Governor of the State of Arizona or the Arizona State Legislature.
9. Other applicable changes which may cause:
    a. A change in the Employer Identification Number/Tax Identification Number (EIN/TIN),
    b. Changes in critical member information, including the website, member or provider handbook and member ID card, or
    c. A change in legal entity name.

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 - KIDSCARE (TITLE XXI)

An individual under the age of 19 years who is covered under Title XXI of the Social Security Act (SSA).

CHILD AND ADOLESCENT LEVEL OF CARE UTILIZATION SYSTEM (CALOCUS)

A clinical assessment tool, developed by the American Association of Community Psychiatrists (AACP), utilized to provide a determination of the appropriate level of service intensity needed by a child or adolescent and their family.

CHILD AND FAMILY TEAM (CFT)	A defined group of individuals that includes, at a minimum, the child and their family, or Health Care Decision Maker (HCDM), a behavioral health representative, and any individuals important in the child's life who 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, temples, synagogues, mosques, or other places of worship/faith, agents from other service systems like the Department of Child Safety (DCS) or the Department of Economic Security Division of Developmental Disabilities (DES 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 ARS 36-2904.
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.
CLINICAL OVERSIGHT	Monitoring the behavioral health services provided by a Behavioral Health Technician (BHT) to ensure that the BHT is providing the behavioral health services according to the health care institution's policies and procedures and, if applicable: 1. A patient's treatment plan. 2. Providing on-going review of a BHTs skills and knowledge related to the provision of behavioral health services. 3. Providing guidance to improve a BHTs skills and knowledge related to the provision of behavioral health services. 4. Recommending training for a BHT to improve the BHT's skills and knowledge related to the provision of behavioral health services.
CLOSED-LOOP REFERRAL SYSTEM	The AHCCCS-approved statewide technology platform for screening and referring members to address their health-related social needs.
CODE OF FEDERAL REGULATIONS (CFR)	The general and permanent rules published in the Federal Register by the departments and agencies of the Federal Government.

COMMUNITY RESOURCE GUIDE

A handbook with listings of local community resources that help address Health-Related Social Needs (HRSN) and Social Determinants of Health (SDOH). The Guide contains referral resources that are specific to the region in which members are served. The Community Resource Guide serves as a supplement to the Closed-Loop Referral Services (CLRS) for members who are not actively engaged with health care providers that utilize the system. The Guide can be custom-made by a provider or health plan, or it can be publicly available regional handbook of resources.

COMPETITIVE BID PROCESS

A State procurement system used to select Contractors to provide covered services on a geographic basis.

COMPREHENSIVE RISK CONTRACT

A risk Contract between the State and a Managed Care Organization (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]:

1. Outpatient hospital services.
2. Rural health clinic services.
3. Federally Qualified Health Center (FQHC) services.
4. Other laboratory and X-ray services.
5. Nursing facility services.
6. Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) services.
7. Family planning services.
8. Physician services.
9. Home health services.

CONTINUUM OF CARE (CoC)

Both a planning process and an application required for funding from U.S. Department of Housing and Urban Development (HUD). The CoC brings together service providers in a geographic area to plan for providing housing and services for people who are homeless. The CoC controls funding for programs that target people who are homeless, specifically, Shelter Plus Care (S+C), Supportive Housing Program (SHP), and Section 8 Single Room Occupancy governed by the McKinney-Vento Homeless Assistance Act as amended by the Homeless Emergency Assistance, Rapid Transition to Housing Act (HEARTH Act) as specified in 24 CFR 91, 576, 582, and 583 and administered through the U.S. Department of Housing and Urban Development (HUD)Agency. A regional or local planning body that coordinates housing and services funding for homeless families and individuals as required by the U.S. Housing and Urban Development (HUD) Agency.

CONTRACTOR

An organization or entity that has a prepaid capitated Contract with AHCCCS pursuant to ARS 36-2904, ARS 36-2940, ARS 36-2944, or Chapter 34 of ARS Title 36, to provide goods and services to members either directly or through subcontracts with providers, in conformance

	with contractual requirements and Federal and State 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	The monetary amount that a member pays directly to a provider at the time covered service is rendered (AAC 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.
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.
CREDENTIALED FAMILY SUPPORT PARTNER (CFSP)	An individual who is qualified and has passed an AHCCCS-OIFA approved Credentialed Family Support Partner (CFSP) Training Program to deliver Family Support Services as a CFSP.
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.
CULTURAL COMPETENCY	A set of congruent behaviors, attitudes and policies that come together in a system, agency, or among professionals, which enables that system, agency, or those professionals to work effectively in cross-culture situations. Culture refers to integrated patterns of human behavior that include the language, thoughts, communications, actions, customs, beliefs, values, and institutions of racial, ethnic, religious, or social groups. Competence implies having the capacity to function effectively as an individual and an organization within the context of the cultural beliefs, behaviors, and needs presented by consumers and their communities. This includes consideration of health status, national origin, sex, gender, gender identity, sexual orientation, and age.

DANGER TO SELF (DTS)	As specified in ARS 36-501, Behavior that, as a result of a mental disorder: 1. Constitutes a danger of inflicting serious physical harm on oneself, including attempted suicide or the serious threat thereof, if the threat is such that, when considered in the light of its context and in light of the individual's previous acts, it is substantially supportive of an expectation that the threat will be carried out. 2. Without hospitalization will result in serious physical harm or serious illness to the person. 3. Does not include behavior that establishes only the condition of having a grave disability.
DAY	A calendar day unless otherwise specified.
DAY – BUSINESS	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.
DEPARTMENT OF ECONOMIC SECURITY DIVISION OF DEVELOPMENTAL DISABILITIES (DES DDD)	The Division of a State agency as defined in ARS Title 36, Chapter 5.1, which is responsible for serving eligible Arizona residents with an Intellectual/Developmental Disability (I/DD). AHCCCS contracts with DES DDD to serve Medicaid-eligible individuals with an I/DD.
DEPARTMENT OF ECONOMIC SECURITY DIVISION OF DEVELOPMENTAL DISABILITIES (DES DDD) TRIBAL HEALTH PROGRAM (DDD THP)	The Fee-For-Service (FFS) health plan which administers physical health, behavioral health, and Long-Term care Services and Supports (LTSS) for DDD THP enrolled American Indian/Alaska Native (AI/AN) members. Effective April 01, 2022, responsibility for managing acute Physical/Behavioral Health/Children's Rehabilitative Services (CRS), and DDD THP members with a Serious Mental Illness (SMI) designation was transitioned to AHCCCS.
DESIGNATED REPRESENTATIVE (DR)	An individual parent, guardian, relative, advocate, supporter, friend, or other individual, designated orally or in writing by a member or guardian who, upon request of the member, assists the member in protecting the member's rights and voicing the member's service needs.
DETOXIFICATION	A set of interventions aimed at managing acute intoxication and withdrawal to minimize the physical harm caused by the abuse of substances.

DEVELOPMENTAL DISABILITY (DD)

A strongly demonstrated potential that a child under six years of age has an Intellectual/Developmental Disability (I/DD) or will become a child with an I/DD, as determined by a test performed as specified in ARS 36-551 and ARS 36-694, by other appropriate tests, or a severe, chronic disability that:

1. Is attributable to Cognitive Disability, Cerebral Palsy, Epilepsy, Autism, or Down Syndrome.
2. Is manifested before age 18.
3. Is likely to continue indefinitely.
4. Results in substantial functional limitations in three or more of the following areas of major life activity:
   a. Self-care,
   b. Receptive and expressive language,
   c. Learning,
   d. Mobility,
   e. Self-direction,
   f. Capacity for independent living, and
   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.

DISENROLLMENT

The discontinuance of a member's eligibility to receive covered services through a Contractor.

DUAL ELIGIBLE MEMBER

A member who is eligible for both Medicare and Medicaid. There are two types of Dual Eligible Members: A Qualified Medicare Beneficiary (QMB) Dual Eligible Member (a QMB Plus or a QMB Only), and a Non-QMB Dual Eligible Member (a Special Low-Income Beneficiary [SLMB] Plus or an Other Full Benefit Dual Eligible).

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. REFER TO "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. The 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 USC 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 Arizona State Plan. Limitations and exclusions, other than the requirement for medical necessity and cost-effectiveness, do not apply to EPSDT services.

ELECTRONIC VISIT VERIFICATION (EVV)	A computer-based system that electronically verifies the occurrence of authorized service visits by electronically documenting the precise time a service delivery visit begins and ends, the individuals receiving and providing a service, and type of service performed.
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: 1. Placing the patient's health (or, with respect to a pregnant woman, the health of the woman or her unborn child) in serious jeopardy, 2. Serious impairment to bodily functions. 3. Serious dysfunction of any bodily organ or part [42 CFR 438.114(a)]. 4. Serious physical harm to another individual for behavioral health condition).
EMERGENCY MEDICAL SERVICE	Covered inpatient and outpatient services provided after the sudden onset of an emergency medical condition as defined above. These services shall be furnished by a qualified provider and shall 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.
EQUITY PARTNERS	The sponsoring organizations or parent companies of the Managed Care Organization (MCO) that share in the returns generated by the organization, both profits and liabilities.
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.
EXCLUDED	Services not covered under the Arizona State Plan or the Arizona Section 1115 Demonstration Waiver, including but not limited to, services that are above a prescribed limit, experimental services, or services that are not medically necessary.

EXHIBITS	All items attached as part of the original Solicitation.
FAMILY OR FAMILY MEMBER	A biological, adoptive, or custodial parent 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 encompass family of choice for adult members, which includes informal supports.
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-RUN ORGANIZATION (FRO)	Family-Operated Services that are: 1. Independent and autonomous - Governed by a board of directors of which 51% or more are family members who: a. Have or had primary responsibility for the raising of a child, youth, adolescent or young adult with an emotional, behavioral, mental health or substance use need, or b. Have lived experience as a primary natural support for an adult with emotional, behavioral, mental health or substance use need, or c. An adult who had lived experience of being a child with emotional, behavioral, mental health or substance use needs. 2. Employs Credentialed Family Support Partner (CFSP) whose primary responsibility is to provide parent/family support.
FEDERAL EMERGENCY SERVICES (FES)	A program specified in AAC R9-22-217, to treat an emergency condition for a member who is determined eligible under ARS 36-2903.03(D).
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.
FEDERALLY QUALIFIED HEALTH CENTER (FQHC)	A public or private non-profit health care organization that has been identified by the Health Resources and Services Administration (HRSA) and certified by Centers for Medicare and Medicaid Services (CMS) as meeting criteria under Sections 1861(aa)(4) and 1905(l)(2)(B) of the Social Security Act (SSA).

FEDERALLY QUALIFIED HEALTH CENTER LOOK-ALIKE	A public or private non-profit health care organization that has been identified by the Health Resources and Services Administration (HRSA) and certified by Centers for Medicare and Medicaid Services (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.
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 (FFS) MEMBER	A Title XIX or Title XXI eligible individual who is not enrolled with an AHCCCS Contractor.
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 Children's Rehabilitation Services (CRS)-related conditions on a periodic basis.
FIRST EPISODE PSYCHOSIS (FEP) PROGRAM	A program focused on the early identification and provision of evidence-based treatment and support services to adults and adolescents who have experienced an FEP within the past two years. Evidence-based FEP programs have been shown to improve symptoms, reduce relapse, and lead to better outcomes. A commonly used evidenced based model is Coordinated Specialty Care, which is a recovery-based approach that uses shared decision making and offers case management, psychotherapy, medication management, family education and support, and supported education or employment.
FISCAL AGENT	A Contractor that processes or pays vendor claims on behalf of the Medicaid agency [42 CFR 455.101].
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.
FRAUD	An intentional deception or misrepresentation made by a person with the knowledge that the deception could result in some unauthorized benefit to themself or some other person. It includes any act that constitutes fraud under applicable Federal or State law, as defined in 42 CFR 455.2.

FULL BENEFIT DUAL ELIGIBLE MEMBER	A member who is enrolled with an AHCCCS Contractor for full Medicaid services and is also a Medicare beneficiary receiving Medicare Part A and Part B services. A Full Benefit Dual Eligible Member does not include those individuals who are enrolled with AHCCCS in the following population categories only through a Medicare Savings Program (and receive from AHCCCS only Medicare cost sharing assistance): Qualified Medicare Beneficiary only (QMB only), Specified Low-income Medicare Beneficiary only (SLMB only) or Qualified Individual-1 (QI-1).
GENERAL MENTAL HEALTH	Behavioral health services provided to adult members age 18 and older who have not been determined to have a Serious Mental Illness (SMI).
GENERALIST SUPPORT AND REHABILITATION SERVICES PROVIDERS	Providers who 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.
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 AAC 22, Article 1.
GRAVELY DISABLED (GD)	A condition evidenced by behavior in which a person, as a result of a mental disorder, is likely to come to serious physical harm or serious illness because the person is unable to provide for the person's own basic physical needs.
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 Serious Mental Illness (SMI) grievances and appeals, and provider claim disputes. The Grievance and Appeal system provides access to the State fair hearing process.
GRIEVANCE OR REQUEST FOR INVESTIGATION - SERIOUS MENTAL ILLNESS (SMI)	A complaint that is filed by a person with Serious Mental Illness (SMI) designation or other concerned person alleging a violation of an SMI member's rights or a condition requiring an investigation.
GUEST DOSING	A mechanism for patients who are not eligible for take-home medication to travel from their home clinic for business, pleasure, or family emergencies and which also provides an option for patients who need to travel for a period of time that exceeds the amount of eligible take-home doses.

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 [ARS 36-551 (18)].
HEALTH CARE DECISION MAKER (HCDM)	An individual who is authorized to make health care treatment decisions for the patient. As applicable to the situation, this may include a parent of an unemancipated minor or a person lawfully authorized to make health care treatment decisions pursuant to ARS Title 14, Chapter 5, article 2 or 3; or ARS 8-514.05, 36-3221, 36-3231 or 36-3281.
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, licensed behavior analyst, registered respiratory therapist, licensed marriage and family therapist, and licensed professional counselor.
HEALTH HOME	A provider that either provides or coordinates and monitors the provision of all primary, physical health, behavioral health, and services and supports to treat the whole person. A Health Home can be an Outpatient Behavioral Health Clinic, a Federally Qualified Health Center, Primary Care Provider, or an Integrated Care Provider. Members may or may not be formally assigned to a Health Home.
HEALTH INFORMATION EXCHANGE (HIE)/ HEALTH INFORMATION ORGANIZATION (HIO)	A State designated non-profit Health Information Organization (HIO), that provides the statewide exchange of patient health information among disparate health care organizations and providers not owned, operated, or controlled by the Health Information Exchange (HIE) organization as defined in ARS 36-3801. Pursuant to AAC R9-22-701.
HEALTH INFORMATION TECHNOLOGY (HIT)	The application of information process involving both computer hardware and software that deals with the storage, retrieval, sharing, and use of health care information, data, and knowledge for communication and decision making.
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	REFER TO "CONTRACTOR."

HEALTH-RELATED SOCIAL NEEDS (HRSN)	Non-medical factors that impact health outcomes including but not limited to increasing access to safe and affordable housing, nutritious food, utility assistance, education, employment, transportation, connection to others in the community, as well as physical, environmental, and interpersonal safety.
HOME	A residential dwelling that is owned, rented, leased, or occupied by a member, 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, that is licensed or certified by a regulatory agency of the State as: 1. Health care institution as specified in ARS 36-401. 2. Residential care institution as specified in ARS 36-40. 3. Community residential setting as specified in ARS 36-551. 4. Behavioral health facility as specified in AAC R9-28-101.
HOME AND COMMUNITY BASED SERVICES (HCBS)	Home and community-based services, as defined in ARS 36-2931 and ARS 36-2939.
HOME HEALTH CARE	REFER TO "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 their place of residence and on their physician's orders, or beginning March 1, 2020, ordered by the member's nurse practitioner, physician assistant, or clinical nurse specialist, as a part of the plan of care and is reviewed by the practitioner annually 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 AAC R9-22-101.
HOUSING SPECIALIST	A position, at the provider level, that serves as the subject matter expert for housing and homeless related services. Providing both in the office and in the field direct service to members to support them in achieving housing stability.
HUMAN IMMUNODEFICIENCY VIRUS (HIV)	A Sexually Transmitted Infection (STI) that damages white blood cells that are very important in helping the body fight infection and disease.

HUMAN IMMUNODIFICIENCY VIRUS (HIV) EARLY INTERVENTION SERVICES	Appropriate pretest counseling, testing for HIV, including tests to confirm the presence of HIV, to diagnose the extent of the deficiency in the immune system, and to provide information on appropriate therapeutic measures for preventing and treating the deterioration of the immune system, and for preventing and treating conditions arising from the disease. Appropriate post-test counseling and Therapeutic measures will also be provided [42 USC 300x-24(b)(7)].
INCURRED BUT NOT REPORTED (IBNR)	The liability for services rendered for which claims have not been received.
INDIAN HEALTH CARE PROVIDER (IHCP)	A health care program operated by the Indian Health Services (IHS) or by an Indian Tribe, Tribal Organization, or Urban Indian Organization (I/T/U) as those terms are defined in section 4 of the Indian Health Care Improvement Act (25 USC 1603).
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 specified in 25 USC 1661.
INDIVIDUAL RECOVERY PLAN (FORMERLY KNOWN AS THE INDIVIDUAL SERVICE PLAN)	REFER TO "SERVICE PLAN."
INDIVIDUAL WITH AN INTELLECTUAL DISABILITY/ DEVELOPMENTAL DISABILITY (IID/DD)	An individual who meets the Arizona definition as specified in ARS 36-551 and is determined eligible for services through the Department of Economic Security Division of Developmental Disabilities (DES DDD). Services for AHCCCS-enrolled members with Intellectual/Developmental Disabilities (I/DD) determined eligible for services through DES DDD are managed through the DES Division of Developmental Disabilities.
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).
IN-NETWORK PROVIDER	An individual or entity which has signed a provider agreement as specified in ARS 36-2904 and that has a subcontract or is authorized through a subcontract with an AHCCCS Contractor to provide services prescribed in ARS 36-2901 et seq. for members enrolled with the Contractor.

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 and Developmental Disabilities (IDD) is not an institution for mental diseases [42 CFR 435.1010].
INTEGRATED MEDICAL RECORD	A single document in which all of the medical information 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.
INTEGRATED RAPID RESPONSE	A process that occurs when a child enters into Department of Child Safety (DCS) custody. When this occurs, a behavioral health service provider is referred and then dispatched within 72 hours to assess a child's immediate behavioral health and physical health needs and to refer the child for additional assessments through the behavioral health system.
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.
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. ARS Title 11, Chapter 7, Article 3 (ARS 11-952.A).
INTERMEDIATE CARE FACILITY FOR INDIVIDUALS WITH INTELLECTUAL DISABILITIES (ICF/IID)	A facility that primarily provides health and rehabilitative services to individuals with Developmental Disabilities (DD) that are above the service level of room and board or supervisory care services or personal care services as defined in ARS 36-401 but that are less intensive than skilled nursing services [ARS 36-551 (28)].

JUVENILE PROBATION OFFICER (JPO)	An officer within the Arizona Department of Juvenile Corrections (ADJC) 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 (ARS 8-353).
KIDSCARE	Federal and State Children's Health Insurance Program (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 225% of the Federal Poverty Level (FPL).
LEVEL OF CARE UTILIZATION SYSTEM (LOCUS)	A clinical assessment tool, developed by the American Association of Community Psychiatrists (AACP) utilized to evaluate adults along six dimensions and six levels of resource intensity. Level of Care Utilization System (LOCUS) provides a methodology to facilitate rapid and consistent level of care recommendations.
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 applicant or member as specified in AAC 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.
LINE OF BUSINESS (LOB)	AHCCCS Programs: AHCCCS Complete Care (ACC); AHCCCS Complete Care-Regional Behavioral Health Agreements (ACC-RBHA); Arizona Long Term Care Services Elderly and/or have a Physical Disability (ALTCS E/PD); Department of Child Safety Comprehensive Health Plan (DCS CHP); and Department of Economic Security Division of Developmental Disabilities (DES DDD).
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 [42 CFR 457.1207, 42 CFR 438.10].
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 (NF), 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 (PA) 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

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]:

1. A Federally qualified Health Maintenance Organization (HMO) that meets the advance directives requirements of subpart I of 42 CFR Part 489, or
2. Any public or private entity that meets the advance directives requirements and is determined by the Secretary to also meet the following conditions:
   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 (SSA) [42 CFR 438.2].

MANAGEMENT SERVICES AGREEMENT (MSA)

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 Geographic Service Area (GSA). Changes to business operations may include, but are not limited to, policy, process, and protocol, such as Prior Authorization (PA) or retrospective review. Additional changes may also include the addition or change in:

1. Pharmacy Benefit Manager (PBM).
2. Dental Benefit Manager.
3. Transportation vendor.
4. Claims Processing system.
5. System changes and upgrades.
6. Change to Organization Name.
7. Member Identification (ID) Card vendor.
8. Call center system.
9. Covered benefits delivered exclusively through the mail, such as mail order pharmaceuticals or delivery of medical equipment.
10. Management Service Agreement (MSA).
11. 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 specified in Contract. Changes to provider network may include but are not limited to:

1. Any change that would cause or is likely to cause more than 5% of the members in a Geographic Service Agreement (GSA) to change the location where services are received or rendered.
2. A 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 and State funded health care coverage program authorized by Title XIX of the Social Security Act (SSA), 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

Item, as specified in 42 CFR 440.70, that is not a prosthetic or orthotic; and

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.
3. Can be reusable by others or removable.

Medical equipment and appliances may also be referred to as Durable Medical Equipment (DME).

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 PRACTITIONER

A physician, physician assistant or registered nurse practitioner.

MEDICAL RECORDS

All communications related to a patient's physical or mental health or condition that are recorded in any form or medium and that are maintained for purposes of evaluation or treatment, including records that are prepared by a health care provider or by other providers. Records do not include materials that are prepared in connection with utilization review, peer review, or quality assurance activities (ARS 12-2291).

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 healing arts within the scope of practice under State law to prevent disease, disability or other adverse health conditions or their progression, or to prolong life (AAC 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 (SSA), as amended.

MEDICARE MANAGED CARE PLAN	A managed care entity that has a Medicare Contract with Centers for Medicare and Medicaid Services (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.
MEDICATION FOR OPIOID USE DISORDER (MOUD)	An evidence-based approach that uses medication to treat individuals with Opioid Use Disorder (OUD).
MEMBER	An eligible individual who is enrolled in AHCCCS, as specified in ARS 36-2931, 36-2901, 36-2901.01, and ARS 36- 2981. Also referred to as Title XIX/XXI member or Medicaid member. When applicable, Member may also or alternatively refer to an enrolled individual's Health Care Decision Maker (HCDM) or Designated Representative (DR). REFER TO HEALTH CARE DECISION MAKER; REFER TO DESIGNATED REPRESENTATIVE.
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 email and voice recorded information messages delivered to a member's phone.
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.
NATIONAL PROVIDER IDENTIFIER (NPI)	A unique identification number for covered health care providers, assigned by the Centers for Medicare and Medicaid Services (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 ARS 36-2901 who does not have a subcontract with an AHCCCS Contractor.
OFFICE OF INDIVIDUAL AND FAMILY AFFAIRS (OIFA)	An area that promotes recovery, resiliency, and wellness for individuals with mental health and substance use challenges.
OFFICE OF INDIVIDUAL AND FAMILY AFFAIRS (OIFA) ALLIANCE	The OIFA Alliance promotes the growth and expansion of peer support and family support services across the state; and engages with peers, family members, and other stakeholders to ensure their voices are included in system transformation.

OUT-OF-NETWORK PROVIDER	An individual or entity that has a provider agreement with the AHCCCS Administration pursuant to ARS 36-2904 which does not have a subcontract with an AHCCCS Contractor, and which provides services specified in ARS 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.
PEER-RUN ORGANIZATION (PRO)	Peer-Operated Services that are: 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. 4. Peer - controlled - Governance board is at least 51% peers.
PERFORMANCE BOND	A written promise by a Surety to pay AHCCCS (as the obligee) an amount specified, if the Contractor (as the principal), fails to meet the Contractor's obligation under the Contract. A Performance Bond is also called a Surety Bond.
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.
PERFORMANCE MEASURE PERFORMANCE STANDARDS (PMPS)	The minimal expected level of performance by the Contractor, previously referred to as the Minimum Performance Standard. Beginning Contract Year Ending (CYE) 2021, official performance measure results shall be evaluated based upon the National Committee for Quality Assurance (NCQA) Healthcare Effectiveness Data and Information Set (HEDIS®) Medicaid Mean or Centers for Medicare and Medicaid Services (CMS) Medicaid Median (for selected CMS Core Set-Only Measures), as identified by AHCCCS, as well as the Line of Business (LOB) aggregate rates, as applicable.
PERMANENT SUPPORTIVE HOUSING (PSH)	Housing assistance (e.g., long-term leasing or rental assistance) and supportive services are provided to assist households with at least one member with a disability in achieving housing stability.
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.
PHYSICIAN SERVICES	Medical assessment, treatments, and surgical services provided by licensed allopathic or osteopathic physicians within the scope of practice.

PLAN	REFER TO "SERVICE PLAN".
POSTPARTUM	For individuals determined eligible for 12-months postpartum coverage, postpartum is the period that begins on the last day of pregnancy and extends through the end of the month in which the 12-month period following termination of pregnancy ends. For individuals determined eligible for 60-days postpartum coverage, postpartum is the period that begins on the last day of pregnancy and extends through the end of the month in which the 60-day period following termination of pregnancy ends. Quality measures used in maternity care quality improvement may utilize different criteria for the postpartum period.
POSTPARTUM CARE	Health care provided in the postpartum period to assess and treat the member's physical, psychological, and social well-being after pregnancy, regardless of how a pregnancy ends. Services include but are not limited to, addressing chronic medical conditions (e.g., hypertension, diabetes, mood disorders), family planning, and a plan to transition to parenthood, and well-woman, or preventive care. Postpartum care visits are an ongoing process that should align with recommendations from the American College of Obstetricians and Gynecologists (ACOG).
POSTSTABILIZATION CARE SERVICES	Covered services, related to an emergency medical condition that are provided after a member is stabilized to maintain the stabilized condition, or, under the circumstances in 42 CFR 438.114(e), to improve or resolved the member's condition.
POTENTIAL ENROLLEE	A Medicaid-eligible recipient who is not yet enrolled with a Contractor [42 CFR 438.10(a)].
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 their health care, including a deductible, copayments, and coinsurance.
PREMIUM TAX	The tax imposed pursuant to ARS 36-2905 and ARS 36-2944.01 for all payments made to the Contractor for the Contract Year.
PRENATAL CARE	The provision of health services during pregnancy which is composed of three major components: 1. Early and continuous risk assessment. 2. Health education and promotion. 3. Medical monitoring, intervention, and follow-up.
PREPAID MEDICAL MANAGEMENT INFORMATION SYSTEM (PMMIS)	An integrated information infrastructure that supports AHCCCS operations, administrative activities, and reporting requirements.

PRESCRIPTION DRUGS *(Defined per CMS)*	Medications ordered by a health care professional practitioner and given by a pharmacist.
PRESCRIPTION DRUG COVERAGE *(Defined per CMS)*	Prescription drugs and medications paid for by your health plan.
PRE-ADMISSION SCREENING (PAS)	A process of determining an individual's risk of institutionalization at a Nursing Facility (NF) or Intermediate Care Facility (ICF) level of care as specified in 9 AAC 28 Article 1.
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 *(Defined per CMS)*	A doctor who is responsible for managing and treating the member's health.
PRIMARY CARE PROVIDER (PCP) *(Defined per CMS)*	A person who is responsible for the management of the member's health care. A PCP may be a: a. Person licensed as an allopathic or osteopathic physician, b. Practitioner defined as a licensed physician assistant, or c. Certified nurse practitioner.
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 (PA)	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 (PA) is not a guarantee of payment (AAC R9-22-101).
PRIOR PERIOD	REFER TO "PRIOR PERIOD COVERAGE".

PRIOR PERIOD COVERAGE (PPC)

For Title XIX members, the period of time prior to the member's enrollment with a Contractor, during which a member is eligible for covered services. The timeframe is from the effective date of eligibility to the day a member is enrolled with a Contractor. Refer to 9 AAC 22 Article 1. If a member is made eligible via the Hospital Presumptive Eligibility (HPE) program and is subsequently determined eligible for AHCCCS via the full application process, PPC for the member will be covered by AHCCCS Fee-For-Service (FFS) and the member will be enrolled with the Contractor only on a prospective basis.

PRIOR QUARTER COVERAGE

The period of time prior to an individual's month of application for AHCCCS coverage, during which a member (limited to children under 19, individuals who are pregnant, and individuals who are in the 60-day postpartum period beginning the last day of pregnancy) 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 specified in 9 AAC 22, Article 2 and Article 12, and 9 AAC 28, Article 2 during the month.
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 AAC R9-22-303.

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

PROGRAM CONTRACTOR

REFER TO "CONTRACTOR"

PROVIDER

Any individual or entity that is engaged in the delivery of services, or ordering or referring for those services, and is legally authorized to do so by the State in which it delivers the services, as specified in 42 CFR 457.10 and 42 CFR 438.2.

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.
3. Serious dysfunction of a bodily part or organ.

QUALIFIED MEDICARE BENEFICIARY DUAL ELIGIBLE MEMBER (QMB DUAL)	An individual determined eligible under AAC R9-29- Article 2 for Qualified Medicare Beneficiary (QMB) and eligible for acute care services provided for in 9 AAC Chapter 22 or ALTCS services provided for in 9 AAC Chapter 28. A QMB Dual receives both Medicare and Medicaid services and cost sharing assistance as specified in AAC R9-29-101.
QUALIFYING CLINICAL TRIAL	Any clinical phase of development that is conducted in relation to the prevention, detection, or treatment of any serious or life-threatening disease or condition and is described in any of clauses (i)-(iii) of Section 1905(gg)(2)(A) of the Social Security Act (SSA). A study or investigation shall be approved, conducted, peer-reviewed, or supported (including by funding through in-kind contributions) by national organizations.
QUALITY MANAGEMENT (QM)	The evaluation and assessment of member care and services to ensure adherence to standards of care and appropriateness of services; can be assessed at a member, provider, or population level.
QUALITY OF CARE (QOC)	An expectation that, and the degree to which the health care services provided to individuals and patient populations improve desired health outcomes and are consistent with current professionally recognized standards of care and service provision.
QUALITY OF CARE (QOC) CONCERN	An allegation that any aspect of care or treatment utilization of behavioral health services or utilization of physical health care services that caused or could have caused an acute medical or psychiatric condition or an exacerbation of a chronic medical or psychiatric condition and may ultimately cause the risk of harm to an AHCCCS member.
RATE CODE	Eligibility classification for capitation payment purposes.
REFERRAL	A verbal, written, telephonic, electronic, or in-person request for health services.
REHABILITATION	Physical, occupational, and speech therapies, and items to assist in improving or restoring an individual's functional level (AAC R9-22-101).
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. Reinsurance case types include but are not limited to regular, catastrophic, and transplant. These case types may have different qualifying criteria and reimbursement.

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 document prepared by AHCCCS which describes the services required and which instructs a prospective Offeror how to prepare a response (Proposal).

RISK CONTRACT A Contract between the State and Managed Care Organization (MCO), under which the Contractor:

1. Assumes risk for the cost of the services covered under the Contract.
2. Incurs loss if the cost of furnishing the services exceeds the payments under the Contract [42 CFR 438.2].

RISK GROUP Grouping of rate codes that are paid at the same capitation rate.

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., Nursing Facility (NF), Intermediate Care Facility [ICF]). Medicaid funds cannot be expended for room and board when a member resides in an Alternative Home and Community Based Service (HCBS) Setting (e.g., Assisted Living Facility (ALF), Behavioral Health Residential Facilities [BHRF]) or an apartment-like setting that may provide meals.

ROSTER BILLING Any claim that does not meet the standardized claim requirements of 9 AAC 22, Article 7 is considered roster billing.

RURAL HEALTH CLINIC (RHC) A clinic that is located in a rural area designated as a shortage area, is not a rehabilitation agency or a facility primarily for the care and treatment of mental diseases, and meets all other requirements as specified in 42 CFR 491.

SANCTION

A monetary and/or non-monetary penalty assessed or applied for failure to demonstrate compliance in one or more areas of contractual responsibility. Non-monetary penalties may include, but are not limited to:

1. Appointment of temporary management for the Contractor, granting the Contractor's enrollees the right to terminate enrollment with the Contractor.
2. Suspension of auto-assignment and/or new enrollment.
3. Suspension of payment to the Contractor until Centers for Medicare and Medicaid (CMS) or the State is satisfied that the reason for imposition of the sanction no longer exists and is not likely to recur.

SCOPE OF WORK

Those provisions of the Solicitation/Contract that specify the work and/or results to be achieved by the Contractor. Also referred to as Program Requirements.

SERIOUS EMOTIONAL DISTURBANCE (SED)

An identification for individuals from birth up to age 18 with a qualifying mental, behavioral, or emotional diagnosis as specified in the most recent version of the Diagnostic and Statistical Manual of Mental Disorders that resulted in functional impairment(s) that substantially interferes with or limits the child's role or functioning in family, school, or community activities.

SERIOUS MENTAL ILLNESS (SMI)

A designation as defined in ARS 36-550 and determined in an individual 18 years of age or older.

SERIOUS MENTAL ILLNESS (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.

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 written description of covered health services, and other supports which may include:

a. Individual goals;
b. Family support services;
c. Care coordination; and
d. Plans to help the member better their quality of life.

SHALL

Mandatory requirements, actions, duties, etc., as specified in AAC R2-7-101(44).

SHOULD

A suggestion that is recommended but not required.

SOCIAL DETERMINANTS OF HEALTH (SDOH)	The World Health Organization defines SDOH as the conditions of the community in which an individual is born, grows, works, lives, and ages, and the wider set of forces and systems shaping their conditions of daily life, including economic policies and systems, development agendas, social norms, social policies, and political systems. These are also known as Social Risk Factors of Health (SRFOH).
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 themself 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.
SPECIALIST SUPPORT AND REHABILITATION SERVICES PROVIDERS	Providers who 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).
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.
SPECIALTY PROVIDER	REFER TO “SPECIALIST”
STATE CHILDREN’S HEALTH INSURANCE PROGRAM (SCHIP)	State Children’s Health Insurance Program under Title XXI of the Social Security Act (SSA) (Also known as Children’s Health Insurance Program [CHIP]). The Arizona version of CHIP is referred to as “KidsCare.” REFER TO “KIDSCARE.”
STATE FISCAL YEAR	The budget year-State fiscal year: July 1 through June 30.
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 ARS 36-2907.10 and ARS 36-2907.11.

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 AAC 22 Article 1.
SUBCONTRACTOR	1. A provider of health care who agrees to furnish covered services to members. 2. An individual, agency, or organization with which the Contractor, or its subcontractor 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	As specified in AAC R9-10-101, an individual's misuse of alcohol or other drug or chemical that: 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. 3. Impairs, reduces, or destroys the individual's social or economic functioning.
SUBSTANCE USE DISORDER (SUD)	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 (SSA) who are aged, blind or have a disability and have household income levels at or below 100% of the Federal Poverty Level (FPL).
TELEDENTISTRY	The acquisition and transmission of all necessary subjective and objective diagnostic data through interactive audio, video, or data communications by an AHCCCS registered dental provider to a dentist at a distant site for triage, dental treatment planning, and referral.
TELEHEALTH	Healthcare services delivered via asynchronous, audio-only, remote patient monitoring, teledentistry, or telemedicine.

TELEMEDICINE	The practice of synchronous (real-time) health care delivery, diagnosis, consultation, and treatment and the transfer of medical data through interactive audio and video communications that occur in the physical presence of the member.
TELEHEALTH - ASYNCHRONOUS (STORE AND FORWARD)	Transmission of recorded health history (e.g., pre-recorded videos, digital data, or digital images, such as x-rays and photos) through a secure electronic communications system between a practitioner, usually a specialist, and a member or other practitioner, in order to evaluate the case or to render consultative and/or therapeutic services outside of a synchronous (real-time) interaction. As compared to a real-time member care, asynchronous care allows practitioners to assess, evaluate, consult, or treat conditions using secure digital transmission services, data storage services, and software solutions.
TELEHEALTH - DISTANT SITE	Site at which the provider is located at the time the service is provided via telehealth.
TELEHEALTH - ORIGINATING SITE	Location of the AHCCCS member at the time the service is being furnished via telehealth or where the asynchronous service originates.
TELEHEALTH – AUDIO ONLY	The practice of synchronous (real-time) health care delivery, through interactive audio-only communications.
TELEHEALTH – E- CONSULTS	Asynchronous, non-face-to-face consultations between a primary care provider and a specialist, to discuss a member's health condition(s) and treatment, using a secure electronic communication platform. They include the transmission of a member's health information without being in the presence of the member.
THERAPEUTIC FOSTER CARE (TFC)	A family-based placement option for children with serious behavioral or emotional needs who can be served in the community with intensive support.
THIRD-PARTY	REFER TO "LIABLE PARTY."
TITLE XIX	Known as Medicaid, Title XIX of the Social Security Act (SSA) 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 (SSA), 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 specified in 42 USC 1396 a (a)(10)(A).

TITLE XIX MEMBER	Title XIX members include those eligible under Section 1931 provisions of the Social Security Act (SSA) (previously AFDC), 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.
TITLE XXI	Title XXI of the Social Security Act (SSA) 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 (SSA), referred to in Federal legislation as the "Children's Health Insurance Program" (CHIP). The Arizona version of CHIP is referred to as "KidsCare."
TREATMENT	A procedure or method to cure, improve, or palliate an individual's medical condition or behavioral health issue. Refer to AAC R9-10-101.
TREATMENT PLAN	A written plan of specific physical and/or behavioral health services that a provider anticipates providing to a member.
TRIBAL ARIZONA LONG TERM CARE SYSTEM (TRIBAL ALTCS)	A program managed by AHCCCS to provide covered, medically necessary ALTCS services to ALTCS American Indian members who reside on tribal land in Arizona or resided on tribal land immediately before being placed in a Nursing Facility (NF) or alternative Home and Community Based Services (HCBS) setting off tribal land.
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 TRBHA for the provision of behavioral health services to American Indian members. Refer to ARS 36-3401 and ARS 36-3407.
UNDERINSURED	Term used to describe when an individual who is underinsured meets at least one of the following criteria: has health benefits that do not adequately cover their medical needs, including those who qualify for Medicaid under a limited benefit eligibility category; or qualifies for health benefits through a public, private, or employer-based option, but the costs of premiums, deductibles, or cost-sharing are prohibitive to continuing coverage.

UNINSURED	Term used to describe when an individual, who has no health insurance, including other sources of third-party coverage from medical/health services.
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	As specified in ARS 46-451(A)(10), an individual who is 18 years of age or older and who is unable to protect themself from abuse, neglect, or exploitation by others because of a physical or mental impairment (ARS 46-451). Vulnerable adults include an incapacitated person as defined in ARS 14-1501.
WASTE	Over-utilization or inappropriate utilization of services, misuse of resources, or practices that result in unnecessary costs to the Medicaid Program.

[END OF SECTION C: DEFINITIONS]

SECTION D: PROGRAM REQUIREMENTS

1. PURPOSE, APPLICABILITY, AND INTRODUCTION

The Arizona Health Care Cost Containment System (AHCCCS) is Arizona's Title XIX Medicaid program operating under Arizona Section 1115 Demonstration Waiver (1115 Waiver) and Title XXI program operating under Title XXI Arizona State Plan authority. In 1982, Arizona introduced its innovative Medicaid program by establishing 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 is the designated Single State Medicaid Agency and State Mental Health Authority (SMHA) Agency of the executive branch responsible for managing mental health and substance use disorder services and programs.

The purpose of the Contract between AHCCCS and the Contractor is to develop, implement, and provide integrated services for children in foster care enrolled the Arizona Department of Child Safety (DCS) Comprehensive Health Plan (CHP); and operate the provisions of CHP approved under ARS 36-2901 et seq. The terms of this Contract apply to the Contractor, any provider participating in the Contractor's provider network, and any provider that furnishes items and services to an enrolled member upon the request or authorization of the Contractor. Individuals covered under this Contract include Title XIX/XXI children in foster care including individuals with Children's Rehabilitative Services (CRS) qualifying conditions and those determined to have behavioral health needs.

The CHP is contracted directly with AHCCCS to provide covered services for Medicaid-eligible children in foster care and accordingly holds ultimate decision-making authority and accountability for the services and population covered under this Contract. Under this contractual arrangement, CHP is the AHCCCS health plan. Effective April 1, 2021, CHP contracts with an entity (CHP Subcontracted Health Plan) to provide the benefits and services to members through subcontracts with providers and perform the administrative functions as specified in DCS Solicitation/Contract #CTR050520. While the CHP Subcontracted Health Plan will be expected to support and facilitate the operations, management, and success pertaining to the delegated functions, CHP has ultimate responsibility in meeting the expectations of the AHCCCS Contract. This Contract may not always delineate responsibility of the CHP Subcontracted Health Plan vs. CHP as AHCCCS holds CHP as the responsible party for all service provision.

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:

1. The provisions of this Contract shall be deemed to have been amended to incorporate the repeal or modification.

2. The Contractor shall comply with the requirements of the Contract as amended, unless AHCCCS and the Contractor otherwise stipulate in writing.

INTRODUCTION

AHCCCS Mission and Vision: AHCCCS' mission and vision are to reach across Arizona to provide comprehensive quality health care 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 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 (QI) 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 reduce administrative cost and improve program efficiency. Over the term of the Contract, AHCCCS will work collaboratively with the Contractor to evaluate ways to reduce program complexity, administrative burden, and unnecessary administrative and medical costs; and to improve care coordination, disease/chronic care 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 shall continue to add value to the 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 when members do not have fair access to care and works proactively to eliminate disparities in the provision of health care services.

3. Recognizes and demonstrates the critical importance of care coordination through organizational design and operational processes.

4. 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.

5. Recognizes that Medicaid members with Special Health Care Needs (SHCN) or chronic health conditions require care coordination and provides that coordination.

6. 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.

7. 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.

8. Recognizes that the program is publicly funded, is subject to public scrutiny, and operates in a manner that promotes cost containment and efficiency.

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

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 (HIT), and working with private sector partners to further innovation to the greatest extent. The Contractor shall collaborate with AHCCCS and to be innovative in the implementation of these initiatives. The Contractor shall collaborate with AHCCCS initiatives that can be found on the AHCCCS website at https://www.azahcccs.gov, under the *AHCCCS Info* tab and focus on topics such as:

1. Addressing disparate health outcomes.

2. Telehealth services.

3. Accessing behavioral health services in schools.

4. Whole Person Care.

5. Care coordination and integration.

6. Public/private partnerships.

7. Electronic Visit Verification (EVV).

8. Payment modernization.

9. Health Information Technology (HIT).

10. Health Information Exchange (HIE).

11. Justice System transitions.

12. Targeted investments (TI) program.

Whole Person Care Initiative: The goal of AHCCCS' Whole Person Care Initiative (WPCI) is to address the Health-Related Social Needs (HRSN) of our members, which have a direct impact on their health outcomes. The Contractor shall implement strategies and practices to expand upon AHCCCS' efforts to address a member's whole person health care. When addressing HRSN, areas of focus can include but are not limited to safe and affordable housing, nutritious food, utility assistance, education, employment, transportation, connection to others in the community, as well as physical, environmental, and interpersonal safety.

The Contractor shall utilize the AHCCCS-Approved Closed-Loop Referral System (CLRS) and actively encourage provider network utilization of the CLRS to screen and refer members to Community Based Organizations (CBOs) that provide services addressing HRSN. The Contractor's

Care and Case Management staff shall utilize the CLRS to screen and refer each member of their caseload annually at a minimum. This requirement only applies to the Contractor's Care and Case Management staff and does not apply to Behavioral Health Case Managers at the provider level. Additionally, the Contractor shall partner with the Health Information Exchange/Health Information Organization (HIE/HIO) to outreach to CBOs to participate in the CLRS.

The Contractor shall actively encourage provider usage of HRSN screening and referral tools available through or compatible with the CLRS to screen members for HRSN. At a minimum, the provider's tool shall screen for the following social needs, regardless of the screening tools selected:

1. Homelessness/Housing instability,
2. Food insecurity,
3. Transportation assistance,
4. Employment instability,
5. Utility assistance,
6. Interpersonal safety,
7. Justice/Legal involvement, and
8. Social isolation/Social support.

Alternatively, if a Contractor's provider is not utilizing the CLRS, the provider shall maintain a publicly available Community Resource Guide with information on local resources that address and provide support for HRSN. The resources provided in the Community Resource Guide shall be focused on the needs and geographic area of the Contractor's member population. The Community Resource Guide shall be made available on the Contractor's website and a printed version of the Guide shall be made available upon member request. The Contractor's website shall note that printed versions are available upon member request. Both electronic and printed versions of the guide shall be updated at least quarterly. The Contractor shall encourage its providers to make the Community Resource Guide easily accessible to members. Refer to AHCCCS Contractor Operations Manual (ACOM) Policy 404.

The Contractor shall monitor, promote, and educate providers on the use and importance of Social Determinants of Health (SDOH) International Classification of Diseases, Tenth Revision (ICD-10) codes, commonly known as "Z" codes. These codes shall be included on claims to support data collection on the HRSN experienced by AHCCCS members.

To the extent feasible, the Contractor and its providers shall utilize data from the CLRS to address disparate health outcomes, improve member care, and decrease costs.

Integrated Health Care Service Delivery: Integrating the delivery of behavioral and physical health care is essential in improving the overall health of members. From a member perspective, this approach improves individual health outcomes, enhances care coordination, and increases member satisfaction. From a system perspective, it increases efficiency, reduces administrative burden, and fosters transparency and accountability.

Coordinating and integrating health care is expected to produce improved access to primary care services, increased prevention, early identification, and intervention to reduce the incidence of serious physical illnesses, including chronic disease. Increasing and promoting the availability of integrated, whole person care for members with chronic behavioral and physical health conditions will help members achieve better overall health and an improved quality of life. 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 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 health care providers. Providers of integrated care shall operate as a team that functions as the single-point of whole-health treatment and care for all of member's health care needs. Co-location or making referrals without coordinating care through a team approach does not equate to integrated care.

5. Implementing practices to address the impact that HRSN can have on a member's whole person health and well-being.

6. Operating a single member services toll-free phone line available to all members for physical health and behavioral health services.

7. Operating a single nurse triage line available for all members for physical and behavioral health services.

8. Developing strategies to encourage members to utilize integrated service settings.

9. 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.

10. Maintaining organizational structure and operational systems and practices that support the delivery of integrated services for physical and behavioral health care. Using the following strategies to achieve system goals:
    a. Early screening, identification and intervention that reduces the incidence and severity of serious physical, and mental illness,
    b. Use of health education and health promotion services,
    c. Increased use of primary care prevention strategies,
    d. Use of validated screening tools,
    e. Focused, targeted, consultations for behavioral health conditions,
    f. Cross-specialty collaboration,
    g. Enhanced discharge planning and follow up care between provider visits,
    h. Ongoing outcome measurement and treatment plan modification,
    i. Care coordination through effective provider communication and management of treatment,
    j. Training of Contractor staff and contracted providers, and
    k. Member, family, and community education.

The Contractor is responsible for collecting and analyzing data to identify disparate health outcomes, researching and applying best practices, and planning and implementing initiatives designed to promote fair health care access and address disparate health outcomes for the Contractor's members.

The Contractor shall ensure system goals in the following outcomes:

The Contractor shall ensure system goals result in the following outcomes:

1. Reduced rates of unnecessary or inappropriate emergency room use when clinically indicated.

2. Reduced need for repeated hospitalization and re-hospitalization when clinically indicated.

3. Reduction or elimination of duplicative health care services and associated costs when clinically indicated.

4. Improved member experience of care and individual health outcomes by engaging in clinically appropriate and relevant services.

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 disease/chronic Care Management including self-management support. Refer to AHCCCS.

7. Provision of preventive and health promotion and wellness services.

8. Adherence with continuing education and guidance to physical and behavioral health providers on the Adult Behavioral Health Service Delivery System – Nine Guiding Principles, and the Arizona Vision-12 Principles for Children Behavioral Health Service Delivery as specified in AMPM Exhibit 300-3.

9. Promotion of evidence-based practices.

10. Expectation for continuous Quality Improvement (QI).

11. Improvement of health outcomes.

12. Containment and/or reduction of health care costs without compromising quality.

13. Engagement of the member and family members/natural supports at all system levels.

14. Collaboration with the greater community.

15. Maintains, rather than delegates, key operational functions to ensure integrated service delivery.

16. Commitment to system transformation.

17. Implementation of Health Information Technology (HIT) to link services and facilitate improved communication between treating professionals, and between the health team, the member, and member caregivers.

18. Integration of the delivery of physical and behavioral health care as an essential part of improving the overall health of members.

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

2. ELIGIBILITY

The Contractor is not responsible for determining eligibility.

Children's Rehabilitative Services Eligibility: In addition to meeting Medicaid eligibility criteria, a subset of members may Children's Rehabilitative Services (CRS)-qualifying medical conditions. Members who have a CRS designation and are in need of current or continued (active) treatment as defined in AAC R9-22-1301 for one (or more) CRS qualifying medical condition(s) shall receive services through the Contractor as specified in ACOM Policy 426. Refer to Section D, Paragraph 8, Scope of Services.

Serious Emotional Disturbance (SED) Identification: The Contractor shall ensure assessment and identification of children and adolescents who may meet diagnostic and functional impairment criteria for a Serious Emotional Disturbance and implement systems and processes for communication, consultation, data sharing and the exchange of information. The Contractor shall cooperate with AHCCCS, health care providers, members, and Health Care Decision Makers (HCDMs) to establish services and ensure effective and comprehensive care coordination based on the presenting needs of the member once an SED identification has been established that include connection of member to ACC-RBHAs or other resource providers for medically necessary services.

The Contractor shall comply with all requirements specified in AMPM Policy 550.

Adherence to the above requirements may be subject to review through AHCCCS audits and/or Operational Reviews.

Serious Emotional Disturbance Removal of Identification: An SED removal of identification is the process that results in the removal of the SED behavioral health category designation from the member's record. Refer to AMPM Policy 550.

The Contractor shall comply with AMPM Policy 550 related to requests for removal of SED Identifications that include a verification process of claims history for a period of six months and respond back to AHCCCS TCU within five business days if any qualifying claims have occurred in the previous six months.

Once an SED Removal of Identification decision is made and submitted to AHCCCS, AHCCCS will update the member's Behavioral Health Category to add/remove SED respectively and will provide the documentation to the MCO of enrollment or AIHP, as applicable, via the AHCCCS Managed File Transfer (MFT) server. The Behavioral Health Category can then be viewed in the AHCCCS Online system via the AHCCCS Online Provider Website.

Serious Mental Illness (SMI) Eligibility: The Contractor shall ensure the identification and assessment of enrolled members by qualified clinicians to identify those individuals who may meet the SMI eligibility criteria as specified in AMPM Policy 320-P.

Payment for evaluations conducted for the purpose of an SMI Eligibility Determination is the responsibility of the Contractor and evaluations may not be conducted by Contractor staff. The Contractor is responsible for coordinating SMI eligibility evaluations, including urgent evaluations, when a member is hospitalized for psychiatric reasons, if one has not been completed within the last six months. The Contractor shall ensure SMI eligibility evaluations (including removal of designation), and all required documentation is completed accurately and referred timely and comprehensively to the AHCCCS designee authorized to render SMI Eligibility Determinations.

The Contractor shall ensure SMI Eligibility Determination Evaluation Packets include at a minimum, the following documentation:

1. Serious Mental Illness (SMI) Determination Form, as applicable. Refer to AMPM Policy 320-P.

2. Consent Form(s).

3. Comprehensive Assessment.

4. Waiver to extend three-day SMI Eligibility Determination timeframe, as applicable.

5. Additional records available for consideration.

6. Signed Release(s), if appropriate.

The Contractor shall cooperate with AHCCCS and the SMI Eligibility Determination designee by establishing and implementing systems or processes for communication, consultation, data sharing, and the exchange of information. The Contractor shall ensure effective and comprehensive care coordination based on the presenting needs of the member once an SED or SMI Eligibility Determination has been rendered that shall also include connection of member to ACC-RBHAs or other resource providers for necessary services that are not covered under the Contractor's TXIX plan.

The Contractor shall comply with all requirements specified in AMPM Policy 320-P.

Adherence to these requirements may be subject to review through AHCCCS audits and/or Operational Reviews.

Serious Mental Illness Removal of Designation: Serious Mental Illness (SMI) Removal of Designation is the process that results in the removal of the SMI behavioral health category designation from the member's record. Refer to AMPM Policy 320-P.

The Contractor shall comply with the SMI Eligibility Determination vendor's established policy related to requests for Removal of SMI Designations that include a verification process of claims history for a period of six months and response back to the vendor within seven business days if any qualifying claims have occurred in the previous six months.

Once an SMI Eligibility Determination or Removal of Designation decision is made and submitted to AHCCCS, AHCCCS will update the member's Behavioral Health Category to add/remove SMI respectively and will provide the documentation to the MCO of enrollment or AIHP, as applicable, via the AHCCCS Managed File Transfer (MFT) server. The Behavioral Health Category can then be viewed in the AHCCCS Online system via the AHCCCS Online Provider Website.

Special Medicaid Eligibility-Members Awaiting Transplants (i.e., State Only Transplants): The Contractor shall be responsible for the following members who subsequently lose Title XIX/XXI eligibility. Refer to AMPM Policy 310-DD, Attachment A, Extended Eligibility Process/Procedure for Covered Solid Organ and Tissue Transplants.

These members may become eligible for and select one of two extended eligibility options as specified in ARS 36-2907.10 and ARS 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 Title XIX ineligible due to excess income.

2. The individual had been placed on a donor waiting list before eligibility expired.

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 One: 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. The member shall be enrolled under rate code 3100 or 310z. 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 Two: 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 their previous Contractor to receive all covered transplant services. The member shall be enrolled under rate code 3200 or 320z. Option two-eligible individuals are not eligible for any non-transplant related health care services from AHCCCS.

3. ENROLLMENT AND DISENROLLMENT

In accordance with ARS 8-512, CHP provides comprehensive medical and dental care for each child who is: a) placed in a foster home; b) in the custody of DCS and placed with a relative, in a certified adoptive home prior to the final order of adoption, or in an independent living program as provided in ARS 8-512; or c) in the custody of the Arizona Department of Juvenile Corrections (ADJC) or the Administrative Office of the Courts/Juvenile Probation Office (AOC/JPO) and placed in foster care.

The Contractor is not responsible for determining eligibility.

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 1115 Waiver Special Terms and Conditions [42 CFR 438.54(d)].

AHCCCS will enroll the child with CHP and notify CHP of the child's AHCCCS enrollment. CHP is responsible for timely notification to AHCCCS if a member no longer meets the criteria for CHP coverage as set for in ARS 8-512. Members who are enrolled with CHP when placed temporarily in detention may remain Title XIX or Title XXI eligible. When it is determined that the member does not meet the "inmate of a public institution" status as determined by the Children in Detention Policy, AHCCCS enrollment will remain with CHP.

The Contractor shall not disenroll any member for any reason unless directed to do so by AHCCCS [42 CFR 457.1201(m), 42 CFR 457.1212, 42 CFR 457.1230(c), 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 their special needs [Section 1903(m)(2)(A)(v) of the Social Security Act (SSA), 42 CFR 457.1201(m), 42 CFR 457.1212, 42 CFR 438.56(b)(2)].

Consistent with the terms of the 1115 Waiver the Administration is waived from 42 CFR 438.52 and 438.56 to the extent necessary to permit the State to limit choice of managed care plans to a single Managed Care Organization (MCO) for individuals enrolled in CHP so long as members in CHP have a choice of at least two Primary Care Providers (PCP) and may request change of PCP at least at the times specified in 42 CFR 438.56(c).

Members eligible for CHP who become eligible for Arizona Long Term Care (ALTCS) will be enrolled with and transitioned to Department of Economic Security (DES) Division of Developmental Disabilities (DDD) or an ALTCS-Elderly and/or have a Physical Disability (E/PD) Contractor, as applicable.

Arizona Long Term Care Services Eligibility Determination During Hospitalization: Pending ALTCS eligibility may not be used as a reason to delay or deny other medically necessary services. If it is determined that 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.

Hospital Presumptive Eligibility: As required under the Affordable Care Act (ACA), 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 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 (FFS) 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 (PPC) for the member will also be covered by AHCCCS FFS, and the member will be enrolled with the Contractor only on a prospective basis.

KidsCare: State and Federal Title XXI, Children's Health Insurance Program (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 225% of the Federal Poverty Level (FPL). Refer to AMPM Policy 440.

Newborns: The Contractor is responsible for notifying AHCCCS of a child's birth to an enrolled member even though the newborn may not be under the custody of the Contractor.

For newborns eligible for CHP: 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 (DOB), 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 AHCCCS Online. If the newborn meets statutory requirements for CHP coverage as set forth in ARS 8-512, CHP shall remain the newborn's health plan.

For newborns ineligible for CHP: Newborns who do not meet statutory requirements for CHP coverage are auto-assigned to an ACC 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. Refer to ACOM Policy 401. 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.

Prior Period Coverage: AHCCCS provides Prior Period Coverage (PPC) for Title XIX members for the period of time, prior to the Title XIX member's enrollment during which a member is eligible for covered services. When a child is not already AHCCCS eligible and enrolled with a Contractor, PPC for CHP members refer to the time frame from the date the child is removed from the home to when the Medicaid eligibility determination is made. 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 PPC.

The Contractor is responsible for payment of all claims for medically necessary covered services provided to members during PPC including services provided prior to the Contract year in a Geographic Service Area (GSA) where the Contractor was not contracted at the time-of-service delivery. AHCCCS FFS is responsible for the payment of claims for PPC for members who are found eligible for AHCCCS initially through HPE and later are enrolled with the Contractor. Therefore, for those members, the Contractor is not responsible for PPC.

PPC for members who are initially eligible as Non-Title XIX/XXI and assigned to an AHCCCS Complete Care-Regional Behavioral Health Authority (ACC-RBHA) and who transition to Title XIX eligibility:

1. The member retains behavioral health assignment with the ACC-RBHA through the Title XIX PPC period.

2. The member is enrolled with CHP for physical health services through the Title XIX PPC period.

3. The ACC-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 PPC timeframe.

4. The 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 CHP for both physical and behavioral health Title XIX services the day AHCCCS is notified of the member's Title XIX eligibility.

Prior Quarter Coverage: Pursuant to the Centers for Medicare and Medicaid Services (CMS) approval of the 1115 Waiver, AHCCCS is waived from approving Prior Quarter Coverage eligibility (also referred to as Retroactive Coverage in the 1115 Waiver Approval) for individuals who are NOT in the following three categories: children under 19, women who are pregnant, and women who are in the 60-day postpartum period beginning the last day of pregnancy. Effective July 1, 2019, only the three populations above are exempted from the waiver of prior quarter coverage eligibility, and these individuals may be determined to qualify for AHCCCS coverage during any of the three months prior to the month of application when they meet the eligibility requirements for that month. Prior Quarter

Coverage eligibility expands the time period during which AHCCCS pays for covered services for eligible individuals to any of the three months prior to the month the individual applied for AHCCCS, if the individual met AHCCCS eligibility requirements during that particular 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.

4. RESERVED

5. PEER AND FAMILY INVOLVEMENT AND PARTICIPATION

The Contractor's Office of Individual and Family Affairs (OIFA) shall embed the principles of peer and family involvement in the design and implementation of an integrated health care service delivery system as specified in ACOM Policy 409.

The Contractor's OIFA shall ensure members and family members have access to peer support and family support services, utilizing peer and recovery support specialists and credentialed family support specialists. The Contractor shall ensure its service providers submit Peer and Recovery Support Specialist (PRSS) Involvement in Service Delivery, and Credentialed/Family Support Partner (CFSP) Involvement in Service Delivery via the AHCCCS QM portal as specified in AMPM Policy 963 and AMPM Policy 964.

The Contractor's OIFA shall ensure behavioral health providers are creating opportunities for members and family members to participate in improving their experiences at the provider site and that participation results in changes being made. Child and Family Teams (CFTs) and Adult Recovery Teams (ARTs) do not fulfill this requirement.

Committees: The Contractor is required to have meaningful peer (i.e., an individual who is receiving or has received behavioral health services) and family member participation 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. Every effort shall be made to include representation of council members that reflect the populations and communities served by the Contractor. Each committee shall work with the Contractor's OIFA to include peers and family members of individuals enrolled with 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.

At a minimum, the Contractor shall have a Governance Committee and Member Advocacy Council (MAC). The Contractor shall ensure that the composition of the committees is representative of the Contractor's current membership .

Governance Committee: The Contractor's OIFA shall assist with and participate in a formal Governance Committee. The Governance Committee membership shall include peers and family members of enrolled members with the Contractor who are receiving or have received behavioral health services. The Governance Committee shall meet and interact with Contractor leadership to direct strategic planning, process improvement, and decision making for the Contractor.

Member Advocacy Council: The Contractor's OIFA shall assemble and facilitate a Member Advocacy Council (MAC) consisting of peers and family members of enrolled members with the Contractor who are receiving or have received behavioral health services, and an individual from

the Contractor's Executive Management team. The MAC may also include professionals and advocates. The purpose of the MAC is to gather input, identify challenges and barriers, share information, and strategize on ways to strengthen the service delivery system 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 and/or Governance Committee. Meeting minutes shall reflect discussion and any follow-up or activities.

Annually, at a minimum, to each Governance Committee and Member Advocacy Council, the Contractor shall provide a refresher orientation on the *Olmstead* decision and the Arizona Olmstead Plan. This orientation shall include highlighting meaningful Olmstead Plan updates and accomplishments, as well as emphasizing the importance of committee and council members to provide any feedback they may have on current or potential future Olmstead planning. Feedback may be submitted to AHCCCS via email through the Olmstead email inbox at Olmstead@azahcccs.gov. Additionally, the Contractor shall also periodically mention relevant Olmstead updates and reminders as announcements (e.g., quarterly updates to the AHCCCS webpage, Olmstead forums) during regularly scheduled meetings. Verified carryover

Peer-Run Organizations (PROs) and Family-Run Organizations (FROs): The Contractor shall maximize the use of PROs and FROs, by contracting with PROs and FROs in each of the Contractor's awarded GSA(s). The Contractor shall ensure that providers are educated on the role of the PROs and FROs and inform members on the availability of peer support and family support services at PROs and FROs. The Contractor shall ensure accessibility to recovery support services delivered by individuals with lived experience offered at PROs and FROs.

If the Contractor desires to Contract with an organization not currently recognized as a PRO or FRO by AHCCCS OIFA, and the Contractor believes the organization meets the definition and criteria, a New PRO and/or FRO Request Form shall be submitted as specified in Section F, Attachment F3, Contractor Chart of Deliverables and as specified in ACOM Policy 409. The AHCCCS OIFA, will review the proposed PRO or FRO and determine if the provider meets the definition and criteria as defined in Section C, Definitions and www.SAMHSA.gov.

6. ACCOMMODATING AHCCCS MEMBERS

The Contractor shall ensure that members are provided covered services without regard to disability, race, color, national origin, age, sex, gender, sexual orientation, or gender identity, and will not use any policy or practice that has the effect of discriminating on the basis of these [42 CFR 457.1201(d), 42 CFR 457.1230(a), 42 CFR 438.3(d)(4), 42 CFR 438.206(c)(2), 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 their enjoyment of any advantage or privilege enjoyed by others receiving any covered service.

4. Assigning times or places for the provision of services on the basis of disability, race, color, national origin, age, sex, gender, sexual orientation, or gender identity.

The Contractor shall assure members the rights as specified 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 a member with a disability by one of its providers, the Contractor shall promptly intervene and require a Corrective Action Plan (CAP) from the provider. Failure to take prompt corrective measures may place the Contractor in default of its Contract.

7. TRANSITION ACTIVITIES

The Contractor shall comply with the AMPM and the ACOM standards for member transitions between AHCCCS programs, Contractors, or GSAs, and upon termination or expiration of a Contract. The Contractor shall abide by the requirements as specified in ACOM Policy 440.

When relinquishing members, the relinquishing Contractor is responsible for timely notification to the receiving Contractor of pertinent information related to the 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 Manager 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 to ensure provision of uninterrupted services, Contractor and service information, emergency numbers, and instructions on how to obtain services. Refer to ACOM Policies 401 and 402 and AMPM Policy 520 and 530 for additional Contractor transition requirements.

The Contractor shall implement a transition of care policy consistent with the requirements in [42 CFR 457.1216, 42 CFR 438.62(b)(1)-(2)], 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 Coordinators for both the relinquishing and receiving Contractors shall interact closely to ensure a safe, timely, and orderly transition. Refer to Section D, Paragraph 14, Staffing Requirements, and ACOM Policy 402.

The Contractor shall develop and implement member transition policies and procedures for members with special health care needs and special circumstances as specified in AMPM Policy 520, including but not limited to:

1. Members with significant medial conditions such as, a high-risk pregnancy or pregnancy within the third trimester, the need for organ or tissue transplantation, the need for catastrophic reinsurance for hemophilia and high-cost biologic specialty drugs, chronic illness resulting in hospitalization or Nursing Facility (NF) 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 with a serious or chronic physical, developmental and/or behavioral health condition.

4. Members with an SED identification in the AHCCCS system.

5. Members who are receiving ongoing services such as dialysis, home health, chemotherapy and/or radiation therapy, End Of Life (EOL) care or hospice, or who are hospitalized at the time of transition.

6. 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.

7. Members who frequently contact AHCCCS, State and local officials, the Governor's Office and/or the media.

8. Members who have received Prior Authorization (PA) for services such as scheduled surgeries, post-surgical follow up visits, out-of-area specialty services, or nursing home admission.

9. Continuing prescriptions, medical equipment, appliances, supplies, including enteral and nutritional supplements, and medically necessary transportation ordered for the transitioning member by the relinquishing Contractor.

10. Members transitioning to/from CHP.

The Contractor shall be responsible for retaining, preserving, and making available records, within the timeframes required by Federal and State law, including but not limited to [45 CFR 164.530(j)(2) and 42 CFR 438.3(u)].

Member Continuity of Care During Transitions: During the first year of the Contract, CHP's Subcontracted Health Plan and CHP shall jointly work to ensure the continuity of behavioral health services and behavioral health service providers providing active treatment to members. Active treatment for purposes of these transition standards means that a member has received services from the provider within the last 12 months. The Contractor shall ensure members receiving active treatment from a non-participating/non-contracted provider are allowed to continue receiving treatment from the non-participating/non-contracted provider for at least 12 months, or through the duration of their prescribed course of treatment, whichever is longer.

Member Transitions Due to Contract Termination: 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 specified by AHCCCS. AHCCCS will provide notification to the Contractor outlining requirements following a Contract Expiration or Termination. The Contractor shall provide a response to AHCCCS for approval. 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 as specified in Section F, Attachment F3, Contractor Chart of Deliverables. 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 [42 CFR 438.610(c)(3); 42 CFR 434.6(a)(6)]. The Contractor shall abide by the requirements as specified in ACOM Policy 440.

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.

8. SCOPE OF SERVICES

The Contractor shall provide covered services to AHCCCS members in accordance with all applicable State and Federal laws, 1115 Waiver, regulations, Contract, and policies, including those incorporated by reference in this Contract. The services are specified in detail in AHCCCS Rules including but not limited to AHCCCS regulations in AAC R9-22 Article 2, 12, and 13, the ACOM and the AMPM, all of which are incorporated herein by reference and may be found on the AHCCCS website [42 CFR Part 457 and 42 CFR Part 438]. To be covered, services shall be medically necessary and cost-effective. Covered services are briefly described below. Refer to 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 in 45 CFR Parts 160 and 164, Subparts A and E, Arizona statute, and to the extent that they are applicable 42 CFR 438.208 (b)(2) and (b)(4), 42 CFR 457.1230(c), 42 CFR 438.208(b)(6), and 42 CFR 438.224.

The Contractor shall obtain consent and authorization to disclose protected health information in accordance with 42 CFR 431, 42 CFR Part 2, 45 CFR parts 160 and 164, and ARS 36-509 and shall retain consent and authorization medical records as specified in ARS 12-2297 and in conformance with AMPM Policy 320-Q.

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 Section 1903(i)(16) of the SSA].

Services shall 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 457.1230(d), 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 457.1230(d), 42 CFR 438.210(a)(3)(i), and 42 CFR 438.210(a)(4)].

The Contractor shall provide medically necessary services in a manner that is no more restrictive than that used by AHCCCS, including quantitative and non-quantitative treatment limits, as indicated in State statutes and regulations, the State Plan, and other State policy and procedures; and addresses the prevention, diagnosis, and treatment of a member's disease, condition, and/or disorder that results in health impairments and/or disability; the ability for a member to achieve age-appropriate growth and development; and the ability for a member to attain, maintain, or regain functional capacity [42 CFR 438.210(a)(5)].

The Contractor is prohibited from avoiding costs for services covered in its Contract by referring members to publicly supported health care resources [42 CFR 457.1201(p)].

The Contractor shall require subcontracted providers to offer the services specified in Section D, Paragraph 16, Member Information.

The Contractor shall assure and demonstrate that it has the capacity to serve the expected enrollment in its service area in accordance with AHCCCS standards for access and timeliness of care [42 CFR 457.1230(b), 42 CFR 438.207(a), 42 CFR 438.68, 42 CFR 438.206(c)(1)].

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 their patient, for [Section 1932(b)(3)(A) of the SSA, 42 CFR 457.1222, 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)(1)(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.

4. The member's right to participate in decisions regarding the member's health care, including the right to refuse treatment, and to express preferences about future treatment decisions [42 CFR 457.1220, 42 CFR 438.100(a)(1),42 CFR 438.100(b)(2)(iv)].

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 457.1230(d),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)(i), 42 CFR 438.210(b)(2)(iii)].

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 457.1230(d), 42 CFR 438.210(b)(3)].

Refer to AMPM Chapter 1000 and Section F, Attachment F1, Member Grievance and Appeal System Standards for additional service authorization requirements.

General and Informed Consent: The Contractor shall adhere to General and Informed Consent requirements as specified in AMPM Policy 320-Q.
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 [Section 1932(b)(3)(B)(i) of the SSA, 42 CFR 457.1222, 42 CFR 457.1207, 42 CFR 438.10(e)(2)(v)(C), 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 SSA, 42 CFR 457.1222, 42 CFR 438.102(b)(1)(i)(A)(1)-(2)]. AHCCCS does not intend to offer the services on an FFS 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 shall:

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.

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 shall immediately develop a policy implementing the Proposal with a notification to members of how to access these services. The notification and policy shall be consistent with the provisions of 42 CFR 438.10 and shall be approved by AHCCCS prior to dissemination. The notification shall be provided to newly assigned members within 12 days of enrollment and shall 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)].

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 457.1260, 42 CFR 457.1230(d), 42 CFR 438.210(c), 42 CFR 438.404, 42 CFR 438.400(b)]. The notice shall meet the requirements of 42 CFR 438.404, AHCCCS Rules, and ACOM Policy 414. The provider shall also be notified of the decision as specified in Section F, Attachment F1, Member Grievance and Appeal System Standards.

The Contractor shall comply with all decision timelines specified in ACOM Policy 414. The Contractor shall conduct a self-audit of Notice of Adverse Benefit Determination letters and submit a Notice of Adverse Benefit Determination Self-Audit Executive Summary as specified in the ACOM Policy 414 and Section F, Attachment F3, Contractor Chart of Deliverables.

Scope of Services

The Contractor's ability to ensure the delivery of services requires a complete and thorough understanding of the intricate, multi-layered service delivery system in order to create an ISOC that addresses the member's needs.

The type, amount, duration, scope of services and method of service delivery depends on a wide variety of factors including:

1. Eligible populations.

2. Covered services benefit package.

3. Approach.

4. Funding.

5. Member need.

The Contractor is required to comply with all terms in this Contract and all applicable requirements in each document, guide, and manual; however, particular attention should be paid to the AMPM and ACOM with respect to requirements for effective service delivery.

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: The Contractor is responsible for coverage of services under this Contract for members who are American Indians enrolled with the Contractor.

AHCCCS Division of Fee-For-Service Management (DFSM) will reimburse for medically necessary, acute-care services that are eligible for 100% Federal reimbursement and are provided by an Indian Health Services (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 shall be at least equal to the AHCCCS FFS 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 457.1209, 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 provides 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 457.1209, 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 457.1209, 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 457.1209, 42 CFR 438.14(b)(4)]. The Contractor shall permit an out-of-network IHCP to refer an American Indian member to a network provider [42 CFR 457.1209, 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. Refer to Section D, Paragraph 52, 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 Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) services.

Biomarker Testing: Biomarker testing are considered medically necessary when criteria are met as specified in AMPM Policy 310-KK.

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 ensure the delivery of medically necessary behavioral health services to all members in accordance with AHCCCS policies and AAC R9-22, Article 12. Refer also to the AMPM Policy 310-B, AMPM Exhibit 300-2A, and the AHCCCS Covered Behavioral Health Services

Guide (CBHSG). The Contractor shall update its systems and processes to align with the ShareInfo/Reference files provided by AHCCCS on the 1st and 15th of the month and shall ensure its providers are following all coding and billing guidelines. The Contractor is required to train its providers on how to reference and utilize the AHCCCS CBHSG for examples and expanded definitions while adhering to all AHCCCS policies and billing/coding requirements. Additionally, AHCCCS encourages Contractors to ensure code utilization requirements are reflected in their contracts with providers. Behavioral Health services include but are not limited to the following:

Applied Behavior Analysis: Applied Behavior Analysis (ABA) services are an AHCCCS covered benefit for individuals with Autism Spectrum Disorder (ASD) and other diagnoses as justified by medical necessity. Refer to AMPM Policy 320-S.

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

Behavioral Health Residential Facility (BHRF) Services: Services provided by an Arizona Department of Health Services (ADHS) 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, and

2. Causes the individual to require treatment to maintain or enhance independence (AAC R9-10-101).

The Contractor shall ensure compliance with AAC R9-10 Article 7 and AHCCCS policies. Refer to AMPM Policy 320-V.

The Contractor shall develop admission criteria, continued stay criteria, and discharge readiness criteria for medical necessity which at a minimum includes the elements as specified in AMPM Policy 320-V. The Contractor shall submit the BHRF Medical Necessity Criteria admission, continued stay, and discharge readiness for prior approval as specified in Section F, Attachment F3, Contractor Chart of Deliverables.

Crisis Services: The Contractor of Enrollment shall ensure timely follow up and care coordination for assigned members after receiving crisis services, whether the member received services within, or outside of, 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. Refer to AMPM Policy 590.

The Contractor of Enrollment is responsible for payment of all emergent transportation provided during the initial 24 hours of a crisis episode and any Non-Emergency Medical Transportation (NEMT) provided from a crisis service provider to another level of care, regardless of the timing within the crisis episode.

The Contractor of Enrollment is responsible for all other medically necessary services and continuing care related to a crisis episode, including follow-up stabilization services, after the initial 24 hours covered by the ACC-RBHA. The Contractor shall ensure that the CHP Subcontracted Health Plan:

1. Ensures a robust system of care and sufficient provider network of facilities to transition a member from receiving crisis services, such as BHRF), Residential Treatment Centers (RTCs), respite care, and other ongoing care options, when continuing services are required.

2. Ensures timely follow up and care coordination, including care coordination of Medication Assisted Treatment (MAT) which includes Medications for Opioid Use Disorder (MOUD) 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.

3. Ensures PA is not required for emergency behavioral health services (AAC R9-22-210.01), including crisis services.

4. Develops policies and procedures to ensure timely communication with ACC-RBHAs for members that have engaged in crisis services.

5. Ensures Contractor staff are available 24 hours per day, seven days per week to receive notification of member engagement in crisis services and to provide member post-24-hour crisis stabilization services, care coordination, and discharge planning, as appropriate.

6. Ensure documented follow-up to the member within 72 hours after the member receives services provided by the Crisis Call Center, Mobile Crisis Team or discharges from a Crisis Stabilization Setting as specified in AMPM Policy 590.

7. Engage in services, including but not limited to peer and family support, when responding to post-crisis situations, as preferred and identified by the member.

8. Tracks member crisis system utilization and refer repeat and/or frequent users of crisis services to the Contractor's Care Management and/or high-needs/high-cost program as specified in Section D, Paragraph 22, Medical Management.

9. Addresses preventable crisis system and inpatient psychiatric utilization through various strategies, including but not limited to, extended availability of outpatient treatment services, after hours member care options, development of member specific safety plans, and ensuring engagement of outpatient treatment providers in responding to post-crisis care and treatment.

10. Cooperates with AHCCCS, the State designated HIO, and any applicable vendors to enhance crisis-related data sharing and availability through the HIE or other applicable data or Information System (IS).

11. Relay crisis contact notifications received from an ACC-RBHA or a crisis provider on behalf of an ACC-RBHA, to the contractor.

There are specific modifier(s) which shall be included on claims to identify that the service is being provided as part of a crisis episode. The Contractor and providers shall work together to ensure the modifier(s) are being included. The Contractor shall educate its providers about the crisis modifier(s) in order to ensure all appropriate costs are included in the capitation rates for the correct risk group.

Court Ordered Treatment: For purposes of care coordination the Contractor shall submit a report of all members under outpatient Court Ordered Treatment (COT) to AHCCCS as specified in AMPM Policy 320-U. The Contractor shall submit the Outpatient Commitment COT Monitoring Report [one combined deliverable for all Lines Of Business (LOB)] as specified in Section F, Attachment F3, Contractor Chart of Deliverables. The Outpatient Commitment COT Monitoring Report shall contain the following information as applicable to each member:

1. Health plan sub population, health plan sub population description.
2. Record number.
3. AHCCCS Complete Care-Regional Behavioral Health Agreement (ACC-RBHA) ID, Name.
4. Date by year and month.
5. Member name and demographics.
6. Member Client Information System (CIS) and/or AHCCCS Identification number.
7. New or existing court order and court order description.
8. Court Ordered Treatment (COT) start date, end date, court order reason and court order reason description.
9. Re-Hospitalization, re-hospitalization description and date.
10. Date of incarceration.
11. Court order expired.
12. Court Ordered Treatment (COT) review and court order treatment review description.
13. Transferred to Indian Health Service (IHS).
14. Noncompliant.
15. Court order was amended due to noncompliance.
16. AHCCCS Complete Care-Regional Behavioral Health Agreement (ACC-RBHA) contact person, email address.
17. Behavioral health category, behavioral health category description.
18. Age, age band, age band description.
19. Funding source, funding source description.
20. Secured BHRF and Secured BHRF Facility name, if applicable.

Member Advisory Council: To promote a collaborative effort to enhance the service delivery system for members in out-of-home placement and adoptive care, the Contractor shall establish a Member Advisory Council to provide input and feedback on Policy and Programs focused on addressing the needs of members in out-of-home placement and adopted members. The Member Advisory Council shall meet at least quarterly and include a cross-representation membership as specified in ACOM Policy 449. The Contractor shall submit a Member Advisory Council Plan to AHCCCS as specified in Section F, Attachment F3, Contractor Chart of Deliverables, outlining the schedule of meetings, goals, and objectives. Refer to ACOM Policy 449 for additional requirements. The Contractor shall designate Key Staff and streamline communication as specified in Section D, Paragraph 14, Staffing Requirements, and ACOM Policy 449.

Members Transitioning from Home Opioid Treatment Program to another Receiving Opioid Treatment Program and Requiring Guest Dosing: The Contractor shall ensure coverage in accordance with AMPM 310-V. Guest dosing is consistent with Substance Abuse and Mental Health Services Administration's (SAMHSA's) guidance regarding medication safety and recovery support.

Non-Title XIX/XXI Services: Service provision for Non-Title XIX/XXI services for Contractor enrolled members with behavioral health conditions is provided or coordinated by the ACC-RBHA Contractors. The Contractor shall have established processes in place to identify and refer members to the ACC-RBHA Contractor for Non-Title XIX/XXI services. The Contractor shall inform members how to access these services and shall assist and coordinate care for the member as appropriate, to ensure that the member is able to receive the necessary services. Refer to AMPM Policy 320-T1 and AMPM Policy 320-T2.

Out-of-State Placements for Children and Young Adults in Behavioral Health Treatment: The Contractor shall notify AHCCCS of Out-of-State Placements Initial Notification and submit Out-of-State Progress Updates of members who remain in Out-of-State placement for behavioral health treatment, and notify AHCCCS when a member is discharged, as specified in AMPM Policy 450 and Section F, Attachment F3, Contractor Chart of Deliverables.

Rehabilitation Services: 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).

4. Supported Employment (Psychoeducational Service [Pre-Job Training and Job Development] and Ongoing Support to Maintain Employment [Job Coaching and Employment Support]).

Specific Requirements for Behavioral Health Services for Members in Legal Custody of the Department of Child Safety and Adopted Children: Upon identification by DCS that a child has been taken into custody, the Contractor shall ensure that each child and family is referred for ongoing behavioral health services for a period of at least six months unless services are refused by the guardian or the child is no longer in DCS custody. A minimum of one monthly documented service is required. Services shall be provided to:

1. Mitigate and address the child's trauma.

2. Support the child's temporary caretakers.

3. Promote stability and well-being.

4. Address the permanency goal of the child and family.

Department of Child Safety Rapid Response: The Contractor shall coordinate statewide service delivery with the Medicaid Crisis System Contractor(s) for children in out-of-home placement and monitor the timely provision of 72-hour Rapid Response, and crisis system two-hour urgent need mobile team response, which includes a physical and behavioral screening, assessment, and interim service plan. The initial in-person Rapid Response for members shall address the physical and behavioral health components of the Rapid Response screening, assessment, and interim service plan expectations. The Contractor shall have a process in place to ensure their contracted service provider is connected with the Rapid Response provider (under the current/AHCCCS directed structure) upon the removal of a child(ren) in order to facilitate the scheduling of future wellness visits and the initial appointment with a contracted service provider at a single visit. The Contractor shall establish a process and associated protocols for sharing documentation with the Rapid Response teams capturing required data elements regarding outcomes, referrals, and services delivered as a result of the initial Rapid Response. The Contractor shall ensure that the Rapid Response processes include timely coordination between their contracted service provider and Rapid Response provider around identified care needs and referral to the member's assigned health home/PCP for follow up visit(s) consistent with DCS Policy.

The Contractor shall submit a narrative cover letter, data summary, and Rapid Response Reconciliation spreadsheets (Behavioral Health Utilization and Timeframes for Members in DCS Custody), as specified in ACOM Policy 449 and Section F, Attachment F3, Contractor Chart of Deliverables, that specifically addresses successes and barriers associated with behavioral health service delivery to CHP members. Data elements should include utilization data as well as any identified trends from the current reporting period related to CHP members, including but not limited to Quality of Care (QOC), access, timeliness, and availability. The Contractor shall obtain from DCS a monthly listing of children placed in DCS custody. The Contractor shall reconcile the DCS report with the Contractor's list of children who have received a rapid response. For any identified members in DCS custody who have not received a Rapid Response, the Contractor shall ensure that a rapid response is delivered. The Contractor shall monitor monthly reconciliation reports for trends and address any identified systemic issues that prevent members in DCS custody from receiving Rapid Response within 72 hours.

The Contractor shall adhere to ACOM Policy 449 with regard to adopted children enrolled in DCS legal custody and placed in an out-of-home placement in accordance with ARS 8-512.01. The Contractor shall submit the DCS and Adopted Children Services Reporting: Access to Service, as specified Section F, Attachment F3, Contractor Chart of Deliverables.

The Contractor is required to perform recurring review of identified members in shelter care or other out of home placement to determine appropriateness of current placement and supports, with the goal of achieving increased stability/permanency. Services and supports shall be provided as needed to either stabilize current placement or support transition to a more appropriate setting/level of care.

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. Certified Community Health Worker/Community Health Representative

6. Therapeutic Foster Care (TFC).

7. Unskilled Respite Care.

8. Transportation.

Therapeutic Foster Care (TFC): A family-based treatment option for children with complex behavioral or emotional needs who can be served in the community with intensive support. The Contractor shall have a policy and procedure for monitoring expectations of TFC Agencies and TFC Family Providers to ensure the quality of services delivered, and a process for conducting quality reviews and performance improvement. The Contractor shall also develop, and publish to its website, TFC admission, continued stay, and discharge criteria for medical necessity that aligns with the criteria specified in AMPM Policy 320-W. The Contractor shall submit its TFC Medical Necessity Criteria for prior approval as specified in Section F, Attachment F3, Contractor Chart of Deliverables. The Contractor shall also submit TFC Quality Review Findings and TFC Quality Review Process and Tool as specified in Contract Section F, Attachment F3, Contractor Chart of Deliverables. The TFC Quality Review Process and Tool will be subject to AHCCCS prior approval.

Treatment Services: Treatment services are provided by or under the clinical oversight of Behavioral Health Professionals (BHPs) to reduce symptoms and improve or maintain functioning. These services include:

1. Behavioral Health Counseling and Therapy.

2. Assessment, Evaluation and Screening Services.

3. Other Professional Services.

The Contractor shall also provide behavioral health services as specified in Section D, Paragraph 10, Behavioral Health Service Delivery.

Certified Community Health Worker/Community Health Representative Services: A certified Community Health Worker/Community Health Representative (CHW/CHR), who obtains certification through the Arizona Department of Health Services (ADHS) as specified in AAC. R9-16-802, may

provide AHCCCS-covered member education and preventive services to eligible members. Refer to AMPM Policy 310-W.

Children's Rehabilitative Services: Members shall receive treatment for one or more of the CRS qualifying medical conditions in AAC R9-31-311 through the Contractor. The Contractor shall refer members who are potentially in need of services related to CRS qualifying conditions, as specified in AAC R9-22 Article 13, and ARS Title 36 to AHCCCS Division of Member and Provider Services (DMPS). The Contractor shall notify the member or their parent/guardian/DR when a referral to a specialist for an evaluation of a CRS condition will be made. Refer to 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 specified 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 AHCCCS DMPS of the date when a member with a CRS designation is no longer in need of treatment for the CRS qualifying condition(s) by submitting the CRS Designation - Completed Treatment Report as specified in Section F, Attachment F3, Contractor Chart of Deliverables and ACOM Policy 426. The notification requirements specified above are applicable only to members under 21 years of age. In addition, the Contractor shall consider members with a CRS qualifying condition to be members with special health care needs. Refer to Section D, Paragraph 9, Special Health Care Needs. The Contractor shall accept historical CRS Identification (IDs) numbers as alternative member IDs 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 as specified in AMPM Exhibit 300-1. For Full Benefit Dual Eligible enrolled members, 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 specified on the Resources page of the AHCCCS website. Requests for Changes to Dental Prior Authorization Requirements and Requests for Changes to Uniform Warranty Requirements shall be submitted to AHCCCS as specified in Section F, Attachment F3, Contractor Chart of Deliverables.

The Contractor shall provide all members under the age of 21 years with all medically necessary dental services including emergency dental services, dental hygiene assessment, dental hygiene treatment planning, dental screening, preventive services, therapeutic services, and dental appliances in accordance with the AHCCCS Dental Periodicity Schedule, and as specified in ARS 32-1281 and ARS 32-1291.01. The Contractor shall monitor compliance with the AHCCCS Dental Periodicity Schedule for dental screening services. The Contractor shall provide a point-of-contact, at the health plan that cannot be delegated to a dental subcontractor. The Contractor shall develop processes to assign members to a dental home by six months of age or upon enrollment and communicate that assignment to the member. The Contractor shall regularly notify the oral health professional which members have been assigned to the provider's dental home for routine preventive care as specified in AMPM Policy 431. The Contractor is required to meet specific utilization rates for members as specified in Section D, Paragraph 21, 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 shall be sent. Refer to AMPM Exhibit 400-3. Members under the age of 21 may

request dental services without referral and may choose a dental provider from the Contractor's provider network.

Pursuant ARS 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 specified in AMPM Policy 310-D1. Dental services provided to Tribal members within an IHS or 638 Tribal Facility are not subject to the ALTCS dental benefit $1000 limit.

The Contractor shall submit the Dental Program Plan (inclusive of Work Plan and Work Plan Evaluation) as specified in Section F, Attachment F3, Contractor Chart of Deliverables.

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 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. EPSDT includes, but is not limited to, coverage of: inpatient and outpatient hospital services, laboratory and x-ray services, physician services, naturopathic services, nurse practitioner services, medications, dental services, therapy services, behavioral health services, medical equipment, medical appliances and medical supplies, orthotics, prosthetic devices, vision services, hearing services, eyeglasses, (eyeglasses and other vision services, including replacement and repair of eyeglasses, for members under the age of 21 years are covered, without restrictions, by AHCCCS to correct or ameliorate conditions discovered during vision screenings for EPSDT), transportation, assistance with scheduling appointments, family planning services and supplies, women's preventive care services, and maternity care services, when applicable. EPSDT also includes diagnostic, screening, preventive, and rehabilitative services. The Contractor shall ensure that these members receive required health screenings and referrals as specified in AMPM Policy 430. The Contractor is required to submit an EPSDT Program Plan (inclusive of Work Plan and Work Plan Evaluation) as specified in Section F, Attachment F3, Contractor Chart of Deliverables.

Emergency Services: The Contractor shall provide emergency services per the following [Section 1852(d)(2) of the SSA, 42 CFR 457. 1228, 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 AHCCCS Rule 9 AAC 28 Article 1 [42 CFR 438.206(c)(1)(i)-(iii)]. Emergency medical (physical and behavioral health) services, including Crisis Intervention Services are covered without PA. The Contractor shall be responsible for educating members and providers regarding appropriate utilization of emergency room services including behavioral health emergencies as specified in AMPM Policy 310-F [42 CFR 438.206(c)(1)(i)]. The Contractor shall monitor emergency service utilization (by both provider and member) and shall have guidelines for implementing corrective action for inappropriate utilization.

2. 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

purpose of this Contract, a prudent layperson is an individual who possesses an average knowledge of health and medicine.

3. All medical services necessary to rule out an emergency condition.

4. Emergency transportation

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

The Contractor shall 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 SSA, 42 CFR 457.1228, 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 [42 CFR 438.114].

2. A representative of the Contractor (an employee or subcontracting provider) instructs the member to seek emergency medical service.

Additionally, the Contractor shall not:

1. Limit what constitutes an emergency medical condition as defined in 42 CFR 457.1228 and 42 CFR 438.114, on the basis of lists of diagnoses or symptoms [42 CFR 457.1228, 42 CFR 438.114(d)(1)(i)-(ii)].

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 ten calendar days of presentation for emergency services. Claims submission by the hospital within ten 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 (ED) 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 457.1228, 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 post stabilization care [42 CFR 457.1228, 42 CFR 438.114(d)(3), 42 CFR 422.113].

For additional information and requirements regarding emergency services, refer to AAC R9-22-201 et seq., AAC R9-22-210, AAC R9-22-217, 42 CFR 438.114, and AMPM Policy 310-F.

Emergency Triage, Treat, and Transport: Services associated with Emergency Triage, Treat, and Transport (ET3) provided by Emergency Transportation providers are covered when initiated by an emergency response system call, regardless of whether the provider that furnishes the services has a Contract with the Contractor as specified in AMPM Policy 310-BB.

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. Refer to AMPM Policy 310-HH.

Experimental Services: AHCCCS does not cover experimental services (AAC R9-22-203). However, as specified in AMPM Policy 320-B, the Contractor has responsibilities related to Experimental services and Qualifying Clinical Trials. A determination with respect to coverage under Section 1905(a)(30) of the SSA for a member to participate in a qualifying clinical trial shall be expedited and completed within 72 hours regardless of GSA or if the provider is in network. Coverage of routine member costs based on where the clinical trial is conducted, including Out-of-State, or based on whether the provider treating the member is outside of the network may not be denied.

Family Planning Services: The Contractor shall provide family planning services and supplies in accordance with the AMPM, and consistent with the terms of the 1115 Waiver, 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 [42 CFR 457.1230(d), 42 CFR 438.210(a)(4)(ii)(C)]. If the Contractor does not provide family planning services and supplies due to moral and religious objections, it shall contract for these services through another health care delivery system or have an approved alternative in place. Members may choose to obtain Family Planning Services and Supplies from any appropriate provider regardless of whether the Family Planning Service Providers are network providers. The Contractor shall not require PA in order to allow members to obtain family planning services and supplies from an out-of-network provider. 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 specified in AMPM Policy 310-II.

Home Health Services: This service shall be provided under the direction of a physician or physician assistant, Nurse Practitioner (NP), Clinical Nurse Specialist (CNS), 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 Policy 310-I 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 Enrollment verifies compliance with the Surety Bond requirements specified in Sections 1861(o)(7) and 1903(i)(18) of the SSA.

Home and Community Based Services: Services as specified in ARS 36-2931 and ARS 36-2939 provided to members with an institutional level of need who elect to receive Home and Community Based Services (HCBS) instead of care in a Nursing Facility (NF) or Intermediate Care Facility for individuals with Intellectual Disabilities (ICF/IID). The HCBS can be provided in the member's home or in other non-institutional settings that meet the definition of an Alternative HCBS Setting. Refer also to Section D, Paragraph 39, Responsibility for Nursing Facility Reimbursement for notification requirements.

Hospice Services: Hospice services provide palliative and support care for terminally ill members and their family members or caregivers to ease the physical, emotional, spiritual, and social stresses, which are experienced during the final stages of illness and during dying and bereavement. A participating Hospice shall meet Medicare requirements and have a written provider contract with the Contractor. Contractors are required to pay NFs 100% of the class specific contracted rate when a member elects the hospice benefit. The hospice agency is responsible for providing covered services to meet the needs of the member related to the member's hospice-qualifying condition. These services are covered for members who are certified by a physician as being terminally ill and having six months or less to live. Refer to AMPM Policy 310-J.

Hospital Services: The Contractor shall provide hospital services as specified in Contract and Policy.

Inpatient Services: include semi-private accommodations for routine care, intensive and coronary care, surgical care, and Obstetrics (OB) and newborn nurseries. 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. Refer to AMPM Policy 310-K. For requirements regarding member transfers between facilities, refer to AMPM Policy 530.

Outpatient Services: Outpatient services include any hospital services, which may be appropriately provided on an outpatient or ambulatory basis (i.e., laboratory, radiology, therapies, ambulatory surgery). Refer to AMPM Chapter 300.

Observation Services: 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, discharged, or transferred to another facility. For information regarding coverage and provisions of observation services, refer to AMPM Policy 310-S.

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

Immunizations: The Contractor shall provide medically necessary immunizations for EPSDT members under the age of 21. Pharmacists, and pharmacy interns and technicians under the supervision of a pharmacist, within their scope of practice, may administer AHCCCS covered immunizations to adults 19 years and older as specified in ARS 32-1974. Pharmacists, and pharmacy interns and technicians under the supervision of a pharmacist, within their scope of practice, may administer influenza immunizations to children who are three years through 18 years of age. Refer to AMPM Policy 310-M. The Contractor is required to meet specific immunization rates for members under the age of 21, which are specified in Section D, Paragraph 21, Quality Management and Performance Improvement. Refer to AMPM Policy 430. AHCCCS follows the recommendations established by the Centers for Disease Control and Prevention (CDC) and Advisory Committee on Immunization Practices (ACIP).

Incontinence Briefs: Incontinence briefs (diapers) are covered for members when medically necessary. 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. Refer to AMPM Policy 310-P and AMPM Policy 430.

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. Refer to AMPM Policy 310-N.

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

The Contractor shall use laboratory testing sites that have either a CLIA Certificate of Waiver or a Certificate of Registration with a CLIA ID number. Verify that laboratories satisfy all requirements in 42 CFR 493, Subpart A, General Provisions. The Contractor shall require all clinical laboratories to provide verification of CLIA Licensure or Certificate of Waiver during the provider enrollment process. Failure to do so shall result in AHCCCS either terminating an active provider ID number or denial of initial registration.

The Contractor shall apply the following requirements to all clinical laboratories:

1. Pass-through billing or other similar activities with the intent to avoid the requirements in Sections above is prohibited.

2. Clinical laboratory providers who do not comply with the requirements above may not be reimbursed.

3. Laboratories with a Certificate of Waiver are limited to providing only the types of tests permitted under the terms of their waiver.

4. Laboratories with a Certificate of Registration are allowed to perform a full range of laboratory tests.

The Contractor shall manage and oversee the administration of laboratory services through subcontracts with qualified services providers to deliver laboratory services, obtain laboratory test data on Title XIX/XXI eligible members from a laboratory or hospital-based laboratory subject to the requirements in ARS 36-2903(Q) (1-6) and (R), upon written request, and use the data exclusively for QI activities and health care outcome studies required and approved by AHCCCS.

Lung Volume Reduction Surgery: Lung Volume Reduction Surgery (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 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. Doula services are covered, if provided by a certified doula acting within their scope of practice, as a complement to, but not replacement for, maternity care services. Maternity services may be provided in a group setting, more commonly known as group prenatal care, if requirements are met as outlined in AMPM Policy 410. Members may select or be assigned to a PCP specializing in OB 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 shall 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 their 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 shall be allowed to complete maternity care with their current AHCCCS registered provider, regardless of Contractual status, to ensure continuity of care. Refer to AMPM Policy 410 for a complete description of Contractor and provider requirements.

The Contractor shall monitor rates and implement interventions to improve or sustain rates for low/very low birth weight deliveries, utilization of Long-Acting Reversible Contraceptives (LARC)/Immediate Postpartum Long-Acting Reversible Contraception (IPLARC), prenatal, and postpartum visits. The Contractor shall 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.

For stillbirths meeting the medical criteria specified in AMPM Policy 410, the Contractor shall submit AHCCCS Request for Stillbirth Supplement 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, and 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 Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome (HIV/AIDS) testing and the availability of medical counseling, as well as the benefits of treatment, 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 are HIV/AIDS-Positive as specified in Section F, Attachment F3, Contractor Chart of Deliverables and AMPM Policy 410.

Medical Equipment and Medical Appliances, Medical Supplies, and Prosthetic Devices: Medical Equipment, Medical Appliances and Medical Supplies are covered under the home health benefit. Medical Equipment, including Medical Appliances, Medical Supplies, and prosthetic devices are covered when prescribed by the member's PCP, attending physician or practitioner, or by a dentist as specified in the AMPM. Prosthetic devices shall be medically necessary and meet criteria as specified in AMPM Policy 310-JJ. Medical Equipment and Appliances may be rented or purchased only if other sources are not available to provide the items at no cost. The total cost of the rental shall 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. Refer to AMPM Policy 310-JJ and AMPM Policy 310-P.

The Contractor shall ensure the provider network includes a choice of subcontractors for medical equipment, medical appliances, medical supplies, and corrective appliances for members. The Contractor shall develop timeliness standards for creation, repair, and delivery of medical equipment and appliances. The Contractor shall monitor the standards of service delivery as specified in AMPM Policy 310-P 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. Refer to 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 Arizona Department of Health Services (ADHS) Newborn Screening Program and specified in the AMPM. Medical foods, including metabolic formula and modified low protein foods, shall be prescribed, or ordered under the supervision of a physician. Refer to AMPM Policy 310-GG.

Nursing Facility (NF) Services: The Contractor shall provide services in NFs, including religious non-medical health care institutions, for members who require short-term convalescent care not to exceed 90 days per Contract Year. Refer to AMPM Policy 310-R. Members with an institutional level of need may opt to receive HCBS instead of care in a NF or ICF/IID. As of October 1, 2021, there are no providers registered as religious non-medical health care institutions.

Nursing facility services shall be provided in a dually-certified Medicare/Medicaid NF which includes in the per-diem rate: nursing services, basic patient care equipment and sickroom supplies, dietary services, administrative physician visits, non-customized Durable Medical Equipment (DME), necessary maintenance and rehabilitation therapies, over-the-counter medications, social, recreational, and spiritual activities, and administrative, operational medical direction services. Refer to Paragraph 39, Responsibility for NF Reimbursement.

The NF Services benefit is covered under 42 CFR 440.155(b).

The Contractor shall ensure members are screened using the Pre-Admission Screening and Resident Review (PASRR) prior to admission to a NF as specified in AMPM Policy 680-C. Refer to Section D, Paragraph 10, Behavioral Health Service Delivery.

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 whose health status may improve with 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. 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. Refer to AMPM Policy 310-GG and AMPM Policy 430.

Orthotics: Orthotics are covered for AHCCCS members under the age of 21 as specified in AMPM Policy 430. Orthotics are covered for AHCCCS members 21 years of age and older if all of the following apply, Refer to 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.

3. The orthotic is ordered by a physician or primary care practitioner.

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 ARS 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.

Post-stabilization Care Services: Pursuant to AAC R9-22-210, 42 CFR 457.1228, 42 CFR 438.114(e), 42 CFR 422.113(c)(2)(i)-(iv), 42 CFR 422.133, and 42 CFR 422.113(c)(2)(iii)(A)-(C), the following conditions apply with respect to coverage and payment of post-stabilization care services, except where otherwise noted in the Contract.

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

1. Post-stabilization care services that were pre-approved by the Contractor.

2. Post-stabilization 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 shall 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.

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 shall acknowledge that a pregnancy termination has been determined medically necessary by submitting the Certificate of Necessity for Pregnancy Termination to the Contractor. This form shall be submitted to the Contractor's Medical Director and meet the requirements specified in AMPM Policy 410. The Contractor shall submit the AHCCCS Certificates of Necessity for Pregnancy Termination and AHCCCS Verification of Diagnosis by Contractor for a Pregnancy Termination Request as specified in AMPM Policy 410 and Section F, Attachment F3, Contractor Chart of Deliverables. Additionally, the Contractor shall submit an AHCCCS Pregnancy Termination Report listing terminations that have been authorized by the Contractor with Supporting Documentation as specified in AMPM Policy 410 and Section F, Attachment F3, Contractor Chart of Deliverables.

Prescription Medications: Medications prescribed by a PCP, attending physician, dentist or other AHCCCS authorized clinician and dispensed by an AHCCCS-registered Pharmacy are covered subject to the requirements of AMPM Policy 310-V.

The Contractor's Drug Lists and PA processes shall comply with AMPM Policy 310-V and AMPM Policy 1024. An Over-the-Counter medication may be prescribed as defined in AMPM Policy 310-V when it is equally effective and less costly than the same or similar prescription medication.

The Contractor's PA criteria shall not be more restrictive than the criteria used by the AHCCCS FFS Program [42 CFR Part 438].

The Contractor is required to follow the AHCCCS FFS PA criteria for all physician administered drugs including those billed on medical claims and point-of-sale prescription drug claims. The requirement to adhere to the FFS PA criteria applies to Contractors that provide PA services from within their organization or use a subcontractor, i.e., a Pharmacy Benefit Manager (PBM).

The Contractor shall ensure that members are not charged a copayment for Naloxone.

The Contractor shall ensure that all drugs covered under the AHCCCS Reinsurance Program are reimbursed to contracted providers through the outpatient pharmacy point-of-sale system, also known as using Form Type C. The Contractor shall reimburse the pharmacy their actual acquisition

cost as defined by AHCCCS. For pharmacies that contract with a Pharmacy Services Administrative Organization (PSAO), the PSAO shall reimburse the pharmacy the actual acquisition cost submitted by the pharmacy. The MCO Contractor, the Contractor's PBM or the PSAO may ask for the invoice to verify the actual acquisition cost.

The Contractor shall make available on the Contractor's website and in electronic or paper format, the following information [42 CFR 457.1207, 42 CFR 438.10(i)(1)-(2)]:

1. The Contractor's drug list(s) of medications shall include both the reference brand and generic names of each drug.

2. Each drug that requires PA approval shall be notated on the drug list.

3. The Contractor's Drug List shall reflect all AHCCCS approved AHCCCS Pharmacy and Therapeutics (P&T) Committee recommendations as follows:
   a. October P&T Committee approved changes shall be effective on January 1,
   b. January P&T Committee approved changes shall be effective on April 1,
   c. May P&T Committee approved changes shall be effective on October 1,
   d. Other changes as requested by AHCCCS and specified by date, and
   e. The P&T Committee meeting may be held in other months than is stated above at the discretion of AHCCCS.

4. The process for obtaining Federal and State reimbursable medications that are not included on the drug list.

5. The PA form with directions for non-urgent and urgent requests.

6. The PA criteria for drugs evaluated for coverage under the Contractor's PA program. The Contractor shall provide the criteria or a link to the criteria on the Contractor's website.

7. The Contractor's PBM shall communicate the above to the Contractor's Pharmacy Network.

The Contractor's 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 457.1207, 42 CFR 438.10(i)(3)]. Refer to ACOM Policy 404.

Pharmacy Benefit Manager: The Contractor, its contracted Pharmacy Benefit Manager (PBM), and the PBM's Pharmacy Network shall comply with the following:

1. Pharmacies shall not charge patients, under the AHCCCS program, the cash price for a prescription, other than an applicable copayment, when the medication is Federally and State reimbursable and the prescription is ordered by an AHCCCS Registered Prescribing Clinician.

2. Pharmacies shall not split bill the cost of a prescription claim to the Contractor's PBM for a patient under the AHCCCS Program. The Contractor's PBM's Pharmacy Network shall not allow a patient under the AHCCCS Program to pay cash for a partial prescription quantity for a Federally and State reimbursable medication when the ordered drug is written by an AHCCCS Registered Prescribing Clinician.

3. Pharmacies are prohibited from auto-filling prescription medications.

4. Pharmacies shall not submit prescription claims to the contracted PBM for claims adjudication requesting reimbursement in excess of the Usual & Customary (U&C) price charged to the general public.
   i. The sum of charges for the Submitted Ingredient Cost plus the dispensing fee shall not exceed a pharmacy's U&C Price for the same prescription, and
   ii. The U&C Submitted Ingredient Cost shall be the lowest amount accepted from any member of the general public who participates in the pharmacy provider's savings or discount programs including programs that require the member to enroll or pay a fee to join the program.

5. Pharmacies that purchase drugs at a Nominal Price outside of 340B or the Federal Supply Schedule shall bill their Actual Acquisition Cost of the drug to AHCCCS and the Contractor's PBM.

6. The PBM Network Pharmacies, at the discretion of the pharmacy staff, may deliver or mail prescription medications to an AHCCCS member or to an AHCCCS registered provider's office for a specific AHCCCS member.

The Contractor shall communicate the above requirements to the Contractor's PBM for inclusion in current and future Pharmacy Network contracts.

***340B Drug Pricing Program*:** All Federally reimbursable drugs identified in the 340B Drug Pricing Program are required to be billed and reimbursed as noted below. Refer to ARS 36-2930.03 and AACR9-22-710 (C) for further details.

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

1. Drugs dispensed by the 340B entity pharmacy, point-of-sale system shall be reimbursed at the lesser of the actual acquisition cost or the 340B ceiling price, plus a professional (dispensing) fee determined by AHCCCS.

2. Physician administered drugs shall be reimbursed at the lesser of the actual acquisition cost or the 340B ceiling price.

3. The professional (dispensing) fee is not reimbursed and is not permitted when a physician administered drug is administered by the prescribing clinician. The prescribing clinician administering the physician administered drug may bill for an administration fee using the appropriate HCPCS coding.

The Contractor is required to comply with any changes to reimbursement methodology for 340B entities. Effective with a future date to be determined, all 340B entities will be required to submit prescription drug point-of-sale and physician-administered drug claims at the entity's actual acquisition cost. The Contractor shall reimburse these claims in accordance with the 340B reimbursement methodology as specified under the *340B Drug Pricing Program*.

Medicare Part D: The Medicare Modernization Act (MMA) of 2003 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 prescription drugs as approved by the CMS. For full benefit dual eligible members, AHCCCS covers medically necessary, Federally and State reimbursable prescription drugs that are excluded from coverage by CMS under Medicare Part D benefit plans. CMS Medicare Part D excluded drugs, when ordered by a PCP, attending physician, dentist, or other authorized prescribing clinician, and dispensed by a pharmacist or a pharmacy intern acting under the direct supervision of a pharmacist in accordance with Arizona State Board of Pharmacy Rules and Regulations, and from an AHCCCS registered pharmacy, are covered subject to the requirements specified in AMPM Policy 310-V.

Prescription drugs and therapeutic classes that are eligible for coverage by a Medicare Part D drug benefit plan but are not specifically listed on the Medicare Part D Drug List, are considered to be covered by the Medicare Part D drug benefit plan and are *not covered* by AHCCCS. Refer to AMPM Policy 310-V. Additional detail for coverage of Medicare Part D prescription medications are contained in Section D, Paragraph 55, Medicare Services and Cost Sharing. The Contractor is required to cover over-the-counter medications that are not covered as part of the Medicare Part D prescription drug program and when the drug meets the requirements specified in AMPM Policy 310-V. The Contractor is also required to cover a drug that is excluded from coverage under Medicare Part D by CMS when the drug is medically necessary and Federally reimbursable.

***Pharmaceutical Rebates*:** The Contractor, including the Contractor's 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) or therapeutic class.

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, shall be excluded from such rebate agreements. For pharmacy related encounter data information, refer to Section D, Paragraph 60, Encounter Data Reporting.

Therapeutic classes covered under supplemental rebate agreements are provided on the weekly National Drug Code (NDC) file sent to contractors. The "preferred" products shall be available and notated on the Contractor's Drug Lists exactly as they are listed on the AHCCCS Drug List. The Contractor shall comply with AMPM Policy 310-V.

The Contractor shall ensure that all Health Care Common Procedure Coding System (HCPCS) codes for drugs and devices billed on a medical claim shall include the NDC on the medical claim, as an example, all blood glucose testing products including finger stick and continuous glucose monitoring products. In addition, all diagnostics agents shall also include the NDC of the agent on medical claims.

The Contractor shall not disadvantage one preferred agent over another when there is more than one agent in the designated preferred class and some or all of the agents have the same indications.

Pharmacy & Therapeutics (P&T) Committee: Pursuant to Executive Order 2018-06 requiring Transparency and Eliminating Undue Influence by Pharmaceutical and Medical Device Companies, AHCCCS has developed and implemented a formal P&T Committee as an advisory

Committee to AHCCCS. The P&T Committee is responsible for evaluating scientific evidence of the relative safety, efficacy, effectiveness, and clinical appropriateness of prescription drugs. The P&T Committee makes recommendations to AHCCCS on the development and maintenance of a statewide drug list and PA criteria as required. Committee members shall not participate in matters in which they have an actual or potential conflict of interest, and they shall evaluate information regarding individual drugs and therapeutic classes of drugs in an impartial manner emphasizing the best clinical evidence and cost-effectiveness. Refer to ACOM Policy 111.

Program to Monitor Antipsychotic Medications Prescribed for Children: The Contractor shall monitor and manage the appropriate use of antipsychotic medications prescribed for children. The Contractor shall adhere to the PA requirements as specified in AMPM Policy 310-V, including the submission of ad hoc requests as requested by AHCCCS.

Primary Care Provider Services: Primary Care Provider (PCP) services are covered when provided by a physician, physician assistant, nurse practitioner, or Clinical Nurse Specialist (CNS) 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 457.123(c), 42 CFR 438.208(b)(1)]. The Contractor shall ensure that the PCP maintains the member's primary medical record and includes all documentation of all health risk assessments and health care services whether or not they were provided by the PCP.

Female members, or members assigned female at birth have direct access to preventive and well care services from a gynecologist or other maternity care provider within the Contractor's network without a referral from a PCP.

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 shall be prescribed by the member's PCP or attending physician for an acute condition and the member shall have the potential for improvement due to the rehabilitation. Therapies provided under the home health benefit shall adhere to the requirements specified in AMPM Policy 310-X. Occupational Therapy (OT) is covered for all members in both inpatient and outpatient settings. Outpatient OT for acute care members 21 years of age or older are subject to visit limits per Contract Year. Physical Therapy (PT) is covered for all members in both inpatient and outpatient settings. Outpatient PT for members 21 years of age or older is subject to visit limits per Contract Year. Speech Therapy is covered for all members receiving inpatient hospital (or NF services). Speech therapy services provided on an outpatient basis are only covered for members under the age of 21.

Respiratory Therapy: Respiratory Therapy (RT) 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 (AAC R9-10-101).

Transplant Services and Immunosuppressant Medications: AHCCCS covers medically necessary transplant services and related immunosuppressant medications in accordance with Federal and State law and regulations. Services include pre-transplant inpatient or outpatient evaluation, donor search, organ/tissue harvesting or procurement, preparation and transplantation services, and convalescent care. 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 52, Reinsurance. The Contractor shall not make payments for organ transplants not provided for in the Arizona State Plan except as otherwise required pursuant to 42 USC 1396d(r)(5) for individuals receiving services under EPSDT. The Contractor shall 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 SSA. Refer to AMPM Policy 310-DD, the AHCCCS Specialty Contract for Transplantation Services 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. Refer to 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: Covered services provided by an AHCCCS registered Treat and Refer Provider which includes an 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 shall include:

1. Documentation of an appropriate clinical and/or social evaluation.

2. A treatment/referral plan for accessing social, behavioral, and/or health care 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.

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, 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 shall be reasonable, cost effective, and meet the criteria for severity of illness and intensity of service.

Vision Services/Ophthalmology/Optometry: The Contractor shall provide emergency eye care, and all medically necessary vision examinations, prescriptive lenses, frames, repair, or replacement of broken or lost eyeglasses without restriction, and treatments for conditions of the eye for all members under the age of 21. 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 Preventive Care: Well visits as specified in AMPM Policy 411, and prostate exams are covered for members 21 years of age and older. For members under 21 years of age, AHCCCS continues to cover medically necessary services under the EPSDT Program; refer to AMPM Policy 430.

9. SPECIAL HEALTH CARE NEEDS

AHCCCS has specified in its *Quality Assessment and Performance Improvement Strategy* certain populations with Special Health Care Needs (SHCN)s and the mechanisms used to identify individuals with SHCNs as defined by the State [42 CFR 457.1230(c), 42 CFR 438.208(c)(1)].

Members with SHCNs 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 PCP. The following populations meet this definition including, but not limited to:

1. Members with qualifying CRS conditions.

2. Members diagnosed with HIV/AIDS.

3. Members diagnosed with OUD, separately tracking pregnant members and members with co-occurring pain and OUD.

4. Members who are being considered for or are actively engaged in a transplant process and for up to one-year post transplant.

5. Members enrolled in ALTCS:
   a. Members enrolled in ALTCS program serving individuals who are Elderly and/or have a Physical Disability (E/PD), and
   b. Members enrolled in ALTCS program serving individuals who have a developmental and/or intellectual disability.

6. Members who are engaged in care or services through the Arizona Early Intervention Program (AzEIP).

7. Members who are enrolled in CHP.

8. Members who transition out of CHP up to one year post transition.

9. Members with an SMI designation.

10. Any child that has a CALOCUS level of 4, 5, or 6.

11. Members with an SED identification in the AHCCCS system.

12. Substance exposed newborns and infants diagnosed with Neonatal Abstinence Syndrome (NAS).

13. Members diagnosed with Severe Combined Immunodeficiency (SCID).

14. Members with a diagnosis of autism or at risk for autism.

Many children with SHCNs, 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 Dual Eligible-Special Needs Plan. In addition to a PCP, 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 multidisciplinary 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 including 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 and that contains the clinical, medical, and administrative information necessary to monitor coordinated treatment plan implementation.
3. Collaboration with individuals, groups, providers, organizations, and agencies charged with the administration, support, or delivery of services for persons with SHCNs.

The additional responsibilities of the Contractor to support family-centered care in all aspects of the service delivery system for members with SHCN include but are not limited to:

1. Recognizing the family as the primary source of support for the member's health care decision-making process. Service systems and personnel shall be made available to support

the family's role as decision makers.

2. Facilitating collaboration among members, families, health care providers, and policymakers at all levels for the:
   a. Care of the member,
   b. Development, implementation, evaluation of programs, and
   c. Policy development.

3. Promoting a complete exchange of unbiased information between members, families, and health care professionals in a supportive manner at all times.

4. Recognizing cultural, racial, ethnic, geographic, social, spiritual, and economic individuality within and across all families.

5. Implementing practices and policies that support the needs of members and families, including medical, developmental, educational, emotional, cultural, environmental, and financial needs.

6. Participating in Family Centered Cultural Competency Trainings.
7. Facilitating family-to-family support and networking.

8. Promoting available, accessible, and comprehensive community, home, and hospital support systems to meet, unique needs of the family.

9. Acknowledging that families are essential to the members' health and well-being and are crucial allies for quality assurance within the service delivery system.

10. Appreciating and recognizing the unique nature of each member and their family.

AHCCCS monitors quality and appropriateness of care/services for routine and SHCN members through AHCCCS audits and/or Operational Reviews of Contractors and the review of required Contractor deliverables set forth in Contract, program specific performance measures, and PIPs.

The Contractor shall implement mechanisms to comprehensively assess each member identified as having SHCNs, 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 457.1230(c), 42 CFR 438.208(c)(2, 42 CFR 438.240(b)(4), 42 CFR 441.301(c)(2)].

The assessment mechanisms shall use appropriate health care professionals with the appropriate expertise [42 CFR 457.1230(c), 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 457.1230(c), 42 CFR 438.208(b)(4)].

The Contractor shall ensure that members with SHCNs 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 multidisciplinary staffing's for members with challenging behaviors or health care needs [42 CFR 457.1230(c)].

For members with SHCNs determined to need a specialized course of treatment or regular care monitoring, the Contractor shall 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 457.1230(c), 42 CFR 438.208(c)(4)].

The Contractor shall have a methodology to identify providers willing to provide a Patient-Centered Medical Home (PCMH) for members with SHCNs 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.
7. Culturally effective.

10. BEHAVIORAL HEALTH SERVICE DELIVERY

Behavioral health needs shall be assessed, and services provided in collaboration with the member, their HCDM, the member's family and all others involved in the member's care, including other agencies or systems, as determined by and applicable to the member. Refer to AMPM Policy 541. The Contractor shall ensure that services are readily accessible and provided by competent individuals who are adequately trained and effectively supervised. The strengths and needs of the members and their family shall determine the types and intensity of services. Services shall be provided in a manner that respects the member and family's cultural heritage and appropriately utilizes informal support 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. The System Values and Guiding Principles as specified in Section D, Paragraph 1, Purpose, Applicability, and Introduction.
2. Service delivery by providers that are appropriately licensed or certified, operating within their scope of practice, and registered as an AHCCCS provider.
3. Service delivery requirements for clinical oversight, clinical supervision, direct observation, and BHPP service supervision. Refer to AMPM Policy 310-B and AHCCCS Covered Behavioral Health Service Guide (CBHSG) for expanded definitions.

4. 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 [Section 1932(b)(3)(A) of the SSA, 42 CFR 457.1222, 42 CFR 438.102(a)(1)(i)-(iv)]:
   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, and
   c. The risks, benefits, and consequences of treatment or non-treatment, the member's right to participate in decisions regarding their health care, including the right to refuse treatment, and to express preferences about future treatment decisions [42 CFR 457.1220, 42 CFR 438.100(a)(1), 42 CFR 438.100(b)(2)(iv)].

5. Referral processes.

6. Regular and ongoing training for providers and members to assist members with how to access services, including Non-Title XIX/XXI services. Contractors shall ensure providers coordinate care for members as appropriate to ensure services are delivered upon referral.

7. Maintaining behavioral health assessments and service and treatment plans for members receiving behavioral health services. Refer to AMPM Policy 320-O.

8. Coordinating and providing peer and family delivered support services, whether delivered within or outside of the member's identified health home.

9. Adherence to General and Informed Consent requirements as outlined in AMPM Policy 320-Q.

10. Providing comprehensive care coordination across the continuum of health care and non-clinical health care-related needs and services.

11. Coordinating and providing quality health care services informed by evidence-based practice guidelines and in a cost-effective manner.

12. Coordinating and providing quality health care services that are culturally and linguistically appropriate, maximizing personal and family voice and choice and implementing a trauma-informed care approach.

13. Coordinating and providing preventive and health promotion services, including wellness services.

14. Organizing, implementing, and documenting provider trainings and efforts to increase outreach.

15. Coordinating and providing comprehensive care coordination and transitional care across settings; follow up after crisis episodes, discharge from inpatient to other settings; participation in discharge planning; facilitating minimally disruptive transfers between systems of care, and outreach, engagement, re-engagement, and closure for behavioral health as specified in AMPM Policy 1040.

16. Coordinating and providing disease/chronic care management support, including self-management support as specified in AMPM Policy 1023.

17. Coordinating and providing covered services to members in accordance with all applicable Federal and State laws, regulations, and policies, including those listed by reference in this Contract.

18. Coordinating and providing integrated clinical and non-clinical health-care related services.

19. Implementing HIT to link services, facilitate communication among treating professionals, and between the health team and individual and family caregivers.

The Contractor shall ensure provision of Trauma Informed Care (TIC) approach in all service delivery, including the development and sustainment of a network of licensed professionals and unlicensed service delivery personnel trained in trauma-informed Evidence-Based Practice.

The Contractor shall comply with the requirements for high-needs provider Case Managers as specified in AMPM Policy 570.

Children's Integrated System of Care: For child members, the Contractor shall ensure the provision and delivery of services in conformance with Arizona Vision-12 Principles for Children Behavioral Health Service Delivery as and shall abide by AHCCCS Appointment Standards outlined in ACOM Policy 417.

The Contractor shall adhere to ACOM Policy 449 with regard to adopted children in accordance with ARS 8-512.01. The Contractor shall submit the DCS and Adopted Children Services Reporting: Access to Service as specified in Section F, Attachment F3, Contractor Chart of Deliverables regarding member's access to behavioral health services, provider requests to terminate, and report the number of calls and emails received by the Contractor's designated contact person related to adopted children as specified in ACOM Policy 449.

The Contractor shall adhere to requirements outlined in AMPM Policy 585 related to the needs of children, youth, and families involved with the Department of Child Safety (DCS).

The Contractor shall provide and promote Evidence-Based Practices for Transition Aged Youth (16-24 years of age) through development and monitoring of evidence-based programming.

The Contractor shall ensure transition activities begin no later than 16 years of age and activities shall be conducted according to the AMPM Policy 587. The Contractor shall also ensure that an SMI determination is initiated as clinically indicated by age 17.5 years.

The Contractor shall provide and promote service delivery for children ages birth through five, including screening as outlined in AMPM Policy 581 and high-need identification as specified in AMPM Policy 570.

The Contractor shall promote expansion of services for children ages birth through five through training and monitoring of specialists in alignment with Evidence-Based Practices for this population (e.g., Arizona Association for Infant Mental Health(AZAIMH) endorsement criteria).

The Contractor shall ensure providers are identifying youth with SUDs and referring to SUD specialty services as appropriate to meet the individual needs of each member.

The Contractor shall track and monitor family involvement in the children's system of care as outlined in AMPM Policy 583. The Contractor shall ensure that youth and families are meaningfully engaged in treatment and the systems to align with evidence-based best practices outlined in AMPM Policy 583 and 584.

The Contractor shall ensure the use of the CALOCUS (or other assessment, as directed by AHCCCS) for all children receiving behavioral health services. CALOCUS assessments can be completed by any individual who has been trained to implement this assessment and is practicing within their scope. The CALOCUS shall be administered during the initial assessment for behavioral health services, and re-administered at least every six months, or as significant changes occur in the life of the child as specified in AMPM Policy 320-O. This may include but is not limited to; hospitalization, suicidal ideation or attempt, or discharge from inpatient, behavioral health short term outpatient residential treatment, or TFC.

The Contractor shall ensure that providers either have trained staff available to conduct a CALOCUS or are able to coordinate with another contracted provider to have the CALOCUS completed and retained in the member's medical record. Providers may accept and retain a copy of a CALOCUS completed by a referring provider within the medical record and do not need to repeat the CALOCUS, as long as the copy in the medical record has been completed within the last six months and continues to be an accurate representation of the member's clinical presentation.

The Contractor shall ensure that CALOCUS scores are included in the medical record to minimize duplication of the CALOCUS. If the CALOCUS is completed by anyone other than the member's primary behavioral health provider, the completing provider shall share the results shared with the member's primary behavioral health provider(s) as applicable and the Contractor shall ensure that all treating providers are collaborating to address differences in CALOCUS levels at the clinical level and through the CFT, if applicable. In addition to the CALOCUS (or other assessment, as directed by AHCCCS), level of acuity and high-need determination for children ages six through 17 may be assessed through clinical evaluation. Children with a CALOCUS score of a 4, 5, or 6 shall be offered High-Needs Case Management.

The Contractor shall monitor providers to ensure that High-Needs Case Managers collaborate with the child and family in the service planning process to offer an individualized combination of formal and informal support and rehabilitation services that meets their needs. The Contractor shall ensure the availability of support and rehabilitation services to all members and shall not require PA unless otherwise directed by AHCCCS as specified in AMPM Policy 582. The Contractor shall have a process and ensure that providers are educated in the process for providers to escalate capacity issues or any time a necessary service cannot be located for a child or family. The Contractor shall assist with locating and securing support and rehabilitation services.

The Contractor shall monitor providers to ensure compliance with these requirements, and that provider staff administering the CALOCUS have completed the required training. The Contractor shall engage in PI planning in collaboration with all other MCOs for providers who have been found to not be utilizing the CALOCUS as required.

The Contractor shall ensure use of:

1. *Standardized validated screening instruments by PCPs*
   The Contractor shall ensure the use of validated screening tools for PCPs to utilize for all children to assess behavioral health needs, SDOH, and trauma.

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. *Case Management (provider level) services based upon a member's acuity and service needs*
   The Contractor shall comply with the requirements for high-needs provider Case Managers and submit High Needs Case Management Provider Caseloads as specified in AMPM Policy 570 and Section F, Attachment F3, Contractor Chart of Deliverables. The Contractor shall also submit a Provider Case Management Ratio Exemption Request for when a provider has exceeded caseload ratios as specified in AMPM Policy 570 and Section F, Attachment F3, Contractor Chart of Deliverables.

4. *Community-Based Behavioral Health Services*
   a. The Contractor shall develop and maintain minimum network capacity standards for Specialist Support and Rehabilitation Services Providers,
   b. The Contractor shall develop and maintain minimum network capacity standards for Generalist Support and Rehabilitation Services Providers, and
   c. The Contractor shall develop and maintain minimum network capacity standards TFC. The Contractor shall utilize TFC as an alternative to more restrictive levels of care when clinically indicated.

5. *Centers of Excellence*
   Refer to Section D, Paragraph 71Centers of Excellence.

6. *Fidelity Monitoring*
   a. Implement AHCCCS' method for in-depth quality review including necessary practice improvement activities as directed by AHCCCS,
   b. Implement protocols for CFT training/supervision and fidelity monitoring as directed by AHCCCS as specified in AMPM 580, and
   c. Providers utilize BHP oversight for review and monitoring of member assessments and service planning to include validated practice tools such as CALOCUS.

Behavioral Health Services for School-Aged Children: The Contractor shall ensure the availability of behavioral health services for school-aged children in school settings, and the use of appropriate billing and coding for these services, including place of service codes and the use of County, Town, District, Site (CTDS) numbers by the billing provider for members referred for services by a school, or those receiving services on a school campus. The Contractor shall work with schools and contracted providers to remove barriers to referral pathways and improve access to care in school settings.

The Contractor shall facilitate and encourage communication between school districts and BH providers as specified in Policy 541 through the creation of partnerships, collaborative protocols, and Memorandums of Understanding (MOUs) as specified in AMPM Policy 541, to achieve the following:

1. The Contractor shall ensure that students and families are made aware of their right to select the location in which the student will receive services by a behavioral health provider and make it available for students and families for review within Contractor Member Handbooks as specified in ACOM Policy 406.

2. The Contractor shall ensure that all contracted behavioral health providers that offer outpatient services to school age children accept the AHCCCS School-based Universal Referral Form to refer Arizona students for services. Additionally, the Contractor shall provide technical assistance and educational outreach to schools on the use of the form.

3. The Contractor shall establish a system to ensure that contracted behavioral health community providers communicate back to the school districts in situations where referred students are transferred to other agencies due to capacity issues and provide system updates as requested by AHCCCS.
4. The Contractor shall encourage the use of the AHCCCS School Feedback Form to promote feedback acquisition for the purpose of identifying and providing solutions to barriers to behavioral health in school service provision.

5. The Contractor shall provide information to enrolled members on Behavioral Health Services available in schools through contracted providers, which shall include a list of resources available to their members on school campuses, and any provider programming offered during school breaks and this information shall be available within Contractor Member Handbooks as specified in ACOM Policy 406 and on the Contractor website with updated information throughout the year.

6. The Contractor shall include information on the Contractor's role in assisting school administrators to connect with behavioral health providers to meet the needs of their students and include the name, email and/or phone number for the Contractor's point of contact. Information shall be made available on the Contractor's website as specified in ACOM Policy 404. The Contractor shall submit the specific website link as part of its Website Certification deliverable as specified in Section F, Attachment F3, Contractor Chart of Deliverables.

7. The Contractor is required to work in collaboration with the Arizona Department of Education (ADE) and assist with resources and referral linkages for children with behavioral health needs. For children receiving services through a Contractor, AHCCCS has delegated to the Contractor its authority as a State Placing Agency as specified in ARS 15-1181 for children receiving special education services as specified in ARS 15-761 et seq. this includes the authority to place a student at a Behavioral Health Inpatient Facility (BHIF) which provides care, safety, and treatment.

The Contractor shall provide updates on efforts to provide resources and technical assistance for school-based services during quarterly school-based services collaborative meetings with AHCCCS.

The Contractor shall establish a system to ensure that behavioral health services provided as the result of a school-based referral align with guidelines for service delivery specified in AMPM Policy 580 including the 12 principles and all required timelines in ACOM Policy 417.

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 develop and maintain a provider network that is sufficient to provide all covered services to AHCCCS members as specified in AHCCCS policies, 42 CFR Part 457 and 42 CFR Part 438. Refer to ACOM Policy 436. The Contractor shall be additionally and concurrently responsible for meeting the appointment standards found in Section D, Paragraph 31, Appointment Standards.

Behavioral Health Clinical Chart Audit: The Contractor shall conduct a Clinical Chart Audit of the behavioral health care provided to their members. The process shall be conducted to promote transparency and collaboration across Contractors, providers and community members. Further, the process will focus on continual enhancement of the existing tool to facilitate measurement of member outcomes that are meaningful and that promote alignment with nationally recognized outcome measurement.

The Contractor shall ensure that all providers subject to the BHCCA as specified in AMPM 940 who have provided any combination of the following services codes during the look back period are included in the audit:

a. Behavioral Health Assessment (96160, 96161, H0031, 90791, H0001, H0031),
b. Case Management (T1016, T1016-U1 [modifier for conducting CFT]),
d. Therapy (90832 - 90834, 90836-90838, 90846, 90847, 90849, 90853, H0004),and
e. Psychiatric Visits (90887, 90889, 99202-99205, 99211-99215, 90791, 90792, 99341-99345, 99347-99350, 99441-99443, 99367).

All other behavioral health providers shall be monitored as specified in AMPM Policy 910. Provider sites who have been audited under the BHCCA are determined to have met the required monitoring as specified in AMPM Policy 910 for that contract year.

The Contractor shall accept National Committee for Quality Assurance (NCQA) Accreditation as a Patient Centered Medical Home (PCMH) with Behavioral Health Distinction as evidence that the provider has met the standards of the audit. The Contractor shall not include these providers in its chart audit sample and shall indicate these excluded providers in the Behavioral Health Clinical Chart Audit Findings and Summary Report as specified in Section F, Attachment F3, Contractor Chart of Deliverables.

The Contractor shall notify its providers in advance of the intent to audit. Notification shall include at minimum:

1. Start date of the audit.

2. Sample if applicable, an oversample list.

3. Audit Review Period.

4. Process by which the Contractor will provide feedback and activities related to monitoring the need for corrective action by providers based on deficient findings as a result of the audit. This should include notification of the QOC concerns or trends found as a result of the audit (with member information redacted).

5. The methods to be used to ensure member privacy.

***Sampling Methodology*: The** Contractor shall select 30 charts for review per provider. The Contractor shall ensure that samples are statistically representative of the health plan's total member population, representative of all applicable lines of business and geographical service areas (GSA) and that the 30 selected charts include only members for whom the provider is acting as the assigned health home. The Contractor shall ensure samples are based on a stratified random sampling methodology, which

is statistically representative of the Contractor's total member population receiving services indicated above. If the Contractor has been awarded multiple contracts for more than one Line of Business (LOB), providers shall be selected based upon a representative sample size required per LOB. For each provider audited during the review cycle, the sample size is not to exceed an "n" of 30 charts per provider unless otherwise approved or directed by AHCCCS. In instances of a provider having less than 30 charts, the total number of clinical charts for that provider shall be included in the audit. Relative to the contractual relationship between the provider and Contractor conducting the audit, the final sample of providers to be audited shall be adjusted to meet minimum statistical significance.

DCS CHP additional sampling requirements: Provider sampling shall include all methodology listed above and shall also include a sufficient number of cases to achieve a 90% confidence level with a 10% margin of error. Sampling shall include charts representative of the subpopulations of children listed below:

a. Children who have assigned high needs case managers,
b. Children do not have a high needs case manager, and
c. Children who have been placed with multiple caregivers.

The Contractor shall utilize data input and analysis tools provided by AHCCCS for the Behavioral Health Clinical Chart Audit. The Contractor shall follow guidelines and instructions outlined in the Instruction Guide for the Behavioral Health Audit. Tools, guidelines, and instructions provided by AHCCCS are not subject to Contractor revision. Any requests for modifications to the instructions or methodology that is required in Contract, the AHCCCS Audit Instruction Guide, BHCCA Audit Tool, or the Behavioral Health Clinical Chart Audit Findings and Summary Report Requirements template, are not permitted by AHCCCS. Any request for revisions will be internally reviewed by AHCCCS and are subject to AHCCCS approval. Revisions to the audit tool, guidelines, instructions, and/or methodology following the beginning of the audit review period shall be permitted only in the event of a material error, such as a significant clinical or technical mistake, that impacts that integrity or accuracy of the audit process. Revisions will be made by AHCCCS directly within the tool, instructions, or methodology as applicable.

Refer to the most current version of the Behavioral Health Clinical Chart Audit (BHCCA) Instruction Guide and the corresponding BHCCA Tool available within the AHCCCS Integrated System of Care (ISOC) webpage.

The Contractor shall also submit an annual analysis of findings and trends of its Chart Audits, utilizing the Behavioral Health Clinical Chart Audit Findings and Summary Report, as specified in Section F, Attachment F3, Contractor Chart of Deliverables.

Community Service Agencies: The Contractor may contract with community service agencies for the delivery of some covered behavioral health services. Refer to AMPM Policy 965.

Evidence-Based Practice: The Contractor shall develop, manage, and monitor provider use of Evidence-Based Programs and Practices (EBPP) to ensure that services are offered and delivered in a culturally appropriate manner. The Contractor is responsible to ensure the development and use of Promising Practices if no EBPP is available. These EBPP shall be specifically included at the following points in service delivery, but are not limited to:

1. Assessment.

2. Engagement.

3. Treatment planning.

4. Service delivery.
   a. Providing care and treatment to individuals based upon their unique needs, including for
      i. Individuals based on their specialized gender and sexual orientation/identity,
      ii. Individuals who are involved with the Justice system, and
      iii. Adolescents.
5. Inclusion of recovery interventions.

6. Discharge planning.

7. Relapse prevention planning.

8. Harm reduction efforts.

9. Data and outcome collection.

10. Post-discharge engagement.

11. Gender based treatment.

Evidence Based Programs and Practices (EBPPs) (e.g., MAT and/or MOUD) shall be used by all providers for the treatment of SUD and shall be integrated into all services that the member receives, as appropriate.

The Contractor shall ensure the use of the ASAM criteria by all providers delivering services to adults who have SUD or co-occurring mental health and SUD.

Health Home: The Contractor shall develop processes to identify Health Homes within their network and assign members to a Health Home within five days of notification of SED identification to the Contractor. If a child or adolescent member is currently receiving services from a health home, they may remain in currently assigned health home for continuation of services.

The Contractor shall communicate the assignment to the member and shall notify the Health Home of assigned members within five days of assignment. The Contractor shall not limit the member to services accessible through Health Homes only, and the Contractor shall allow members choice of a provider(s). The Health Home shall offer, or coordinate the provision of, covered physical health and behavioral health services.

In order to treat the whole person, the Health Home shall provide, or coordinate a range of recovery focused services to members such as medication services, medical management, Case Management, transportation, peer and family support services, social services, and health and wellness groups. Additionally, the Health Home shall ensure follow up and continuing care post-crisis engagement.

Integrated Health Care Service Delivery: The Contractor shall increase and promote the availability of integrated, holistic care for members with chronic behavioral and physical health conditions that will help members achieve better overall health and an improved quality of life.

The Contractor shall develop and 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.

Mental Health Parity: Centers for Medicare and Medicaid Services (CMS) issued the Mental Health Parity and Addiction Equity Act (MHPAEA) final rule on March 30, 2016. The regulation, in general, prohibits the application of more restrictive limits to mental health/SUD benefits than to medical/surgical benefits. The Contractor shall:

1. Not apply any financial requirement or treatment limitation to mental health or SUD benefits in any classification that is more restrictive than the predominant financial requirement or treatment limitation of that type applied to substantially all medical/surgical benefits in the same classification furnished to members (whether or not the benefits are furnished by the same Contractor) [42 CFR 438.910(b)(1).

2. If a member is provided mental health or SUD benefits in any classification of benefits (inpatient, outpatient, emergency care, or prescription drugs), mental health or SUD benefits shall be provided to the member in every classification in which medical/surgical benefits are provided [42 CFR 438.910(b)(2)].

3. Not apply any cumulative financial requirements for mental health or SUD benefits in a classification (inpatient, outpatient, emergency care, prescription drugs) that accumulates separately from any established for medical/surgical benefits in the same classification [42 CFR 438.910(c)(3)].

4. Not impose Non-Quantitative Treatment Limits (NQTLs) for mental health or SUD benefits in any classification unless, under the policies and procedures of the Contractor as written and in operation, any processes, strategies, evidentiary standards, or other factors used in applying the NQTL to mental health or SUD benefits in the classification are comparable to, and are applied no more stringently than, the processes, strategies, evidentiary standards, or other factors used in applying the limitation for medical/surgical benefits in the classification.

5. Refer to ACOM Policy 110 for more detailed information and requirements.

The Contractor shall demonstrate that services are delivered in compliance with mental health parity consistent with 42 CFR Part 457, 42 CFR Part 438, and ACOM Policy 110.

The CHP, as a fully integrated MCO/program, is permitted to delegate performance of Mental Health Parity Analysis to its Health Plan Subcontractor. The CHP is responsible for continued oversight and monitoring of its Subcontracted Health Plan's compliance with Mental Health Parity requirements.

The Contractor shall submit Documentation Supporting Compliance with Mental Health Parity, Completed Analysis, and Summary as promulgated under 42 CFR Part 438 and as specified in Section F, Attachment F3, Contractor Chart of Deliverables, this submission shall include the following:

1. Mental Health Parity Attestation and Analysis Summary as specified in ACOM Policy 110.

2. Comprehensive Health Plan's (CHPs) Subcontracted Health Plan's completed Mental Health Parity Analysis.

3. The Contractor shall make the Mental Health Parity Analysis available on the Contractor's website and provide the URL to AHCCCS.

4. Executive summary which includes a description of:
   a. If CHPs Subcontracted Health Plan subcontracts with another entity for evaluation of Mental Health Parity compliance,
   b. If CHP's Subcontracted Health Plan utilizes internal staff or parent company staff to perform Mental Health Parity compliance, and
   c. Barriers or challenges CHPs Subcontracted Health Plan identifies with meeting the proposed Mental Health Parity requirement regarding subcontracting for an annual Mental Health Parity compliance review as described in Section D, Paragraph 70, Pending Issues.

Additionally, the Contractor shall submit a Mental Health Parity Deficiencies 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.

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 Arizona State Plan, any services necessary for compliance with the requirements for parity in mental health and SUD benefits in 42 CFR part 438, subpart K. 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.

Monitoring of Applied Behavior Analysis: The Contractor shall monitor and coordinate care for members receiving Applied Behavior Analysis (ABA). The Contractor shall collaborate with all MCOs in partnership to ensure that the contracted network of providers of ABA services are utilizing the ABA code set, and to streamline system wide processes for PA and monitoring the utilization of appropriate service codes, billing, and supervision practice for services delivered under the supervision of an ABA. The Contractor shall maintain a sufficient network to ensure the needs of the population are met. The Contractor shall include information related to the monitoring of these activities in the Provider Network Development and Management Plan (NDMP) and submit the Provider NDMP and Associated Documents as required under ACOM Policy 415, and submitted as specified in Section F, Attachment F3, Contractor Chart of Deliverables.

Monitoring, Training, and Education: The Contractor is responsible for training all staff who will have contact with members, staff who will be involved in any coordination of care for members, and providers, in sufficient detail and frequency, to identify and screen for members' behavioral health needs. At a minimum, training shall include information regarding:

1. The Arizona Vision-12 Principles for Children Behavioral Health Service Delivery.

2. The 10 Principles of Wraparound.

3. Covered behavioral health services and referrals.

4. How to access available services, including those covered and/or not covered under Medicaid.

5. How to access services to meet the needs of children with special needs.

6. Petitioning and COE processes provided for in ARS Title 36 Chapter 5, Article 4.

7. How to involve the member, HCDM, and/or DR and their family or identified support person/people 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 Behavioral Health Services: Refer to Section D, Paragraph 8, Scope of Services.

Opioid Treatment Programs (OTP): The Contractor shall monitor the availability and ensure network sufficiency of Opioid treatment programs.

Outreach: For Services pertaining to outreach refer to Section D, Paragraph 22, Medical Management.

Pre-Admission Screening and Resident Review Requirements: The Contractor shall ensure that, prior to admission of a member to a NF, the NF has performed a PASRR Level I screening and, when indicated, that the appropriate entity has performed a PASRR Level II evaluation as specified in the AMPM Policy 680-C. When the result of the PASRR Level I screening indicates that the member has an intellectual disability, DES conducts the Level II evaluation. When the result of the PASRR Level I screening indicates that the member has a mental illness, the ACC-RBHA conducts the Level II evaluation. The purpose of the PASRR Level II evaluation is to determine whether a member who has a mental illness or an intellectual disability needs the level of care provided in a NF and/or needs specialized services. When the PASRR Level II evaluation determines that the member needs a different level of care than can be provided in a NF, the Contractor shall arrange for the provision of other covered services appropriate to the member's needs. When the PASRR Level II evaluation determines that the member needs specialized services while in the NF, the Contractor shall arrange for the provision of covered specialized services appropriate to the member's needs. Failure to have the proper PASRR screening prior to placement of members in a NF may result in Federal Financial Participation (FFP) being withheld from AHCCCS. Should the 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 NF, that admitted the member without the proper PASRR [42 CFR Part 483, Subpart C].

Primary Care Provider 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. For purposes of medication management, it is not required that the PCP be the member's assigned PCP. PCPs who treat members with 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, PA may be required. For PCPs prescribing medications to treat SUDs, the PCP shall refer the member to a behavioral health provider for the psychological and/or behavioral therapy component of the MAT model and coordinate care with the behavioral health provider. The Contractor is responsible for these services both in the prospective and PPC timeframes.

Referrals: The Contractor shall develop, monitor, and continually evaluate its processes for timely referral, assessment, service, and treatment planning for behavioral health services. The Contractor shall have identified staff members to assist the member in coordinating necessary services and 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 for services results in the member receiving a referral to a behavioral health provider. A direct referral for a behavioral health assessment may be made by the member or any health care professional. For referrals received from a PCP requesting a member receive a psychiatric evaluation or medication management, an appointment 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.

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 tribal land, who are enrolled with the Contractor. 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.

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 a behavioral health provider 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.

11. AHCCCS GUIDELINES, POLICIES, AND MANUALS

All AHCCCS guidelines, policies, and manuals, including but not limited to, ACOM, AMPM, and Reporting Guides (Guides and Manuals for Health Plans and Providers) are hereby incorporated by reference into this Contract. Refer to AMPM Exhibit 300-3 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, links 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.

12. MEDICAID SCHOOL BASED CLAIMING PROGRAM

Pursuant to an Intergovernmental Agreement (IGA) with the Department of Education, and a Contract with a Third Party Administrator, AHCCCS reimburses participating school districts for specifically identified Medicaid services when provided to Medicaid-eligible children who are included under the Individualized Education Program (IEP), Individualized Family Service Plan (IFSP), 504 Plan, other individualized health or behavioral health plan, or where medical necessity has been otherwise established. The Medicaid services shall be identified in the member's IEP, IFSP, 504 Plan, or other individualized health or behavioral health plans of care as medically necessary for the child to obtain a public-school education. Refer to AMPM Policy 710.

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 Personal Care Services (personal care services provided in school or on the bus), Physician and Nurse Practitioner Services, and specialized transportation to and from school on days when the child receives an AHCCCS-covered MSB service.

The Contractor's evaluations and determinations about whether services are medically necessary, should 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 Contractors 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.

13. PEDIATRIC IMMUNIZATIONS AND THE VACCINES FOR CHILDREN PROGRAM

Through the Vaccine 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 QM for guidance. Any provider, licensed by the State to administer immunizations, may enroll with the ADHS as a VFC provider and receive these vaccines. Providers shall enroll and re-enroll annually with the VFC program. The Contractor shall reimburse providers for the administration of the vaccines at the regional maximum allowable reimbursement rate as set by CMS and as stated in the AHCCCS State Plan and may not discount the amount reimbursed. The Contractor shall comply with all VFC requirements and shall maintain a documented process to monitor Contracted providers to ensure that they are registered as VFC providers when acting as PCPs for members under the age of 19 years,

and to reassign members under the age of 19 to a VFC-enrolled provider if their currently assigned PCP leaves the VFC program.

Whenever possible, members shall be assigned to VFC registered providers within the same or a nearby community within the respective GSA. 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 shall be reported at least monthly to the ADHS Immunization Registry. Reported immunizations are held in a central database known as Arizona State Immunization Information System (ASIIS), 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. The Contractor shall maintain a documented process to ensure providers document each EPSDT-aged member's immunizations in the ASIIS registry. In addition, the Contractor shall ensure providers maintain the immunization records of each EPSDT-eligible member in ASIIS, in accordance with ARS Title 36, Chapter 135. The Contractor is required to monitor provider's compliance with immunization registry reporting requirements and take action to improve reporting when issues are identified. Refer to AMPM Policy 430.

14. STAFFING REQUIREMENTS

The Contractor shall have in place the organization, operational, managerial, and administrative systems capable of fulfilling all Contract requirements. For 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)-(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 specified in Section D, Paragraph 57, Corporate Compliance.

The Contractor shall employ sufficient staff and utilize appropriate resources to achieve Contractual compliance. The Contractor's resource allocation shall 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. Should the Contractor experience staff inadequacy which prevents the Contractor from meeting contractual requirements, the Contractor shall notify AHCCCS QM of the staffing concerns, including a description 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 specified in Section D, Paragraph 67, 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 ADHS/Public Health Licensing or the Arizona Department of Emergency and Military Affairs 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. Additionally, the Contractor shall have processes in place to assure limited member disruption of care/services in the case of an emergency; examples include but are not limited to mechanisms for service authorization and/or pharmacy overrides and transportation to support evacuation efforts. The Contractor shall provide contact information, for primary and back-up staff members who will handle Urgent Issue Resolution (non-business hours), with its annual Key Staff deliverables 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 Operations Compliance Officer (OCO) shall be notified and provided with back-up contact information when the primary contact individual will be unavailable, or when the primary contact information changes.

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.
A staff member is prohibited from occupying more than two positions, regardless of whether the staff member occupies two positions within a single LOB or one position across two lines of business (including non-AHCCCS LOBs) unless prior approval is obtained by AHCCCS.

The following Key Staff positions are exempt from this limitation:

1. Chief Financial Officer (CFO).
2. Communications Administrator.
3. Continuity of Operations and Recovery Coordinator.
4. Contract Compliance Officer.
5. Credentialing Coordinator.
6. Cultural Competency Coordinator.
7. Dental Director.
8. Encounter Manager.
9. Information System (IS) Administrator.
10. Justice System Liaison.
11. Member Service Manager.
12. Management Services Agreement (MSA) Administrator.

13. Network Administrator.

14. Office of Individual and Family Affairs Administrator.

15. Provider Claims Educator.

16. Provider Services Manager.

17. Transplant Coordinator.

18. Workforce Development (WFD) Administrator.

When submitting its functional organizational chart, as specified in Section F, Attachment F3, Contractor Chart of Deliverables, the Contractor shall document, for each Key Staff position, the portion of time allocated to each Medicaid Contract as well as all other lines of business.

The Contractor shall inform AHCCCS, 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 a Key Staff Position on an interim basis 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 with a revised Organization Chart complete with Key Staff.

The Contractor shall inform AHCCCS, 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, and 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 shall 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.

2. **Chief Financial Officer (CFO)** who is responsible for oversight of the budget and accounting systems, and financial reporting requirements. This shall be a full-time position dedicated solely to CHP and to meeting the requirements of this Contract.

3. **Chief Medical Officer (CMO)/Medical Director** who is located in Arizona and an Arizona-licensed physician in good standing. The CMO/Medical Director shall actively provide oversight and management of the Quality Management (QM), QI, and Programs.

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 health care 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 Medical Director/CMO. The Children's Healthcare Administrator shall oversee the children's physical and behavioral health service delivery system.

5. **Children Services Liaison** who is located in Arizona and serves as the primary point-of-contact who is available to, and works collaboratively with, out-of-home caregivers to coordinate needed crisis services and address barriers to services. The primary functions of the Children Services Liaison include: accepting and responding to inquiries from out-of-home placements, or providers, and addressing concerns related to the delivery of and access to behavioral health services for children in out-of-home placements.

6. **Claims Administrator** who shall ensure prompt and accurate provider claims processing. Sufficient staffing under this position shall 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 Federal and State requirements,
   b. Develop processes for cost avoidance,
   c. Ensure minimization of claims recoupments,
   d. Ensure claims processing timelines are met.

7. **Communications Administrator** who is responsible for media inquiries, public relations, policy development, implementation, and oversight of all social networking and marketing activities.

8. **Continuity of Operations and Recovery Coordinator** who is located in Arizona and is responsible for the coordination and implementation of the Contractor's CORP, training and testing of the Plan, as specified in ACOM Policy 104.

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 operation reviews, random and periodic audits and ad hoc visits.

10. **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 Inspector General (OIG). Refer to Section D, Paragraph 57, Corporate Compliance. The Corporate Compliance Officer shall not hold any other position other than the Corporate Compliance Officer position but is able to oversee

multiple LOB should the Contractor hold multiple Contracts. The Contractor shall have sufficient compliance staff to meet the requirements of the Compliance Program.

11. **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.

12. **Cultural Competency Coordinator** who is responsible for implementation and oversight of the Contractor's Cultural Competency Program and the Cultural Competency Plan.

13. **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 QOC concerns as related to dental services. The Dental Director may be an employee or a subcontractor of the Contractor but may not be from the Contractor's delegated dental subcontractor. The primary role of the Dental Director includes but is not limited to:
    a. Provide dental oversight and clinical guidance regarding appropriateness and medical necessity of dental care services to members,
    b. Provide clinical expertise in dental policy interpretation and communicate changes in AHCCCS policy, ADA codes and standards of care,
    c. Provide direct oversight of plan dental vendors if applicable. Communicate all changes in AHCCCS policies, ADA codes and standards of care directly to Contractor dental vendors. Have routine correspondence with Contractor dental vendors to ensure adherence to AHCCCS policies and procedures,
    d. Assist with oversight of Contractor and/or dental vendor provider credentialing processes, along with the medical director/CMO, in adherence with AMPM Policy 950,
    e. Review and/or approve all provider and member disseminated dental related materials by the Contractor or its dental vendor,
    f. Provide clinical expertise and guidance in Contractor dental policy creation and updates,
    g. Oversee utilization review,
    h. Consult on quality assurance endeavors related to dental,
    i. Provide oversight of the dental provider network,
    j. Provide clinical expertise when necessary for claims adjudication and appeals,
    k. Provide clinical oversight and make recommendations to the Contractor regarding fraud waste and abuse,
    l. Provide guidance to the Contractor regarding audits or areas of noncompliance with AHCCCS policies related to dental,
    m. Provide education and guidance regarding Contractor policy and implementation to providers, members, and external parties when necessary,
    n. Approve and review annual Dental Program Plan submission to AHCCCS,

o. Attend dental director meetings at AHCCCS. On occasion, if the dental director is unable to attend due to illness or other occurrence, a designated delegate from the Contractor may attend in their place,
p. Provide subject matter expert input for oral health integration/dental services for request for proposal responses when appropriate, and
q. Provide any other services as seen appropriate by the Contractor.

14. **Dispute and Appeal Manager** who is located in Arizona, is responsible for managing Grievance and Appeal System processes and who is responsible for forwarding all requests for hearing to AHCCCS Office of the General Counsel (OGC)with the required information. Any staff reporting to this position who manage and adjudicate disputes and appeals shall also be located in Arizona.

15. **Encounter Manager** who shall ensure AHCCCS encounter reporting requirements are met. Sufficient staffing under this position shall be in place to ensure timely and accurate processing and submission of encounter data and reports to AHCCCS.

16. **Early and Periodic Screening, Diagnostic, and Treatment (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 Certified Professional in Healthcare Quality (CPHQ) or Certified in Health Care Quality and Management (CHCQM) certification. Staff reporting to this position shall be appropriate to meet the AHCCCS EPSDT contractual and policy requirements, and quality and performance measure goals, and shall be located in Arizona. EPSDT staff shall either report directly to the EPSDT Coordinator or the EPSDT Coordinator shall have the ability to ensure that AHCCCS EPSDT requirements are met. The EPSDT Coordinator may also serve as the MCH Coordinator.

    The primary functions of the EPSDT Coordinator are:
    a. Ensure receipt of EPSDT services,
    b. Promote preventive health strategies,
    c. Promote access to oral health care services,
    d. Identify and coordinate assistance for identified member needs, and
    e. Interface with community partners.

17. **Information Systems Administrator** who is responsible for IS 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 shall be in place to ensure timely and accurate IS management to meet system and data exchange requirements.

18. **Management Services Agreement Administrator** who is responsible for oversight of the 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.

19. **Maternal Child Health Coordinator** who is located in Arizona and is an Arizona licensed nurse, physician, or physician's assistant in good standing; or has a master's degree in health services, public health, or health care administration or other related field and/or a CPHQ or CHCQ certification. Staff reporting to this position shall be appropriate to meet the AHCCCS MCH Contractual and policy requirements, and quality and performance measure goals, and shall be

located in Arizona. The MCH staff shall either report directly to the MCH Coordinator or the MCH Coordinator shall have the ability to ensure that AHCCCS MCH requirements are met. The MCH Coordinator may also serve as the EPSDT Coordinator.

The primary functions of the MCH Coordinator are:

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

20. **Medical Management Manager** who is located in Arizona and is a Registered Nurse (RN), physician, or physician's assistant in good standing. This position manages all MM 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/chronic Care Management, and PA functions, Care Management functions, monitor, analyze and implement appropriate interventions based on utilization data, including identifying and correcting over or under utilization of services, and monitor prior authorization functions and assure that decisions are made in a consistent manner based on clinical criteria and meet timeliness standards. This position shall serve as the single point of contact for out of home and out of State placements. MM shall 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 MM contractual and policy requirements.

21. **Member Services Manager** who is located in Arizona and who coordinates communication 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.

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. **Office of Individual and Family Affairs (OIFA) Administrator** who is located in Arizona and has lived experience receiving behavioral health services and/or lived experience as a family member who is a primary caregiver or natural support for an individual receiving behavioral health services. The administrator shall have experience navigating a public behavioral health system and working with members, families, youth, advocates, and other community members. As an advocacy department, this individual shall work with the Contractor to promote a vision of recovery, resiliency, empowerment, and wellness. The OIFA Administrator shall take an overarching approach to incorporate the perspective of lived experience with behavioral health challenges in all programs, policies, and procedures. This individual shall oversee Contractor OIFA activities in support of the AHCCCS OIFA mission, and the OIFA Alliance initiatives. The OIFA Administrator shall create and submit an OIFA Strategic plan in alignment with the AHCCCS OIFA strategic plan as specified in Contract Section F, Attachment F3, Contractor Chart of Deliverables. Refer to ACOM Policy 409.

The OIFA Administrator shall ensure staff members directly reporting to this position are sufficient to fulfill the responsibilities of the role. This position shall report directly to the Executive/Senior Leadership Team and be an integral member of the Contractor Leadership Team.

The Contractor may choose to engage Subcontractor staff which perform functions under Contract related to OIFA as needed for assistance with activities required under the OIFA Administrator role, while still maintaining the OIFA Administrator role under the Contractor. Staff shall report directly to the OIFA Administrator.

The Child Behavioral Health Member Liaison with lived experience (self or family) shall report directly to the OIFA Administrator.

24. **Performance/Quality Improvement Manager** who is located in Arizona, has a direct reporting relationship (or direct hierarchical reporting relationship) to the Contractor's CMO/Medical Director and:
    a. Is a CPHQ through the National Association for Health Care Quality (NAHQ),
    b. Is CHCQM through the American Board of Quality Assurance and Utilization Review Physicians, or
    c. Has comparable education and experience in health plan data and outcomes measurement.

    The Performance/QI Manager is responsible for QI activities as well as staff conducting QI work as outlined in Contract and policy. Staff reporting to this position shall be located in Arizona, have knowledge of both physical and behavioral health service delivery, and be appropriately qualified (education/certification/professional experience) to meet the AHCCCS QI contractual and policy requirements. The Performance/QI Manager shall not hold any other position other than the Performance/QI Manager position but is able to oversee multiple LOB should the Contractor hold multiple Contracts.

    The primary functions of the Performance/QI Manager are:
    a. Focus organizational efforts on improving quality measure,
    b. Develop and implement PIPs and QI related CAPs,
    c. Utilize data to develop interventions/strategies to improve quality outcomes and member satisfaction, and
    d. Report QI/performance outcomes.

25. **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 a subcontractor of the Contractor.

26. **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.

27. **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 shall be in place to ensure providers receive assistance and appropriate and prompt responses. Refer to Section D, Paragraph 27, Network Management.

28. **Quality Management Manager** who is located in Arizona, and an Arizona licensed registered nurse, physician or physician's assistant in good standing or is a CPHQ by the NAHQ and/or CHCQM by the American Board of Quality Assurance and Utilization Review Providers. The QM Manager shall have experience in quality management and clinical investigations. The QM Manager shall have a direct reporting relationship (or direct hierarchical reporting relationship) to the Contractor's CMO/Medical Director. The QM Manager shall not hold any other position other than the QM Manager position but is able to oversee multiple lines of business should the Contractor hold multiple Contracts. QM shall have sufficient local staffing who are licensed clinical or BHPs to meet the requirements of the QM program. The Contractor may choose to engage Subcontractor staff which perform functions under Contract related to Quality Management/Performance Improvement as needed for assistance with activities required under the Performance/QI Manager role, while still maintaining the Performance/QI Manager role under the Contractor. Staff shall report directly to the Quality Management Manager.
    The primary functions of the Quality Management Manager position are:
    a. Ensure individual and systemic QOC,
    b. Conduct comprehensive quality-of-care investigations,
    c. Conduct onsite quality management visits/reviews,
    d. Conduct Care Needed Today/IJ investigations,
    e. Integrate quality throughout the organization,
    f. Implement QI as it pertains to QM related focus areas, and
    g. Resolve, track, and trend QOC grievances.

29. **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.

30. **Transplant Coordinator** who is an Arizona licensed RN 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.

31. **Workforce Development (WFD) Administrator** who is responsible for coordinating and overseeing contractually required WFD activities. The WFD Administrator shall not hold any other position other than the WFD Administrator position but is able to oversee multiple LOB should the Contractor hold multiple Contracts. The WFD Administrator shall have a professional background, authorities, and ongoing training and development needed to lead the Workforce Development Operation (WFDO) as specified in Contract. These elements include but are not limited to the following:
    a. Experience in workforce recruitment, selection, training and development, deployment, and retention,
    b. Experience and training in WFD functions such as workforce forecasting, assessment, planning, and the provision of technical assistance in WFD matters, and
    c. If not ordinarily required by the Contractor, the WFD Administrator shall have a Professional Development Plan containing WFD related training and development objectives. All personnel directly reporting to the WFD Administrator having WFD roles (e.g., training managers, coordinators, specialists) shall have a Professional Development Plan.

Additional Required Staff:

32. **Care Management staff** who are located in Arizona and who conduct care coordination for members.

33. **Concurrent Review staff** who conducts inpatient medical necessity reviews. This staff shall include but is not limited to Arizona-licensed nurses and/or licensed Arizona-BHPs in good standing. The staff will work under the direction of an Arizona-licensed physician.

34. **Employment staff** designated as the subject matter expert on employment supports, services, and resources within the Contractor's service area. The staff designated as the employment expert shall be available to assist providers with up-to-date information designed to aid members in making informed decisions about employment, including but not limited to Arizona Department of Economic Security/Rehabilitation Services Administration (ADES/RSA) and ARIZONA@WORK. Furthermore, this individual is responsible for educating Case Managers on how to incorporate the Arizona Disability Benefits 101 resource tool into personal goal development planning discussions with members and developing and implementing strategies to educate members on the resource tool. The Contractor shall apply the principles and practices specified in ACOM Policy 447 for its employment initiatives, programs, measurement of outcomes, and communications. The Contractor shall attend ad hoc technical assistance meetings for the purpose of enhancing program delivery to increase successful employment outcomes for members.

35. **Justice System Liaison** who is located in Arizona and is the single point of contact for justice system stakeholders (e.g., jails/prisons/detention facilities, courts, law enforcement, and community supervision agencies). This position is responsible for ensuring care coordination of justice-involved members and for oversight and reporting of Justice System Reach-in Care Coordination activities. This position also serves as the single point of contact for justice system stakeholders engaged programmatically in arrest diversion or incarceration alternative initiatives intended to reduce the number of individuals from entering the justice system. This includes, but is not limited to, sequential intercept modeling, crisis system utilization, and specialty court programs (e.g., opioid/drug, mental health, homeless, domestic violence, and veterans courts) and conducting outreach and communication of specialized training opportunities to local law

enforcement who are accommodating, interacting, and communicating with individuals or subpopulations who, due to the nature of their condition, may have an atypical response to law enforcement including individuals with intellectual and developmental disabilities.

36. **Legal Counsel,** including both in-house and outside (as applicable) Legal Counsel, who are responsible for providing legal advice to, and/or representation of~~,~~ the Contractor for any matters that may arise related to this Contract. The Contractor shall provide the contact information for outside counsel and other related documentation regarding in-house counsel with the Key Staff deliverables as specified in Section F, Attachment F3, Contractor Chart of Deliverables.

37. **Member Services staff** to enable members to receive prompt resolution of their inquiries/problems.

38. **Prior Authorization staff** to authorize health care services. This staff shall include but is not limited to Arizona-licensed nurses and/or Arizona-licensed BHPs in good standing. The staff will work under the direction of an Arizona-licensed physician.
39. **Whole Person Care Specialist** who is responsible for coordinating Contractor efforts related to research and application of best practices in addressing health-related social needs (HRSN) and health disparities amongst the Contractor's members.

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

1. An organization chart with the Key staff positions. The chart shall include the individual's name, title, location, and portion of time allocated to each Medicaid Contract and other non-Medicaid lines of business via the Key Staff: Organization Chart, Functional Organization Chart, Listing of all Key Staff Information deliverable.

2. A functional organization chart of the key program areas, responsibilities, and reporting lines via the Key Staff: Organization Chart, Functional Organization Chart, Listing of all Key Staff Information deliverable.

3. A listing of all Key Staff to include the following via the Key Staff: Key Position Change deliverable:
   a. Individual's name,
   b. Individual's title,
   c. Individual's telephone number,
   d. Individual's email address,
   e. Individual's location(s), and
   f. Documentation confirming applicable Key Staff functions are filled by individuals which are in good standing (for example, a printout from the Arizona Medical Board web page showing the CMO/Medical Directors active license).

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 via the Key Staff: Notification of Moving Functions Out of State deliverable.

The Contractor is responsible for maintaining a significant local presence within the State of Arizona. Positions performing functions related to this Contract shall have a direct reporting relationship to the local Administrator/CEO. The local Administrator/CEO shall have the authority to direct,

implement and prioritize work to ensure compliance with Contract requirements. The local Administrator/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, whether employed or under Contract, have appropriate training, education, experience, orientation, and credentials, as applicable, to perform assigned job duties and 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 Federal and State 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 QOC/service concerns. The Contractor shall ensure that procedures are developed, which include scripts that guide staff through the process of addressing QOC and/or service concerns. These procedures may include, but are not limited to:

1. Internal Subject Matter Experts (SMEs) that can address member concerns.

2. Available resources (e.g., stakeholder resources, Contractor webpages) that can assist members to know what services are available, how to access available services and where they are available.

3. How to file complaints regarding quality or service concerns.

All transportation, PA and member services representatives shall be trained in the geography of any/all GSAs in which the Contractor holds a Contract and shall 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.

Suicide Prevention: The Contractor shall require its staff who have direct contact with members (e.g., Case /Care Managers, Customer/Member Service staff) to be trained in (e.g., *Safe Talk)* within 90 days from the start of employment.

15. 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 CMO/Medical Director. 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 Administrator/CEO, CMO/Medical Director, or CFO.

If AHCCCS deems a Contractor's policy or process to be inefficient and/or places 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. In addition, if AHCCCS deems a Contractor lacks a policy or process necessary to fulfill the terms of this Contract, the Contractor shall work with AHCCCS to adopt a policy or procedure within a time period specified by AHCCCS.

16. 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 ACA, 45 CFR Part 92, 42 CFR Part 438, and related State requirements including ACOM Policy 404, ACOM Policy 405, 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 (LEP) 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 a component of its Cultural Competency Plan Assessment Reporting Checklist as specified in Section F, Attachment F3, Contractor Chart of Deliverables and ACOM Policy 405. Language assistance services shall be provided free of charge, be accurate and timely, and protect the privacy and independence of the individual with LEP [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 16, Member Information, the Contractor shall implement all other activities necessary to comply with Federal and State requirements [42 CFR 438.408(d)(1), 42 CFR 438.10].

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

The Contractor shall attest it is in compliance with member information requirements by signing and submitting the Member Information Attestation Statement. All informational materials (Member Information Attestation Statement deliverable, Member Information Materials, and Member Newsletter deliverables) prepared by the Contractor shall be approved by AHCCCS (Member Information Materials deliverable) 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 may submit a request to add additional organizations to the Organizations Recognized by AHCCCS list. The request shall be submitted as specified in Section F, Attachment F3, Contractor Chart of Deliverables.

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/TDD and American Sign Language [42 CFR 457.1207, 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.

4. How members may access the services above [42 CFR 457.1207, 42 CFR 438.10(d)(5)].

All written materials to members shall 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 LEP. [42 CFR 457.1207, 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 457.1207, 42 CFR 438.10(d)(3)]. These vital materials shall also be made available in alternate formats upon request at no cost. Additionally, the materials shall include taglines in the prevalent non-English languages in Arizona in a conspicuously visible font size, explaining how to request auxiliary aids and services, the availability of written translation or oral interpretation services to understand the information, and provide the Contractor's toll free and TTY/TDD telephone numbers for customer service. Oral interpretation services, as applicable 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.

5. Denial and Termination Notices.

When there are program changes, notification shall be provided to members at least 30 days before implementation [42 CFR 457.1207, 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 457.1207, 42 CFR 438.10]. Refer to ACOM Policy 406.

Maternal Child Health and Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) Member Outreach: The Contractor shall conduct written and other member educational outreach related to MCH and EPSDT as specified in AMPM Chapter 400 and AMPM Exhibit 400-3.

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 shall 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)-(2), 42 CFR 457.1207, 42 CFR 438.10(c)(4)(ii), 45 CFR 147.200(a)]. The Contractor shall review and update the Member Handbook at least once a year. The Handbook shall be submitted to AHCCCS for approval as specified in Section F, Attachment F3, Contractor Chart of Deliverables.

   A final approved version of the Member Handbook shall be submitted to AHCCCS as specified in Section F, Attachment F3, Contractor Chart of Deliverables.

   The Contractor shall include information in the Member Handbook and other printed documents to educate members about the availability and accessibility of covered services and that behavioral health conditions may be treated by the member's PCP within their scope of practice. The Contractor shall have information available for potential members as specified in ACOM Policy 404 and ACOM Policy 406, and 42 CFR 438.10(e)(2).

2. A **Provider Directory**, which at a minimum, includes those items listed in ACOM Policy 406 [42 CFR 457.1207, 42 CFR 438.10].
   The Contractor has the option of providing the Provider Directory in paper 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 specified in ACOM Policy 406 [42 CFR 438.10(g)(3)(i)–(iv)]. The written notification shall be sent to members within 12 business days of receipt of notification of the enrollment date. The Provider Directory shall be made available on the Contractor's website in a machine-readable file and format as specified by the Secretary [42 CFR 457.1207, 42 CFR 438.10(h)(4)].

   The Contractor shall make a good faith effort to give written notice to Members who received their primary care from, or who are seen on a regular basis by, a provider who is terminated from the network. Written notice shall be provided to the member by the later of 30 calendar days prior to the effective date of the provider termination or 15 calendar days after the receipt or issuance of the provider termination notice [42 CFR 457.1207, 42 CFR 438.10(f)(1)].
   The Contractor shall have information available for potential-members as specified in ACOM Policy 404 and ACOM Policy 406 [42 CFR 438.10(f)(4)].

Member Identification Cards: The CHP Subcontracted Health Plan is responsible for the production, distribution, and cost of AHCCCS Member ID Cards and the Notice of Privacy Practices (NPP) as specified in ACOM Policy 433 and Section F, Attachment F3, Contractor Chart of Deliverables.

Member Newsletter: The Contractor shall develop and distribute, at a minimum, two member newsletters during the Contract Year. Member Newsletters shall be developed in accordance with ACOM Policy 404 and as specified in Section F, Attachment F3, Contractor Chart of Deliverables.

Member Rights: The Contractor shall, on an annual basis, inform all members of their right to request the below information [42 CFR 457.1220, 42 CFR 438.10(g)(2)(ix), 42 CFR 438.100(a)(1)-(2), 42 CFR 438.100(b)(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.

2. The Provider Directory as specified 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 457.1220, 42 CFR 438.100(a)(1), 42 CFR 438.100(c)].

Social Networking Activities: Should the Contractor engage in Social Networking Activities, the Contractor shall adhere to the requirements for Social Networking as specified in ACOM Policy 425 and submit Social Networking Applications Listing with URLs and Social Networking Attestation and Applications Listing with URLs as specified in Section F, Attachment F3, Contractor Chart of Deliverables.

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 the Contractor Website Certification Checklist deliverable 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 under Available Health Plans. The Contractor shall provide notification to AHCCCS when there is a change to Website, Member Handbook, and/or Formulary 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.

3. Contractor's Formulary.

The Contractor shall publish a listing of individual providers, on its website who are formally trained in or specialize in the diagnosis of ASD as specified in ACOM Policy 404.

The Contractor shall submit the specific website link as part of its Website Certification deliverable as specified in Section F, Attachment F3, Contractor Chart of Deliverables.

The Contractor shall also publish a listing of providers who specialize in the treatment of individuals with ASD on its website as specified in ACOM Policy 404. The Contractor shall submit this information as part of its Website Certification deliverable as specified in Section F, Attachment F3, Contractor Chart of Deliverables.

The Contractor shall have a process in place to identify and verify that all agencies or providers listed on their website can deliver the services listed to meet the needs of individuals with ASD who may need access to these specialized services. AHCCCS may, at its discretion, request evidence that the Contractor verify the accuracy of website provider information and services as listed.

17. MEMBER AND PROVIDER SURVEYS

Member and provider surveys may be conducted by AHCCCS and/or the Contractor.

AHCCCS Conducted Surveys: AHCCCS may conduct surveys of a representative sample of the Agency's membership and/or providers as well as the Contractor's membership and/or providers. AHCCCS may elect to administer the survey(s) or have an entity administer the survey(s) on behalf of the Agency. The Contractor may be responsible for reimbursing AHCCCS for the cost of such survey(s) based on its share of AHCCCS enrollment. Surveys may include Healthcare Effectiveness Data and Information Set (HEDIS®) Consumer Assessment of Healthcare Providers and Systems (CAHPS®) surveys, Mental health Statistics Improvement Program (MHSIP), National Core Indicators-Aging and Disabilities (NCI-AD™) surveys, and/or any other tool that AHCCCS determines applicable to the population served and will benefit QI efforts.

The Contractor shall, as requested by AHCCCS, participate in member and/or provider surveys in accordance with AHCCCS guidance, requirements, and instructions [42 CFR 438.340(a), 42 CFR 438.340(b)(4)].

The Contractor shall participate in reviewing the results and findings of the member survey(s) as requested by AHCCCS. The Contractor may be required to implement interventions and/or participate in workgroups and other efforts that are initiated based on the survey results. The Contractor may be required to participate in or conduct additional surveys based upon findings from a previously conducted member satisfaction survey, as directed or approved by AHCCCS, as part of designing its QI or CAP activities.

Contractor Conducted Surveys: The Contractor may be required by AHCCCS to conduct surveys. Additionally, the Contractor may also elect to conduct surveys outside of those required by AHCCCS [including but not limited to surveys required by NCQA to meet NCQA Accreditation requirements (e.g., CAHPS® Health Plan Survey), other nationally recognized standardized surveys, Contractor-developed surveys].

AHCCCS-Required Surveys: The Contractor may be required to conduct surveys as directed by AHCCCS. AHCCCS may require the Contractor to administer the survey or require (or allow) the Contractor to work with an entity to administer the survey on the Contractor's behalf. AHCCCS may provide, specify, or require the Contractor to develop the necessary survey tool(s). AHCCCS-Required Survey Materials [e.g., survey tool, member-facing communications, associated timelines (if not dictated by AHCCCS)] and the AHCCCS-Required Survey Results (including the final survey tool, indication of population(s) surveyed, identified interventions, and any related analysis) shall be submitted to AHCCCS as specified in Section F, Attachment F3, Contractor Chart

of Deliverables. Additionally, survey findings are to be reported separately by Title XIX and Title XXI categories and in aggregate, as applicable or as directed by AHCCCS.

Verification of Receipt of Paid Services: As specified in Section F, Attachment F3, Contractor Chart of Deliverables, the Contractor is required to perform periodic surveys of its membership (Verification of Receipt of Paid Services), as specified 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 457.1285, 42 CFR 438.608(a)(5)].

The Contractor shall utilize member survey findings to improve care for Title XIX and Title XXI members. The results of AHCCCS surveys may become public information and available to all interested parties on the AHCCCS website. Survey results, findings, and/or performance rates for survey questions may result in administrative action including, but not limited to, the Contractor being required to develop a CAP, the Contractor being required to participate in technical assistance or AHCCCS-led workgroups to improve any areas of concern noted by AHCCCS, and/or sanctions. Failure to effectively develop and/or implement AHCCCS-approved CAPs and drive improvement may result in additional administrative action by AHCCCS.

Non-AHCCCS Required Surveys: The Contractor may elect to conduct or participate within surveys outside of those required by AHCCCS [including but not limited to surveys required by NCQA to meet NCQA Accreditation requirements (e.g., CAHPS® Health Plan Survey), other nationally recognized standardized surveys, Contractor-developed surveys]. The Contractor may elect to administer the survey(s) or have an entity administer the survey(s) on behalf of the Contractor, as appropriate. For all non-AHCCCS required surveys, the Contractor shall submit a Non-AHCCCS Required Survey Notification for AHCCCS review and approval, as specified in Section F, Attachment F3, Contractor Chart of Deliverables, prior to administering (or having an entity administer the survey on behalf of the Contractor) any non-AHCCCS required c member or provider survey. The Notification shall include a project scope statement; project timeline, a copy of the survey, associated member materials indication of whether the survey includes non-standardized supplemental questions (for standardized surveys only) as well as a list of non-standardized supplemental questions, if applicable; and AHCCCS CAHPS® Survey Notification Form (for any CAHPS® based surveys). For Non-AHCCCS required surveys that have been previously approved, the Contractor shall submit a Notification of survey administration, the survey scope, associated timeline, a list of documents that remain unchanged, and a copy of any survey documents that changed since AHCCCS' approval was received. Non-AHCCCS Required Survey Results, including the identification of the population(s) surveyed, findings, analysis of the results, and identified interventions shall be submitted as specified in Section F, Attachment F3, Contractor Chart of Deliverables. Surveys are not subject to the file and use review process.

CAHPS® Health Plan Surveys: The Contractor (or the Contractor's contracted survey vendor) shall report CAHPS® Health Plan Survey data and results within the Agency for Healthcare Research and Quality (AHRQ) database within the allowable reporting window. This will require the Contractor to complete a current AHRQ Data Use Agreement granting AHRQ and CMS to use the CAHPS® Survey data provided to the database to present results in public reporting products and allow AHRQ to inform AHCCCS of the Contractor's submission (including the number of respondents submitted), as well as adhere to the associated AHRQ requirements for participation in the Health Plan Survey Database.

Exit Surveys: Surveys performed by the Contractor to evaluate health 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.

The Contractor shall utilize member and/or provider survey findings to improve care for Title XIX and Title XXI members. Survey results, findings, and/or performance rates for survey questions may result in administrative action including, but not limited to, the Contractor being required to develop a CAP, the Contractor being required to participate in technical assistance or AHCCCS-led workgroups to improve any areas of concern noted by AHCCCS, and/or sanctions. Failure to effectively develop and/or implement AHCCCS-approved CAPs and drive improvement may result in additional administrative action by AHCCCS.

18. 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 LEP and diverse cultural and ethnic backgrounds, disabilities, race, color, national origin, age, and regardless of sex, gender, sexual orientation, or gender identity and meets the requirements of ACOM Policy 405 [42 CFR 457.1201(d), 42 CFR 457.1230(a), 42 CFR 438.3(d)(4), 42 CFR 438.206(c)(2), 45 CFR Part 92].

The Contractor shall develop and implement a Cultural Competency Plan and perform an annual assessment of the effectiveness of its Cultural Competency Plan. The Contractor shall submit a Cultural Competency Plan Assessment Reporting Checklist as specified in Section F, Attachment F3, Contractor Chart of Deliverables and ACOM Policy 405.

19. MEDICAL RECORDS

The member's medical record shall be maintained by the provider who generates the record. Medical records include those maintained by PCPs or other providers, including but not limited to, medical records kept in placement settings such as NFs, Assisted Living Facilities (ALFs), other home, and community-based providers, and TFC licensing agencies.

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 their medical records, and to request that the medical record be amended or corrected [45 CFR Part 160, 164, 42 CFR 457.1220, 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 (paper or electronic format) 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 actually establishing a medical record, but shall be associated with the member's medical record as soon as one is established.

The Contractor shall require subcontracted service providers to create a medical record when information is received about a member. If the PCP 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 shall 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 to ensure 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. The Contractor shall ensure that providers maintain and share a member health record in accordance with professional standards [42 CFR 457.1230(c), 42 CFR 438.208(b)(5)].

The Contractor shall retain consent and authorization for medical records as prescribed in ARS 12-2297 and in conformance with AHCCCS Policy.

The Contractor shall have written policies and procedures to ensure that the MISCs have an 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 QOC delivered by multiple providers in multiple locations at varying times.

The Contractor shall create written plans for providing training and evaluating providers' compliance with the Contractor's medical records' standards, comply with medical record review requirements as specified in AMPM Policy 940 and comply with record retention requirements as specified in Section D, Paragraph 58, Record Retention.

For care coordination purposes, medical records shall be shared with other care providers, such as the multi-specialty interdisciplinary team.

When a member changes PCPs, their medical records or copies of medical records shall be forwarded to the new PCP within ten business days from receipt of the request for transfer of the medical records.

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

The Contractor shall comply with record retention requirements as specified in Section D, Paragraph 58 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 paper within 20 business days of receipt of request or more quickly if necessary via the Medical Records or Supporting Documentation deliverable as specified in Section F, Attachment F3, Contractor Chart of Deliverable.

The Contractor shall comply with Federal and State confidentiality statutes, rules, and regulations to protect medical records and any other personal health information that may identify a particular member or subset of members and shall establish and implement policies and procedures consistent

with the confidentiality requirements in 42 CFR 431.300 et. seq., 42 CFR 438.208(b)(2) and (b)(4), 42 CFR 438.224, 45 CFR parts 160 and 164, 42 CFR part 2, and ARS 36-509, for medical records and any other health and member information that identifies a particular member.

The Contractor shall have the discretion to 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 service delivery. The Contractor shall have the discretion to release information related to fraud, waste and program abuse so long as protected HIV-related information is not disclosed ARS 36-664, and substance abuse information shall only be disclosed consistent with Federal and State law, including but not limited to [42 CFR 2.1 et seq.].

20. RESERVED

21. QUALITY MANAGEMENT AND PERFORMANCE IMPROVEMENT

General Requirements: The Contractor shall provide quality care and services to members, regardless of payer source or eligibility category. The Contractor shall promote improvement in the QOC provided to enrolled members through established Quality Management and Performance Improvement (QM/PI) Program processes. The Contractor shall execute processes to monitor, analyze, plan, implement, evaluate, and report QM/PI activities, as specified in the AMPM [42 CFR 438.330(a)(1) and (e), 42 CFR 438.330(a)(3), 42 CFR 438.330(b), 42 CFR 438.330(e)(1), 42 CFR 438.330(e)(2)].

The Contractor shall undergo annual, external independent reviews of the quality of, timeliness of, and access to services covered under the Contract [42 CFR 438.320, 42 CFR 438.350]. AHCCCS utilizes External Quality Review Organizations (EQROs) for purposes of conducting independent External Quality Reviews (EQR) of its Contractors [42 CFR 438.358]. Direct engagement at the Contractor level may occur, as required by AHCCCS.

The Contractor shall ensure that the Contractor's QM/PI Program Unit (or department) is separate and distinct from any other units or departments within its organizational structure, such as MM or Contractor Care Management; however, the Contractor may have separate but coordinated QM and QI/PI Units under the QM/PI Program. The Contractor is expected to integrate QM/PI Program processes, such as tracking and trending of issues, throughout all areas of the organization, with the ultimate responsibility for QM/PI Program processes and activities residing within the Contractor's QM/PI Unit(s).

The QM/PI Program staff positions that perform work functions related to the Contract shall fall under the QM/PI Program Unit and have a direct reporting relationship to the local CMO/Medical Director. The local CMO/Medical Director and Administrator/CEO shall have the ability to direct, implement, and prioritize interventions related to QM/PI Program activities and investigations. The Contractor's local CMO and CEO shall direct and prioritize the QM/PI Program work conducted by Contractor staff, including Administrative Services Subcontractors' staff which perform functions under this Contract related to the QM/PI Program.

Should the Contractor experience inadequacy with QM/PI Program staff that prevents the Contractor from meeting contractual requirements, the Contractor shall notify AHCCCS of the staffing concerns, including a description of the concern and a plan to remedy the inadequacy. The Contractor shall

submit QM and QI Staffing Concern Notifications as specified in Section F, Attachment F3, Contractor Chart of Deliverables.

The Contractor shall maintain and execute policies/procedures related to the provision of a comprehensive, coordinated delivery system for integrated physical health and behavioral health services, including the administrative and clinical integration of health care service delivery. Integration strategies and activities shall focus on improving health outcomes and increasing member satisfaction.

The Contractor shall submit QM/PI Program deliverables in accordance with AHCCCS instructions as specified in Section F, Attachment F3, Contractor Chart of Deliverables.

At a minimum, the Contractor's QM/PI Program shall comply with the requirements specified in Contract, AMPM, ACOM, and Federal and State requirements.

Quality Management/Performance Improvement Program: The Contractor shall have an ongoing QM/PI Program designed to achieve and sustain significant improvement that is expected to have a favorable effect on health outcomes and member satisfaction through ongoing measurement and intervention in the areas of clinical and nonclinical care, as specified in this section and 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 (performance measures) as required by the State or CMS [42 CFR 438.330(c)(2)(i)].

2. Submit data to the State that enables the State to measure the Contractor's performance using standardized measures (performance measures), as specified 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)].

The Contractor's QM/PI Program shall include, but is not limited to:

1. Implementation, monitoring, and evaluation of, as well as compliance with applicable requirements in the ACOM and AMPM.

2. Employment of sufficient, knowledgeable, and qualified local staff and utilization of appropriate resources to achieve contractual compliance. The Contractor's resource allocation shall be adequate to achieve quality outcomes. Staffing adequacy will be evaluated based on outcomes and compliance with AHCCCS Contract and Policy requirements.

3. The provision of quality care and services to eligible members, regardless of payor source or eligibility category.

4. A written QM/PI Program Plan in accordance with 42 CFR 438.330, AMPM Policy 920, and Section F, Attachment F3, Contractor Chart of Deliverables.

5. The implementation of processes to assess, plan, implement, and evaluate QM/PI activities related to the care and services provided to members, in conformance with AMPM requirements [42 CFR 438.330(a)(1), (b)(1)-(2)].

6. Attendance and/or participation in applicable community initiatives, events, and/or activities as well as implementation of specific interventions to address overarching community concerns [including applicable activities related to behavioral health, chronic disease management, dental, EPSDT, justice population, opioid and substance use, SDOH, suicide (community engagement, employment, homelessness)].

7. Mechanisms to assess the quality and appropriateness of care furnished to members, including members with SHCNs, as specified in Contract [42 CFR 457.1240(b), 42 CFR 438.330(b)(4), and 42 CFR 438.340].

8. Mechanisms to detect both underutilization and overutilization of services [42 CFR 457.1240(b), 42 CFR 457.1240(f), 42 CFR 457.1201(n)(2), 42 CFR 438.330(b)(3)].

9. Collection, measurement, monitoring, reporting, and submission of performance measure and PIP data, including any required by the State or CMS as specified in this section, AMPM Policies 910, 970, and 980 [42 CFR 457.1201(n)(2), 42 CFR 457.1240(b), 42 CFR 438.330(a)(2), 42 CFR 42 CFR 438.330(b)(1), 438.330(b)(2), 42 CFR 438.330(c), 42 CFR 438.330(d)].

10. An analysis of the effectiveness of implemented interventions, including targeted interventions to address the unique needs of populations and subpopulations served [42 CFR 438.330(e)(2)].

11. Routine and ad hoc dissemination of subcontractor and provider-level QI related information, including performance metrics, dashboard indicators, and member outcomes, to the State and key stakeholders (inclusive of members and family members).

12. The development and maintenance of mechanisms to solicit feedback and recommendations from key stakeholders, subcontractors, members, and family members to:
    a. Monitor service quality, and
    b. Develop strategies to improve member outcomes as well as implement QI activities related to QOC and system and, system performance.

13. Demonstration of improvement in the QOC and services provided to members through established QM/PI processes.

14. Written policies regarding member rights and responsibilities [42 CFR 438.100(b)(1)].

15. Comply with all requirements to ensure member rights and responsibilities conform with AHCCCS policies [42 CFR 457.1220, 42 CFR 438.100(a)(2), 42 CFR 438.228(a), 42 CFR 438.400(a), 42 CFR 438.402(a)]. The Contractor shall also comply with any applicable Federal and State laws (such as Title VI of the Civil Rights Act of 1964), including other applicable laws regarding privacy and confidentiality [42 CFR 457.1220, 42 CFR 438.100(d)].

16. Protection and confidentiality of medical records and any other personal health/enrollment information that identifies a particular member, or subset of members, in accordance with Federal

and State privacy requirements, AMPM, and the Medical Records Contract section [42 CFR 438.224].

17. Local staff that are available 24 hours per day, seven days per week, to work with AHCCCS and/or other State agencies on urgent issue resolutions, such as ADHS. Urgent issue resolutions include Immediate Jeopardies (IJ), fires, or other public emergency situations. These staff shall have:
    a. Access to the information necessary to identify members who may be at risk, including the identified members' current health/service status,
    b. The ability to initiate new placements/services,
    c. The ability to perform status checks at affected facilities, and
    d. Perform ongoing monitoring, as necessary.

18. Contractor written policies and training regarding preventing abuse, neglect, and exploitation; ensuring incident stabilization [member(s) immediate health and safety is secured, and immediate care and recovery needs are identified and provided], reporting incidents, and conducting investigations.

19. Monitoring for provider compliance with policies, training, and signage requirements aimed at preventing and reporting abuse, neglect, and exploitation as specified in Contract and the AHCCCS Minimum Subcontract Provisions (MSPs). Refer also to the Report of the Abuse & Neglect Prevention Task Force to Governor Douglas A. Ducey (November 1, 2019) developed in response to Executive Order 2019-03.

20. Tracking and trending of member and provider issues, including but not limited to the investigation and analysis of QOC concerns, related to abuse, neglect, exploitation; suicide attempts; SUDs/opioid-related concerns; alleged human rights violations; and unexpected deaths. The Contractor shall comply with requirements, as specified in AMPM Policy 960.

21. The submission of any cases involving Medicaid fraud, waste, or abuse reported to the AHCCCS OIG. Refer to Section D, Paragraph 57, Corporate Compliance.

22. The submission of Inter-Rater Reliability (IRR) metrics and evidence of completed IRR activities for each of the following areas, at a minimum: triage, case leveling, and corrective actions. The IRR metrics and evidence of completed IRR activities shall be reflective of the previous quarter reporting, as specified in Section F, Attachment F3, Contractor Chart of Deliverables.

23. Monitoring of services and service sites, as specified in AMPM Policy 910. The Contractor shall submit a Contractor Monitoring Summary, as specified in Section F, Attachment F3, Contractor Chart of Deliverables.

24. Monitoring of contracted providers for compliance with QM metrics including supervisory visits conducted by an RN when a home health aide is providing services.

25. A requirement for any ADHS licensed or certified provider to submit to the Contractor their most recent ADHS licensure review, copies of substantiated complaints, and other pertinent information that is available and considered to be public information from oversight agencies.

26. Uniform provisional credentialing, initial credentialing, recredentialing, and organizational credentialing for all provider types that shall comply with the requirements specified in AMPM, ACOM, Federal and State requirements, and this section [42 CFR 457.1208, 42 CFR 457.1233(a), 42 CFR 438.206(b)(6), 42 CFR 438.12(a)(2), 42 CFR 438.214(b)].

27. QM/PI Program monitoring and evaluation activities, which include:
    a. Peer Review and QM/PI Committees that meet at least quarterly or more frequently, as needed (e.g., ad hoc meeting or more frequently recurring meetings) and are chaired by the Contractor's local CMO/designated Medical Director,
    b. The Mortality Review Committee shall be scheduled to meet at least quarterly, or more frequently, as needed (i.e., ad hoc meeting or more frequently recurring meetings), and are chaired by the Contractor's local CMO/designated Medical Director. AHCCCS reserves the right to be in attendance as a silent witness to requested Peer Review and Mortality Review Committee Meetings,
    c. Other subcommittee(s) under the QM Committee, as required, or as a need is identified, and
    d. In addition, the Contractor shall participate in Subcontractor review committees related to or involving the CHP population/CHP enrolled members.

28. Requirements for its QM Committee to proactively and regularly review member grievance and appeal data to identify:
    a. Outlier members who have filed multiple complaints, grievances, or appeals regarding services, or against the Contractor,
    b. Members who contact governmental entities for assistance, including contacting AHCCCS, or
    c. For the purpose of assigning a care coordinator to assist the member in navigating the health care system.

29. Timely, accurate, and complete submission of QM/PI Program deliverables that address strategies and performance for QM/PI Program activities, as specified in this section, AMPM, and Section F, Attachment F3, Contractor Chart of Deliverables. Information included within the Contractor's QM/PI Program deliverable submissions and/or deliverable submissions utilized as part of AHCCCS' External Quality Review Reporting may become public information and/or available to all interested parties on the AHCCCS website.

30. Wellness checks are to be completed by the Contractor's QM QOC team and shall not be delegated, unless delegated to a Subcontracted Health Plan. AHCCCS may request that the Contractor complete an unannounced and unscheduled wellness check on a member should the concern not rise to the level of a health and safety concern and/or immediate jeopardy situation, as specified in AMPM Policy 960 and Section F, Attachment F3, Contractor Chart of Deliverables.

Health Care-Acquired Conditions and Other Provider-Preventable Conditions: 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). OPPC refers to a condition occurring in any health care setting and that meets 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 Arizona 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.

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 shall conduct a QOC investigation as specified in AMPM Chapter 900 [42 CFR 438.3(g), 42 CFR 434.6(a)(12)(ii), 42 CFR 447.26(d)].

Seclusion and Restraint: The Contractor shall adhere to Federal and State laws that govern member rights when delivering services, including (at a minimum) the protection and enforcement, 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 457.1220, 42 CFR 438.100(a)(1),42 CFR 100(b)(2)(v)]. The Contractor shall follow local, Federal and State regulations and requirements related to seclusion and/or restraint. Reports regarding incidents of seclusion and/or restraint shall be submitted to AHCCCS via the Redacted Seclusion and/or Restraint – Individual Reports Concerning All Enrolled Individuals Receiving Services From a Behavioral Health Provider report as specified in AMPM Policy 962 and as specified in Section F, Attachment F3, Contractor Chart of Deliverables (ARS 36-513, ARS 41-3804).

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, AHCCCS, and other appropriate authorities, Incident, Accident, and Death (IAD) Reports in conformance with the requirements established by AHCCCS and as specified in AMPM Policy 961. The Advisement of Sentinel IADs, Notification of Sentinel, High Profile, and/or Potential Media-Coverage Incidents, and IAD/IRF Reports shall be submitted as specified in Section F, 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 SHCN, [42 CFR 438.208(c)(4), 42 CFR 438.330(a)(1), 42 CFR 438.330(b)(4)].

The Contractor shall assess incidents for potential QOC concerns and develop a process that delineates between concerns not meeting QOC criteria (which includes incidents of: HCAC, OPPC, abuse, neglect, exploitation, injuries, high profile cases, suicide attempts, SUD/opioid-related concerns, alleged human rights violations, and unexpected death) as specified in AMPM Policy 960. The Contractor shall develop a process to report IAD/IRF incidents to the AHCCCS QM Team as specified in Section F, Attachment F3, Contractor Chart of Deliverables.

The Contractor shall develop and implement policies and procedures that outline processes to identify and analyze QOC concerns through identifying the concern(s), initial assessment of the severity of the concern(s), and prioritization of action(s) needed to resolve immediate care needs when appropriate. The Contractor shall establish a process to ensure that all staff (including subcontractor and delegated

entity staff, when applicable) and providers are trained on how to refer suspected QOC concerns to the Contractor's QM/PI Program QM QOC concern staff. This training shall be provided during new employee orientation (within 30 days of hire) and annually, thereafter.

The Contractor shall monitor contracted providers for compliance with the Contractor's Quality Management requirements, as well as member health and safety; the Contractor's QM QOC concern staff shall lead all monitoring and investigative efforts. The Contractor shall establish mechanisms to track and trend member and provider concerns. The Contractor shall comply with requirements, as specified in Contract and AMPM Policy 960.

Credentialing: The Contractor shall demonstrate that its providers are reviewed and credentialed through the Contractor's Credentialing Committee [42 CFR 457.1230(a), 42 CFR 438.206(b)(6)]. The Contractor shall refer to AMPM Chapter 900 and Section F, Attachment F3, Contractor Chart of Deliverables for related reporting requirements.

The Contractor shall comply with uniform temporary/provisional credentialing, initial credentialing, and recredentialing practices for all provider types [42 CFR 457.1208, 42 CFR 457.1233(a), 42 CFR 438.206(b)(6), 42 CFR 438.12(a)(2), 42 CFR 438.214(b)].

The Contractor shall:

1. Maintain documentation of temporary/provisional credentialing, initial credentialing, and recredentialing for individual and organizational providers who have signed contracts or participation agreements with the Contractor or those that meet the requirements of AMPM Policy 950 [42 CFR 438.206(b)(1)-(2)].

2. Demonstrate that its providers are reviewed and credentialed through the Contractor's Credentialing Committee which is chaired by the Contractor's local Medical Director/CMO.

3. Comply with the requirements, including the submission of the AHCCCS Contractor Credentialing Report, specified in AMPM Policy 950 and 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.

5. Not employ or contract with providers excluded from participation in Federal health care programs [42 CFR 457.1233(a), 42 CFR 438.214].

Credential Verification Organization Contract: The AzAHP has established a Contract with a Credential Verification Organization (CVO) that is responsible for performing credentialing activities:

1. Receiving completed applications, attestations, and primary source verification documents.

2. Conducting annual audits of the AzAHP-contracted CVO visits to ensure compliance with AHCCCS requirements.

The AHCCCS Contractor shall utilize the AzAHP-contracted CVO as part of its credentialing and recredentialing process, regardless of the Contractor's 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 recredentialing timelines for providers that submit their credentialing data and forms to the AzAHP CVO.

The Contractor is responsible for completing the credentialing and recredentialing process. The Contractor shall continue to include utilization performance, compliance, and QOC documentation, as specified in the AMPM, to complete the credentialing or recredentialing files that are brought to the Credentialing Committee for a decision. In addition, the Contractor shall also meet the AMPM Policy 950 requirements for temporary/provisional credentialing.

Credentialing Timelines: The Contractor is required to process credentialing applications in a timely manner. To assess the timeliness of temporary/provisional and initial credentialing, a Contractor shall:

1. Notify providers of credentialing decisions (approved or denied).

2. Calculate and report credentialing decisions and timeliness to AHCCCS as specified in AMPM Policy 950 and Section F, Attachment F3, Contractor Chart of Deliverables.

3. Report the credentialing information with regard to all credentialing applications, as specified in Section F, Attachment F3, Contractor Chart of Deliverables.

Additionally, the Contractor shall implement a process to monitor occurrences which may jeopardize the validity of the credentialing process on an annual basis (at a minimum).

The Contractor shall report the credentialing information, with regard to all credentialing applications, as specified in Section F, Attachment F3, Contractor Chart of Deliverables.

Subcontractor Monitoring: The Contractor shall develop and submit a Subcontractor Performance Monitoring Plan as a component of its QM/PI Program Plan, to include language that addresses, at a minimum, the timely handling, completion, and submission of (in accordance with Contract and Policy requirements) the following QM/PI functions:

1. Incident, Accident, and Death (IAD) Reports.

2. Quality Of Care (QOC) Concerns and investigations.

3. AHCCCS required Performance Measure calculations and reporting.

4. Performance Improvement Projects (PIPs).

5. Provisional, initial, organizational, and recredentialing processes and requirements.

6. Medical Record Reviews.

7. Peer Review processes.

8. Mortality Review processes.

AHCCCS will accept the AzAHP review process to meet this audit requirement. A CAP shall be developed and implemented when provider monitoring activities reveal poor performance, as follows:

1. When performance falls below the minimum performance level.

2. When performance shows a statistically significant decline from previous period performance.

The Contractor shall monitor its CHP Subcontracted Health Plan and Administrative Services Subcontractor performance on an ongoing basis and complete a formal review at least annually or more frequently if requested by AHCCCS as specified in ACOM Policy 438.

Provider Quality Monitoring: Provider Quality Monitoring functions include, but are not limited to, the service site assessments of all providers as specified in AMPM Policy 910. The Contractor shall conduct comprehensive quality audits of each location where members receive services. The Contractor shall provide oversight to the CHP Subcontracted Health Plan in the completion of functions related to the QOC investigation processes. The Contractor shall ensure that the CHP Subcontracted Health Plan is able to meet all requirements as specified in Contract and AHCCCS Policies. Contractors are encouraged to collaborate with one another to avoid undue burden and reduce duplication of effort.

The Contractor shall ensure:

1. Corrective actions are implemented in order to bring the provider into compliance in instances where concerns are identified.

2. Any identified potential Individual and/or Systemic QOC concerns, and IJ and/or Health and Safety concerns shall be immediately triaged by the Contractor's QM/PI Program QM QOC staff via the Health and Safety On-Site Review as specified in AMPM Policy 960 and Contract Section F, Attachment F3, Contractor Chart of Deliverables.

3. Utilization of standardized monitoring tools by provider type, as required by AHCCCS.

4. Inter-Rate Reliability (IRR) of quality monitoring processes that includes documented testing and results of individuals completing provider quality monitoring activities.

Performance Improvement Projects: The Contractor shall implement PIPs designed to achieve and sustain significant improvement in clinical and non-clinical focus areas, through ongoing measurements and interventions, as specified in AMPM Chapter 900, that include the following [42 CFR 438.330(d)(1) and 42 CFR 438.330(d)(2)(i)-(iv)]:

1. Measurement of performance using objective quality indicators.

2. Implementation of interventions to achieve improvement in access to and QOC.

3. Evaluation of the effectiveness of the interventions based on the PIP measures/indicators.

4. Planning and initiation of PIP activities for increasing or sustaining improvement.

PIPs are mandated by AHCCCS; however, the Contractor shall also identify and implement additional PIPs meaningful to the population served, based on self-identified opportunities for improvement, as supported by root cause analysis, internal/external data, surveillance of trends, or other information available to the Contractor. If the Contractor holds AHCCCS Contracts for more than one program/population/LOB, the Contractor shall:

1. Submit separate reports for each program/population/LOB.

2. Submit rates and results specific to the program/population/LOB for which the submission pertains.

3. Ensure the inclusion of applicable subpopulation data and disparity analysis within its reporting, with the identification of targeted interventions to be implemented specific to the analysis findings.

Upon notification and direction from AHCCCS, the Contractor shall:

1. Participate in mandatory technical assistance sessions. The Contractor may also request technical assistance, as needed.

2. Participate in AHCCCS workgroup sessions aimed to identify barriers and implement interventions, including any interventions mandated by AHCCCS, to address system performance.

3. Propose and implement Contractor-specific CAPs for identified deficiencies.

AHCCCS PIP-related deliverables include:

1. AHCCCS-Mandated PIP Report Updates.

2. AHCCCS-Mandated PIP Reports Baseline, Intervention, or Remeasurement.

3. AHCCCS-Mandated Rapid Cycle PIP Reports.

4. Contractor Self-Selected PIP Reporting.

5. Contractor Self-Selected PIP Closure Requests.

6. Contractor Self-Selected PIP Initiation Notifications.

7. Contractor Self Selected PIP Report Updates.

8. Contractor Self-Selected Rapid Cycle PIP Reports.

The Contractor shall implement and report the status and results of each PIP to AHCCCS, in alignment with the requirements specified in AMPM Policy 980, and as specified in Section F, Attachment F3, Contractor Chart of Deliverables. Performance for each PIP shall be monitored and evaluated by the Contractor on an annual basis (or more frequently) with interventions revised accordingly [42 CFR 438.330(d)(1), 42 CFR 438.330(d)(3)].

AHCCCS-Mandated PIP deliverable submissions shall be subject to PIP Validation through an AHCCCS EQRO. Contractor Self-Selected PIP deliverable submissions may be subject to PIP Validation through an AHCCCS EQRO. Additionally, PIP deliverable submissions and any related PIP Validation findings (if applicable) may be reviewed and evaluated as part of the annual external quality review activities conducted through an AHCCCS EQRO and required by CMS [42 CFR 438.358], with a summary of findings included within a detailed technical report that is made publicly available in accordance with CMS requirements [42 CFR 438.364].

Performance Measures: To meet QM/PI Program and related reporting requirements, standardized performance measures shall be calculated and reported on an annual basis or more frequently, as determined by AHCCCS [42 CFR 438.330 (c)]. Performance measures shall be monitored and evaluated in accordance with Contract, AHCCCS and/or AHCCCS EQRO instruction, and AMPM Chapter 900. AHCCCS may utilize/require administrative, hybrid, or other methodologies for calculating and reporting performance measure rates, as defined by CMS for Core Set of Adult and/or Child Health Care Quality Measures for Medicaid (Adult and Child Core Sets) measures, NCQA for HEDIS® measures, other entities for nationally recognized measure, or as determined by AHCCCS.

For Contract Year Ending (CYE) 2026 performance measures shall be reflective of the Calendar Year (CY)/Measurement Year (MY) 2026 (1/1/2026 through 12/31/2026) measurement period in alignment with the applicable CMS (Adult and Child) Core Set and NCQA HEDIS® technical specification requirements.

For purposes of performance measure calculations, the Contractor is responsible for monitoring and reporting the status of, and any discrepancies identified in, encounters (including paid, denied, and pended encounters). Notification of Encounter Discrepancies shall be directed and communicated to the AHCCCS QI Manager upon identification prior to the official rate calculations being conducted, in accordance with this section and Section F, Attachment F3, Contractor Chart of Deliverables. This notification shall include a description of the issue, when the issue was identified, the timeframe for which the issue impacts, proposed resolution, and anticipated timing to resolve the identified issue.

AHCCCS Performance Measures: AHCCCS evaluates performance on CMS Core Set measures at the statewide level and utilizes statewide data for CMS and other quality reporting. The statewide results are evaluated and compared with the previous year's performance and associated benchmarks (as applicable) to identify improvement activities.

AHCCCS Statewide Aggregate Rates: Statewide aggregate performance measure rate calculations are conducted by an AHCCCS EQRO utilizing the CMS Adult and Child Core Set technical specifications. Performance measure selection and methodologies utilized for calculating the measures align with that outlined in the CMS Adult and Child Core Set Lists and associated specifications. AHCCCS may utilize other performance measures and/or methodologies, such as NCQA HEDIS®, or develop methodologies for measurement that are reflective of the Arizona system of care delivery model.

Performance is evaluated annually using the official performance measure rates described in the preceding paragraph; these rates are considered the official measurements for statewide reporting. In lieu of AHCCCS-calculated statewide aggregate rates, AHCCCS may elect to utilize Contractor-calculated performance measure rates [e.g., administrative, hybrid, electronic clinical data system (ECDS) or other methodologies] that have undergone validation through an AHCCCS EQRO as an allowable data source for deriving official statewide reporting.

Official statewide performance measure rates shall be compared with the CMS Child and Adult Health Care Quality Measures, national Medicaid Median (CMS Medicaid Median), and/or the NCQA HEDIS® Medicaid Mean that aligns with the CY/MY for which the data reflects.

CMS-416: AHCCCS utilizes the methodology established within the CMS Instructions for completing Form CMS-416: EPSDT Participation Report. The aggregate rate for Title XIX, as well as the aggregate rate for Title XXI, are generated one time per year and reported to CMS within specified timeframes. AHCCCS may, in lieu of generating the rates, opt to utilize CMS-generated rates for reporting purposes. AHCCCS may require the Contractor to implement a CAP or participate in mandatory workgroup activities when statistically significant declines in the Title XIX and/or Title XXI aggregate rates are identified.

Contractor Performance Measures (Contractor-Specific Rates): The Contractor shall comply with the AHCCCS QM/PI Program requirements to improve the care, and services provided to AHCCCS members as demonstrated through performance metrics and measures. In accordance with AHCCCS instructions, the Contractor shall calculate and report all measures included as part of the CMS (Adult and Child) Core Set List for the associated measurement period, as well as select NCQA HEDIS® or other AHCCCS-required performance measures including but not limited to the measures listed below; this includes all associated submeasure rates as well as CMS, NCQA, and AHCCCS-required reporting stratifications.

HEDIS® OR OTHER CHILD MEASURES
Diagnosed Mental Health Disorders (DMH)
Social Need Screening and Intervention (SNS-E)
Follow-Up After High Intensity Care for Substance Use Disorder (FUI)
Initial Visit within 30 days for Members Newly Identified with a CRS Condition *(AHCCCS) - Tabled*

As measure sets are updated, performance measures required by AHCCCS will be updated, as needed, to reflect the changes. AHCCCS may also require the Contractor to submit performance measure rate data (inclusive of numerator and denominators for any required measures, submeasures, and reporting stratifications) for performance measures required by NCQA as part of accreditation processes. In addition, AHCCCS may require the Contractor to submit ad hoc Performance Measure Updates as specified in Section F, Attachment F3, Contractor Chart of Deliverables; AHCCCS will provide additional guidance and instructions at the time of notification and provide a standardized reporting template should one be required.

As part of the Contractor's performance measure data calculations, reporting, monitoring, and analysis activities, the Contractor shall:

1. Calculate, monitor, analyze, and report performance measure rates including all submeasure and stratified rate reporting required as part of the associated performance measure technical specifications and as required by CMS and/or AHCCCS. Reporting shall be specific to each applicable program, population, and LOB.

2. Analyze performance measure data specific to members with SHCN and applicable subpopulations, including but not limited to EPSDT, maternal (pregnant and postpartum

members), behavioral health category/diagnosis, disability status, and CRS designated members. The Contractor shall report performance measure analysis(es), upon request, in accordance with AHCCCS instruction.

3. Analyze performance measure data by placement (e.g., home and community based settings vs. NF), ISOC delivery model, GSA, county, applicable member designations, and/or other applicable demographic and SDOH factors. The Contractor shall report performance measure analysis(es), upon request, in accordance with AHCCCS instruction.
4. Conduct routine monitoring and implement population/subpopulation-specific targeted interventions, meant to ameliorate or eliminate identified disparities, which are based on an analysis of previous performance.

5. Ensure data collection, calculation, monitoring, evaluation, and reporting activities/processes are conducted by qualified staff and personnel.

The Contractor is responsible for collecting valid and reliable data in accordance with associated measure specifications, as well as the technical guidance and instructions provided by AHCCCS and/or an AHCCCS' EQRO. Responsibility for validation and oversight of performance measure data collection and rate reporting in alignment with AHCCCS requirements and instructions remains with the Contractor, despite utilization of a vendor or subcontractor to conduct performance measure calculations or hybrid reviews on its behalf. The Contractor shall comply with all manuals, documents, and guides referenced within the Contract and AMPM Chapter 900, as well as AHCCCS, and/or AHCCCS EQRO instructions and CMS mandatory reporting requirements. In addition, the Contractor shall be required to utilize allowable supplemental data sources that meet the criteria outlined within the associated performance measure technical specifications and utilize the data collection methodology required by AHCCCS. Failure to follow AHCCCS and/or AHCCCS EQRO data collection and reporting instructions may result in administrative actions including, but not limited to, sanctions imposed on the Contractor.

The Contractor shall participate in hybrid performance measure reviews/audits for all measures identified by AHCCCS, at the intervals specified by AHCCCS. The number of records that each Contractor collects will be based on CMS (Adult and Child) Core Set measure specifications, NCQA HEDIS® specifications, EQRO, or other sampling guidelines in accordance with instructions provided by AHCCCS. The Contractor shall comply with and implement the hybrid methodology data collection as directed by AHCCCS or an AHCCCS EQRO. If records are missing for more than 5% of the Contractor's final sample, the Contractor is subject to sanctions by AHCCCS.

The Contractor shall ensure that data collected by multiple parties/individuals for performance measures and PIP reporting is consistent and comparable through an implemented IRR process, as specified in AMPM Policy 970 and 980.

The Contractor shall implement a process for internally monitoring, evaluating, and reporting all performance measure rates, utilizing a standardized methodology. For all applicable program/population/LOB measure/submeasure rates (including rates specific to Title XIX and Title XXI as well as combined Title XIX and Title XXI), the Contractor shall evaluate performance with the AHCCCS Performance Measure Performance Standards (PMPS).

The Contractor shall have a mechanism for its QM/PI Committee to report the Contractor's performance on an ongoing basis to its CEO, stakeholders, and other key staff.

The Contractor shall calculate, evaluate, monitor, and report performance measure rates in accordance with AHCCCS instructions. Contractor-calculated performance measure/submeasure rates that have been validated through an AHCCCS EQRO are the official rates utilized for determination of Contractor compliance with performance requirements. AHCCCS reserves the right to calculate and report rates, in lieu of Contractor calculated rates, which may be utilized as the official rates when determining Contractor compliance with performance measure requirements.
Contractor-calculated rates that have been validated and compiled by an AHCCCS' EQRO are the official rates utilized for the program population/LOB aggregate rates; however, AHCCCS may elect to utilize performance measure rates that have been calculated by an AHCCCS' EQRO as the official program/population/LOB rates.

Contractor Performance Measure Reporting: The Contractor shall include all Medicaid Managed Care enrolled members within its performance measure reporting and report rates specific to program/population/LOB as directed by AHCCCS. The Contractor shall adhere to the continuous enrollment criteria as outlined in the associated measure specifications, and/or as directed by AHCCCS.

The Contractor shall analyze and report (in accordance with AHCCCS instruction and request), performance measure data specific to:

1. Program/population/LOB, members with SHCN, and applicable subpopulations [including, but not limited to: EPSDT, maternal (pregnant and postpartum members), behavioral health category/diagnosis, disability status, and CRS designated members].

2. Placement (e.g., home and Community Based Settings vs. NF).

3. Integrated System Of Care (ISOC) delivery model.

4. Geographic Service Area (GSA) or County.

5. Applicable member designations.

6. Other applicable demographic and SDOH factors that may not be required as part of the associated performance measure specifications.

Based on the evaluation and analysis of performance (current and previous), the Contractor shall conduct, and report disparity analysis findings and activities meant to ameliorate or eliminate identified disparities.

The Contractor's performance measure monitoring shall be reported to AHCCCS as part of its QM/PI Program Plan (inclusive of Work Plan and Work Plan Evaluation) and Performance Measure Monitoring Report in accordance with this section; Section F, Attachment F3, Contractor Chart of Deliverables; AMPM Chapter 900; and as required by AHCCCS.

Quality Improvement Performance Requirements: Contractor performance is evaluated annually using the official rates specified in the Contractor Performance Measures (Contractor-Specific Rates) section above. These rates are considered the official measurements for each performance

measure. Contractor- specific official rates will be compared with the program/population/LOB aggregate rates, as applicable, and the NCQA HEDIS® Medicaid Mean or the CMS Medicaid Median, as identified by AHCCCS. The Contractor shall perform in accordance with established standards, as specified in this section. For all applicable program/population/LOB measure/ submeasure rates (including rates specific to Title XIX and Title XXI as well as combined Title XIX and Title XXI), the Contractor's performance shall meet or exceed the AHCCCS PMPS. Contractor performance that does not meet established standards, per official reporting, may be subject to regulatory action (which may include sanctions) for each deficient measure (measure/ submeasure) rate.

The Contractor shall meet and sustain, as well as ensure that each subcontractor meets and sustains, the associated NCQA HEDIS® Medicaid Mean/CMS Medicaid Median for each performance measure (measure/submeasure) rate [42 CFR 438.330(b)(1)-(2) and (d)(1)]. It is equally important that, in addition to meeting the NCQA HEDIS® Medicaid Mean/CMS Medicaid Median, the Contractor continually improves performance measure outcomes from year to year.

The Contractor shall show demonstrable and sustained improvement toward meeting (or maintaining, if above) the associated program/population/LOB aggregate measure/submeasure rate, as applicable, and the associated NCQA HEDIS® Medicaid Mean/CMS Medicaid Median. AHCCCS will determine whether the Contractor will be required to implement a CAP for performance measure/submeasure rates that do not meet the associated NCQA HEDIS® Medicaid Mean/CMS Medicaid Median.

AHCCCS may also require the implementation of a CAP for performance measure/submeasure rates that:

1. Are below the associated program/population/LOB aggregate rates.

2. Show a statistically significant decline in one or more of its rates. This includes measures that show a statistically significant decline in one or more of its (measure/submeasure) rates even when the rate(s) meet or exceed the associated NCQA HEDIS® Medicaid Mean/CMS Medicaid Median, as well as those that meet or exceed the associated program/population/LOB aggregate rate.

In addition, AHCCCS may require the Contractor to implement a CAP or participate in mandatory workgroup activities when statistically significant declines in the aggregate program/ population/LOB-specific performance measure/submeasure rates are identified even when the rate(s) meets or exceeds the associated NCQA HEDIS® Medicaid Mean/CMS Medicaid Median.

AHCCCS may impose sanctions on the Contractor if it does not show statistically significant improvement in its official performance measure/submeasure rates. Sanctions may also be imposed for:

1. Any rate that does not meet the associated NCQA HEDIS® Medicaid Mean/CMS Medicaid Median.

2. A rate that has a significant impact on the program/population/LOB or statewide aggregate rate (including a significant impact to the program/population/LOB or statewide aggregate

rate based on the Contractor's failure to utilize the performance measure calculation methodology required by AHCCCS).

3. Statistically significant declines in official rates, even if they meet or exceed the associated population/LOB aggregate rate, as applicable, and/or the associated NCQA HEDIS® Medicaid Mean/CMS Medicaid Median.

4. Any rate that declines in percentile/quartile performance based on the associated NCQA HEDIS® Medicaid Mean/CMS Medicaid Median benchmark data.

AHCCCS may require the Contractor to demonstrate that they are allocating increased administrative resources to improve rates for a particular measure or service area.

Upon notification and direction from AHCCCS, the Contractor shall:

1. Participate in mandatory technical assistance sessions. The Contractor may also request technical assistance as needed.

2. Participate in AHCCCS workgroup sessions and initiatives aimed to identify performance barriers and develop related action plans.

3. Propose and implement Contractor-specific CAPs for official program/population/LOB or statewide aggregate rates that:
   a. Do not meet the published NCQA HEDIS® Medicaid Mean/CMS Medicaid Median,
   b. Demonstrate a significant decline for the applicable measurement period, or
   c. Demonstrate a decline in percentile/quartile performance based on the associated NCQA HEDIS® Medicaid Mean/CMS Medicaid Median benchmark data.

4. Propose and implement Contractor-specific CAPs, inclusive of targeted interventions meant to ameliorate or eliminate identified disparities for measures demonstrating statistically significant disparities based on AHCCCS' evaluation and analysis of measure performance.

Quality Improvement Corrective Action Plans: An evidence-based CAP, inclusive of elements specified in AMPM Policy 920 (AHCCCS-Required QI Corrective Action Plan), shall be received by AHCCCS within 30 days of the notification of deficiency(ies) from AHCCCS as specified in Section F, Attachment F3, Contractor Chart of Deliverables. Proposed CAPs shall be approved by AHCCCS prior to implementation, unless otherwise stipulated, and CAP updates shall be submitted at intervals specified by AHCCCS. AHCCCS may conduct follow-up activities to verify compliance with a CAP. The Contractor shall also identify and implement additional CAPs based on self-identified opportunities for improvement, as supported by root cause analysis, external/internal data, surveillance of trends, or other information available to the Contractor. Self-implemented quality improvement-related CAPs and associated CAP updates (Contractor Identified QI Corrective Action Plan) shall be submitted as specified in Section F, Attachment F3, Contractor Chart of Deliverables.

Quality Improvement Deliverable Extension Requests: If an extension of time is needed to complete the submission, the Contractor shall submit a formal request for AHCCCS' consideration via email communication sent at least two business days prior to the deliverable due date to the AHCCCS OCO and QI Team Manager, in accordance with AMPM Policy 920 requirements.

Health Disparity Summary & Evaluation (HDS&E) Report: The Contractor shall develop and implement a strategic plan that includes an analysis of the effectiveness of implemented strategies and interventions in meeting its goals and objectives to address disparate health outcomes during the previous CY, a detailed overview of the Contractor's identified goals/objectives for the upcoming CY, and targeted strategies/interventions planned for the upcoming CY to achieve its goals**.** The Contractor shall submit the HDS&E Report as specified in AMPM Policy 920 and Section F, Attachment F3, Contractor Chart of Deliverables.

Contractor's Follow Up on Previous Year's External Quality Review Report Recommendations: The Contractor shall submit its Contractor's Follow Up on Previous Year's EQR Report Recommendations deliverable, as specified in AMPM Policy 920 and Section F, Attachment F3, Contractor Chart of Deliverables.

Ambulatory Medical Record Review Audit: The Contractor shall conduct an Ambulatory Medical Record Review (AMRR) audit according to the requirements outlined below, as well as within AMPM Policy 940. The audit shall include the following provider types, including PCPs that serve children (i.e., children defined as less than 21 years of age) and obstetricians/gynecologists. The AMRR process shall consist of monitoring a group practice based on the following number of practitioners within the group practice:

1. Group practice with one to two practitioners, eight charts per practitioner.

2. Group practice with three to six practitioners, four charts per practitioner.

3. Group practice with seven to 15 practitioners, two charts per practitioner.

4. Group practice with 16+ practitioners, a maximum of 30 charts shall be reviewed.

If the score after review of the required number of charts identified, is less than 85%, technical assistance shall be provided to the practitioner, and the practitioners shall also be audited the following year.

If the score after eight charts is 85% or greater, yet areas of deficiency are found, technical assistance shall be given to the practitioner.

For providers that do not treat children or pregnant members, the following process shall occur unless a different methodology is reviewed and approved by AHCCCS:

1. A random sample of 30 providers per GSA will be pulled for audit each year. Eight charts will be audited per provider.

2. If the score after eight charts is less than 85%, technical assistance shall be given to the provider, and the provider shall also be re-audited the following year.

3. If the score after eight charts is 85% or greater, yet areas of deficiency are found, technical assistance shall be given to the provider.

4. If, after all the audits are completed and noted trends are identified around deficiencies or improvement opportunities, the entire network shall receive education and guidance on the issues identified.

For the AMRR, the AHCCCS Contractor shall utilize AzAHP to maintain oversight of the administrative processes through regular collaboration with the Contractors, including development and maintenance of the audit tool, data analysis, assistance with provider identification and audit rotation schedule. Any additional processes that have been established prior to October 1, 2020, by way of agreement between a Contractor and AzAHP may continue as is. Any alteration to these established processes will require AHCCCS approval. For completion of the AMRR, an RN or a Licensed Practical Nurse (LPN) with current Licensure under the Arizona State Board of Nursing (BON) shall be utilized to conduct the audit.

In addition, the Contractor shall:

1. Follow local, Federal and State regulations and requirements related to seclusion and/or restraint. Reports regarding incidents of seclusion and/or restraint shall be submitted to AHCCCS as specified in AMPM Policy 962 and as specified in Section F, Attachment F3, Contractor Chart of Deliverables (ARS 36-513).

2. Submit Actions Reported to the National Provider Data Bank (NPDB) or a Regulatory Board, as specified in Section F, Attachment F3, Contractor Chart of Deliverables.

3. Submit deliverables related to Quality Management as specified in Section F, Attachment F3, Contractor Chart of Deliverables.

Targeted Investments: AHCCCS' TI program, including the 2016 1115 Waiver program and the 2023 1115 Waiver program, outlines performance measures and process requirements that participating providers agree to achieve, to support, and demonstrate their ability to address members' medical, behavioral, and HRSN. These annual requirements, identified as process milestones and meeting or exceeding targets on performance measures related to core components, are found at: https://www.azahcccs.gov/PlansProviders/TargetedInvestments/. The Contractor shall consider alignment with these milestones and performance measures when developing and implementing strategies to support integration efforts, such as value-based purchasing arrangements, with participating providers.

22. MEDICAL MANAGEMENT

The Contractor shall ensure an integrated 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 CoC from preventive care to hospice care. At a minimum, the Contractor's MM Program shall comply with the requirements specified in Contract, AMPM Chapter 1000, and Federal and State requirements.

The Contractor shall have a process to report MM data and management activities through the Contractor's 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 service authorizations and decisions quarterly through the Contractor's MM Committee to assure compliance with timeliness, Notice of Adverse Benefit Determination intent and that the decisions comply with all Contractor coverage criteria.

The Contractor shall maintain a written MM Program Plan that addresses the monitoring of MM activities. Refer to 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 as specified in AMPM Policy 1010 shall be reported in the MM Program Plan submitted to AHCCCS 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. The Contractor shall evaluate, interpret variances, and monitor required MM activities, as specified in the AMPM Policy 1010, Attachment A, Medical Management Program Plan Checklist [42 CFR Part 457 and 42 CFR Part 438].

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 PCP 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 457.1230(c), 42 CFR 438.208(b)(1)].

The Contractor shall have in effect mechanisms to assess the quality and appropriateness of care furnished to members with SHCNs [42 CFR 438.240(b)(4)]. The Contractor shall implement procedures to deliver primary care to and coordinate health care service for members.
These procedures shall ensure that each member has an ongoing source of primary care appropriate to their needs and a person or entity formally designated as primarily responsible for coordinating the health care services furnished to the member [42 CFR 438.208].

The Contractor shall submit the Inpatient Hospital Showings Report to attest that a physician has certified the necessity of inpatient hospital services as specified in AMPM Policy 1020 and Section F, Attachment F3, Contractor Chart of Deliverables.

The Contractor shall make a best effort to conduct an initial screening of each member's needs as specified in AMPM Policy 910 [42 CFR 457.1230(c), 42 CFR 438.208(b)(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 457.1230(c), 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 457.1230(c),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 457.1230(c), 42 CFR 438.208(b)(2)(i)-(iv)]. 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)].

24 Hours Post Medical Clearance Emergency Department Report: 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 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 24 Hours Post Medical Clearance ED Report utilizing the standardized AHCCCS reporting template as specified in AMPM Policy 1021 and 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 who are assessed as survivors of sex trafficking. Once notification is received by AHCCCS from the Hotline, AHCCCS will forward the notification to the Contractor. The Contractor or its contracted provider shall outreach to the member's guardian to provide trauma-informed resources, including but not limited to a description of how to access behavioral health assessment services and subsequent treatment if medically necessary. The Contractor shall ensure the results of the outreach and activities are communicated back to AHCCCS via the Survivors of Sex Trafficking Outreach Activity Results report as specified in Section F, Attachment F3, Contractor Chart of Deliverables. Outreach activity results shall include the date of contact with the member's guardian and a description of services referred and/or delivered.

Care Management Program: 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. Refer to AMPM Policy 1021. Care Management shall assure members get the services they need to prevent or reduce an adverse health outcome. Care Management includes a comprehensive assessment of the member and development and implementation of a care plan within 30 days of completion of the comprehensive assessment as specific in AMPM Policy 1021. 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 member's immediate needs, PCP reconnection and offering other resources or materials related to wellness, lifestyle, and prevention. The Contractor shall ensure the provision of Care Management to assist members experiencing barriers in transition to different levels of care (e.g., discharge from an emergency department or inpatient hospital, admission to a residential setting) and assist members in accessing necessary services to ensure successful transition.

Care Management is designed to cover a wide spectrum of episodic and chronic health care conditions for members identified in the top tier of high-need/high-cost, including those with SHCN. Care Management shall place emphasis on addressing health disparities, proactive health promotion, health education, and disease management including consultation with a member's Treatment Team and direct engagement with members.

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 laypersons including family members, physicians, specialists, and other health care professionals.

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

Care Management is an administrative function of the Contractor and not a billable service including the day-to-day duties of Case Management.

If the Contractor intends to delegate a portion of the Care Management functions to an Administrative Services Subcontractor, prior approval is required. Requests for approval shall be submitted as specified in ACOM Policy 438.

The Contractor shall assure that all staff members having contact with members or providers receive initial and ongoing training with regard to the appropriate identification and referral of QOC/service concerns.

Collaboration with System Stakeholders: The Contractor shall work in partnership with all Contractors, government entities, TRBHAs, and FFS Programs in its GSA(s) to meet, agree upon and reduce writing MOUs and/or joint Collaborative Protocols. Protocols and/or MOUs shall represent robust and meaningful collaborative processes and relationships, as necessary to meet member's needs based on the LOB and subpopulation (e.g., adult, child, SMI, GMH/SU, justice-involved), as specified in AMPM Policy 541, AMPM Policy 590, AMPM Policy 1021, and AMPM Policy 1022.

1. The Contractor shall address in each Collaborative Protocol and/or MOU, at a minimum, the following:
   a. Procedures for each entity to coordinate the delivery of covered services to members served by both entities,
   b. Mechanisms for resolving problems,
   c. Information sharing,
   d. Resources each entity commits for the care and support of members mutually served,
   e. Procedures to identify and address joint training needs, and
   f. Where applicable, procedures to have providers co-located with jails, prisons, and detention facilities or other agency locations as directed by AHCCCS.

2. All MOUs and/or joint Collaborative Protocols shall be fully executed with required signatures and dates by all parties.

3. The Contractor shall review and update all written protocols and MOUs as needed, but no less than every 36 months. AHCCCS may, at its discretion, request current Collaborative Protocols and MOUs.

4. The Contractor shall comply with the Health Insurance Portability and Accountability Act (HIPAA) requirements under 42 CFR 431.300 et seq. To the extent permitted by law, treatment data may be shared without the permission of the member and are **not** subject to 42 CFR Part 2. Data may consist of:
   a. Individual's Name (First Name, Middle Initial, Last Name),
   b. Date Of Birth (DOB),
   c. AHCCCS ID,
   d. Social Security Number,
   e. Gender,
   f. Court Ordered Treatment (COT) status,
   g. Public Fiduciary/Guardianship status,
   h. Assigned Behavioral Health Provider Agency,
   i. Assigned Behavioral Health Provider's Phone Number,
   j. Name of AHCCCS Contractor,

k. Primary Care Provider (PCP) Name and Phone Number,
l. Diagnoses (Medical and Behavioral Health),
m. Medications.

Collaboration with Tribal Nations and Providers: The Contractor shall consult with each Tribal Nation within the Contractor's assigned GSAs to ensure availability of appropriate and accessible services. The Contractor shall report to AHCCCS collaboration activities and processes, as part of the Contractor's MM Program Plan as specified in Section F, Attachment F3, Contractor Chart of Deliverables. Refer to AMPM Policy 1010.

Concurrent Review: The Contractor shall ensure consistent application of review criteria that governs the utilization of services in institutional settings, provide a basis for consistent decisions for utilization management, coverage of services, and other areas to which the guidelines apply as specified in AMPM Policy 1020.

The Contractor shall have policies and procedures in place that govern the process for proactive discharge planning when members have been admitted into acute care facilities, Behavioral Health Inpatient Facilities (BHIFs), BHRFs, and TFC facilities.

The intent of the discharge planning policy and procedure would be to increase the utilization management of inpatient admissions and decrease readmissions within 30 days of discharge. Refer to AMPM Policy 320-O for provisions regarding behavioral health assessment and treatment/service planning.

In addition, 42 CFR 447.26 prohibits payment for Provider-Preventable Conditions that meet the definition of a HCAC or an OPPC (refer to AMPM Chapter 1000). If an HCAC or OPPC is identified, the Contractor shall report the occurrence to AHCCCS and conduct a QOC investigation as specified in AMPM Chapter 900 [42 CFR 438.3(g), 42 CFR 438.6(f)(2)(ii), and 42 CFR 434.6(a)(12)(ii)].

Require admission and continued stay authorizations for members in acute care facilities, BHIFs, BHRFs, and TFC facilities are to be conducted by a physician or other qualified health care professional. Under 42 CFR 438.210(b)(3), qualified health care professionals, with appropriate clinical expertise in treating the member's condition or disease, will render decisions to deny if the criteria for admission or continued stay is not met.

Coordination with AHCCCS Contractors and Primary Care Providers: The Contractor shall forward behavioral health records including copies or summaries of relevant information of each member to the member's PCP as needed to support quality medical management and prevent duplication of services.

The Contractor shall establish a process to ensure care coordination for pharmaceutical needs for members based on early identification of health risk factors or special care needs and ensure the following information, for all members referred by the PCP, is communicated to the PCP, upon request, no later than ten days from the request [42 CFR 438.208(b)(3)]:

1. Critical laboratory results as defined by the laboratory and required by specific medication(s), and

2. Prescriptive changes of a member's medication(s) within the same therapeutic class or a change to a new drug from a different therapeutic class.

Drug Utilization Review: The Contractor shall perform DUR activities in accordance with the CMS requirements in the SSA Section 1927 (g) Drug Use Review and the Federal Opioid Legislation (42 USC 1396 A (OO). The Contractor shall complete the annual CMS DUR Survey and provide email notification to the AHCCCS Pharmacy Director upon completion, as specified in Section F, Attachment F3, Contractor Chart of Deliverables.

High-Need/High-Cost: The Contractor shall identify, monitor, and implement interventions for providing appropriate and timely to improve care provided to members with high-needs and/or high-costs who have physical and/or behavioral health needs. Refer to AMPM Policy 1021.

High-Cost Behavioral Health-Needs: The Contractor shall submit counts of distinct members that are considered to have High-Cost Behavioral Health-Needs based on Contractor criteria. For the identified members the Contractor shall submit the number of prior authorizations and Notice of Adverse Benefit Determinations issued, as well as the concurrent and retrospective reviews of these for members identified within the State Fiscal Year (July 1-June 30). The Contractor shall submit the High-Cost Behavioral Health Report as specified in Section F, Attachment F3, Contractor Chart of Deliverables.

Inappropriate Emergency Department Utilization: The Contractor shall identify and track members who utilize 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 an Emergency Department Diversion Summary as specified in AMPM Policy 1021 and Section F, Attachment F3, Contractor Chart of Deliverables.

Justice System Reach-in Care Coordination: To facilitate care coordination for members transitioning from correctional institutions, AHCCCS is engaged in data sharing agreements with most jails, prisons, and detention facilities providing a mechanism for a member's program eligibility to remain unaffected by incarceration in most cases. Rather than discontinuing program eligibility for incarceration, AHCCCS instead suspends a member's health plan enrollment temporarily to a "no pay" status during the period of incarceration and, upon release, immediately reinstates the previous enrollment to promote continuity of care. In support of this enrollment suspense initiative, the Contractor is required to engage in Justice System Reach-in Care Coordination activities.

The Contractor shall conduct justice system reach-in care coordination for adult and juvenile members incarcerated for 20 days or longer and shall commence upon the knowledge of a member's anticipated release date. The Contractor shall collaborate with justice system stakeholders to identify justice involved members with chronic and/or complex physical and/or behavioral health care needs prior to the member's release. The Contractor shall conduct justice system reach-in care coordination for incarcerated members who have SUD and/or meet medical necessity criteria to receive MAT including MOUD. Additionally, the Contractor shall comply with AHCCCS' plan for implementing Section 5121 of the Consolidated Appropriations Act(2023). The Contractor shall identify and ensure sustainment of a sufficient network of providers capable of providing the services outlined for the Consolidated Appropriations Act and as determined by AHCCCS.

The Contractor shall monitor justice reach-in outcomes throughout the year and submit the following as specified in AMPM Policy 1022 and Section F, Attachment F3, Contractor Chart of Deliverables: the Justice System Reach-in and Reentry Plan (JRSP) and the Justice System Reach-in Monitoring Report shall include the number of members involved in reach-in activities. AHCCCS may run performance

metrics including but not limited to emergency room utilization, inpatient utilization, reduction in recidivism and other access to care measures for the population to monitor care coordination activities and effectiveness.

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 50, Capitation Adjustment.

Monitoring Controlled and Non-Controlled Medication Utilization: The Contractor shall engage in activities to monitor controlled and non-controlled medication use as specified in AMPM Policy 1024 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 members who are restricted to using a specific Pharmacy or Prescriber/Providers due to excessive use of prescription medications (narcotics and non-narcotics). The Contractor is also required to report to AHCCCS when the Contractor makes Changes to Interventions and Parameters to the Contractor's Exclusive Pharmacy and/or Single Prescriber Process and to provide Notice of Provider Restrictions as specified in Section F, Attachment F3, Contractor Chart of Deliverables and AMPM Policy1024.

Out of State Placements for Behavioral Health Treatment: The Contractor shall notify AHCCCS of placement or pending placement of a member in an out-of-State placement, submit progress updates of members who remain in out of State placement for behavioral health treatment, and notify AHCCCS when a member is discharged, including those members waiting for out of State placement, as specified in AMPM Policy 450 and Section F, Attachment F3, Contractor Chart of Deliverables.

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

Outreach: The Contractor is responsible for the organization of provider level training and the development of informational materials to increase outreach, eligibility identification, referrals, and tracking of referral outcomes, including for individuals who are under or uninsured. Refer to AMPM Policy 1040 for provisions regarding community and member Outreach, Engagement, and Re-engagement for behavioral health services. 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 specified 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, and other interested parties about the availability and accessibility of services, and coordinate with AHCCCS in promoting its outreach initiatives.

23. 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 via the Telephone Performance Measures deliverable 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.

The Federal Communications Commission (FCC) amendments to the Telephone Consumer Protection Act (TCPA) effective July 20, 2023 relates to all residential telephone calls that require all robocalls unless the call is made for emergency purposes be limited to one robocall per day for a maximum of three calls per seven day period.

24. GRIEVANCE AND APPEAL SYSTEM

The Contractor shall have in place a written Title XIX/XXI Grievance and Appeal System process for members who are Title XIX/XXI eligible, 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 specified 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 specified 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, 42 CFR Part 438 Subpart F and any other requirements related to the Grievance and Appeal System under Federal, State, or local law, statute, ordinance, rule, regulation, or court decree.

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. The Contractor is not permitted to delegate the Grievance and Appeal System requirements to its providers.

Information to members shall meet cultural competency and LEP requirements as specified in Section D, Paragraph 16, Member Information and Section D, Paragraph 18, 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 shall indemnify, defend, and hold harmless the State from and against any and all claims, losses, liability, costs, and expenses, including, but not limited to, attorney's fees and costs, arising out of litigation against AHCCCS including, but not limited to, lawsuits challenging the Contractor's failure to conform to any requirements related to the Grievance and Appeal System under Federal, State, or local law, statute, ordinance, rule, regulation, or court decree.

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 shall include:

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.

9. That a provider may file an appeal on behalf of a member with the member's written consent.

The future enrollment of a Contractor's member to another Contractor and/or the member's subsequent loss of AHCCCS eligibility are not valid reasons to deny or limit a member's service authorization request submitted to the Contractor during the time period in which the member was enrolled with that Contractor. Contractors shall not take the position during the grievance and appeals process that a former member's subsequent enrollment with another Contractor or that member's subsequent loss of AHCCCS eligibility are valid reasons for the Prior Contractor to deny or dismiss an appeal of the adverse benefit determination if the member submitted the service authorization request to the Prior Contractor during a period of enrollment with the Prior Contractor. The Prior Contractor is required to substantiate that the denial or reduction of the service authorization request is based upon medical necessity, the exclusion of the service from the scope of AHCCCS covered services, and/or cost-effectiveness. If the authorization decision of the Prior Contractor is overturned on appeal, the Prior Contractor is financially responsible for coverage of those services notwithstanding the member's subsequent enrollment with a different Contractor or the member's subsequent loss of AHCCCS eligibility.

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

The Contractor is responsible for responding to requests from the AHCCCS Clinical Issue Resolution Unit involving member complaints, concerns, and issues brought to AHCCCS' attention by AHCCCS members, family members, providers, and other concerned parties. Upon request, the Contractor shall provide the Clinical Resolution Unit (CRU) with a written summary that describes the steps taken to resolve the issue, including findings, the resolution, and if indicated, a need for corrections. The Contractor shall submit Contractor Response to AHCCCS Regarding Member Grievances (Response to Problem Resolution) to acknowledge receipt of an issue referral expeditiously and according to the urgency and response timeframe identified by the AHCCCS Clinical Resolution Unit (CRU) as specified in Section F, Attachment F3, Contractor Chart of Deliverables.

25. NETWORK DEVELOPMENT

The provider network shall be a foundation that supports an individual member's needs as well as the membership as a whole.

The Contractor shall develop, maintain, and monitor a comprehensive provider network that is diverse and supports the needs of AHCCCS members. The Contractor's network shall be supported by written agreements which are sufficient to provide all covered services to AHCCCS members including those with LEP or physical or cognitive disabilities [42 CFR 457.1230(a), 42 CFR 438.206(b)(1)].

The Contractor shall ensure covered services are accessible in terms of location and hours of operation as specified by AHCCCS Network requirements. The Contractor shall ensure its membership has access to providers at least equal to community standards [42 CFR 457.1230, 42 CFR 438.206(b)(1)].

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 shall incorporate the following critical requirements in the development of a sufficient and effective network in order to meet the needs of members:

1. A network of community-based providers including physicians, preventive, primary care, family planning, dental, behavioral health, 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 457.1230(a), 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, mobile providers in rural or under-served areas, and an Integrated Medical Record to provide multi-specialty, interdisciplinary care when needed in other areas of the State.

3. Community-based, family support providers in urban, suburban, and rural areas of the State.

4. Ensure access to Skilled Nursing Facilities (SNFs) and Assisted Living Facilities (ALFs) that include facilities that are able to meet the needs of individuals with:
   a. Traumatic Brain Injuries,
   b. Substance Use Disorders, and
   c. Persistent aggressive behaviors.

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)(i)-(iii)]. The development of HCBS 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); 42 CFR 438.206(c)(1)(i)-(iii)]. The Contractor is required to have available non-emergent after-hours physician or primary care services within its network. 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 457.1230(a), 42 CFR 438.206(b)(4) and (5)].

The Contractor is expected to develop a provider network that supports the provision of covered 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 SUD 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 457.1201(1), 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 members diagnosed with ASD.

2. Arizona State Opioid Response.

3. Substance Use Disorder (SUD).

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 provider network shall be designed to reflect the needs and service requirements of AHCCCS' culturally and linguistically diverse member population, and to promote health equity for members served. The Contractor shall design a provider network that provides a geographically convenient flow of patients among network providers to maximize member choice. The Contractor shall allow each member to choose their network provider to the extent possible and appropriate [42 CFR 457.1201(j), 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 FFS Medicaid [42 CFR 457.1230(d), 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 457.1230(a), 42 CFR 438.206(c)(3)]. The Contractor shall meet network requirements and maintain a sufficient network in accordance with the requirements specified in ACOM Policy 436, 42 CFR 457.1218, 42 CFR 438.68, 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 network standards, the Contractor may submit a request for Exception to Network Standards as specified in ACOM Policy 436 and Section F, Attachment F3, Contractor Chart of Deliverables. AHCCCS will review requested exceptions as specified in ACOM Policy 436 [42 CFR 457.1218, 42 CFR 438.68].

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 AAC R9-22-1303 to ensure, 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 PROs and FROs. The Contractor shall provide technical assistance and support to PROs and FROs as necessary.

2. Master's and doctoral level trained clinicians in the fields of social work, counseling, marriage and family therapy, psychology, applied behavior analysts, and addiction counseling, who are trained in, and implement nationally recognized best practices for medically and behaviorally complex conditions, including intellectual/cognitive disabilities, trauma-related disorders, SUD, sexual offenders, sexual abuse victims, members who are pregnant or postpartum, and specialized populations or age groups, including transition age youth and members aged birth to five years old.

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

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 457.1208, 42 CFR 438.12(a)(1)-(2)]. In addition, the Contractor shall not discriminate against particular providers that serve high-risk populations or specialize in conditions that require costly treatment [42 CFR 457.1208, 42 CFR 457.1233(a), 42 CFR 438.12(a)(2), 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 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 457.1208, 42 CFR 438.12(b)(1)-(3)].

If a Contractor declines to include individuals or groups of providers in its network, it shall give the affected providers timely written notice of the reason for its decision [42 CFR 457.1208, 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 1128 A of the SSA [42 CFR 457.1233(a), 42 CFR 438.214(d)(1)].

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 shall pay all AHCCCS registered 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, 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. Irrespective of services covered by AzEIP, the Contractor remains responsible for timely coverage of all medically necessary services as specified in this Contract. Consistent with AAC R9-22-705 K., in the absence of a Contract, Contractors shall pay claims at rates not less than the AHCCCS AzEIP FFS rates. In the event the Contractor intends to contract for AzEIP services at rates that are lower than the AHCCCS AzEIP rates, the Contractor shall notify AHCCCS of the proposed rates at least 90 days in advance of implementation. The Contractor shall provide the proposed rates with an explanation of how it intends to track, evaluate, and mitigate any potential negative impacts to access to care. AHCCCS will review the proposed rates to consider if an adjustment to the Contractor's capitation rates may be warranted.

Centers of Excellence: The Contractor shall contract with Centers of Excellence which implement evidence-based practices and track outcomes for members with specialized health care needs. Refer to Section D, Paragraph 10, Behavioral Health Service Delivery and Section D, Paragraph 71, Value-Based Purchasing.

Durable Medical Equipment Service Delivery: The DME (e.g., wheelchairs, walkers, hospital beds, and oxygen equipment) is critical in optimizing the member's independence and functional level, both physically and mentally, and to support service delivery in the most integrated setting and foster engagement in the community. The Contractor is required to provide medically necessary DME to members in a timely manner consistent with AHCCCS Policy. The Contractor shall track and report the timeliness of DME Service Delivery as specified in Section F, Attachment F3, Contractor Chart of Deliverables.

***Graduate Medical Education Residency Training Programs*:** AHCCCS is committed to WFD 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 MM 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 shall attempt to contract with graduating residents and providers that are opening new practices in, or relocating to, Arizona, especially in rural or underserved areas (AAC R9-22-712.05, ARS 36-2903.01(G)(9), ARS 36-2903.01(G)(9)(d), ARS 36-2907.06).

Multi-Specialty Interdisciplinary Clinics: For members with SHCNs, including members with CRS conditions who could benefit from a multidisciplinary approach, covered services shall be delivered through a combination of established MSICs, Field Clinics, Virtual Clinics, and in community settings. The Contractor is expected to contract with all MSICs in the awarded GSAs and attempt to contract with any additional MSICs which have provided services to the Contractor's members 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 shall continue to allow members to utilize the MSIC. In the absence of a Contract, consistent with AAC R9-22-705 K., 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 it is billed by an MSIC and it is for a CRS member, a former CRS member, or any member enrolled with an ALTCS MCO.
The MSIC may include all services provided to a member on a single date of service on one claim form or multiple claim forms. If multiple claim forms, the MSIC NPI shall be used as the rendering provider on each claim. A single MSIC is eligible for only one T1015 code payment per member/per day.

The use of procedure code T1015 and its application to Federally Qualified Health Care Center/Rural Health Clinic (FQHCs/RHCs) remains unchanged.

If the Contractor fails to negotiate contracts with all currently established MSICs in each of the Contractor's awarded GSAs, 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 shall be available:

1. Physicians.
2. Nurse Practitioners.
3. Physician Assistants.
4. Licensed BHPs.
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 (SW).
4. Nutritionist.
5. Physiatrist.
6. Otolaryngologists.
7. Gastroenterologist.
8. Neurologist.
9. Ophthalmologist.

10. Surgeon.

11. Orthopedist.

12. Plastic surgeon.

13. Urologist.

14. Audiologist.

In the event the Contractor and an MSIC fail to negotiate a Contract, the Contractor shall submit a description outlining the proposed alternative delivery model, including proposed multispecialty interdisciplinary care providers via the Proposed Alternative MSIC Providers deliverable, to AHCCCS for review and approval as specified in ACOM Policy 436 and Section F, Attachment F3, Contractor Chart of Deliverables. The designation of an MSIC is awarded at the sole discretion of AHCCCS.

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

Network Development and Management Plan: The Contractor shall develop and maintain a Provider 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 457.1230(b), 42 CFR 438.207(b)(1)-(2) and 42 CFR 438.207(b)(2)]. The submission of the Provider NDMP and Associated Documents to AHCCCS is an assurance of the adequacy and sufficiency of the Contractor's provider network. The Provider NDMP and Associated Documents shall be evaluated, updated annually, and submitted to AHCCCS as specified in Section F, Attachment F3, Contractor Chart of Deliverables. The Provider NDMP and Associated Documents shall 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, QI 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].

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

Telehealth: Telehealth is defined as health care services delivered via asynchronous (store and forward), remote patient monitoring, teledentistry, telemedicine (interactive audio and video), or telephone (audio-only). Telehealth 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 telehealth services in compliance with Federal and State laws and the requirements of this Contract and all incorporated references. The Contractor shall be responsible for developing and expanding the use and availability of telehealth services, when clinically indicated and appropriate. Refer to AMPM Policy 320-I.

Treat and Refer: 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.

Workforce Development: In accordance with ACOM Policy 407 the Contractor shall establish and maintain a Workforce Development Operation (WFDO). The WFDO works together with the Contractor's Network and Quality Management functions to ensure the provider network has:

1. Sufficient *workforce capacity* - An appropriate number of qualified workers needed to provide services.

2. Required level of *workforce capability* – Workers who are interpersonally, clinically, culturally, and technically competent in the skills needed to provide services.

3. *Connected workplaces* – Providers with an internal capacity for developing their workforce and or are connected to external WFD resources.

The Contractor's WFDO shall consist of the following components:

1. A WFD Administrator,

2. A WFDO that is organizationally aligned with the Contractor's Network Management and QM functions. The WFDO is the organizational structure, personnel, processes and resources, the Contractor implements to monitor and assess current workforce capacity and capability, forecast and plan future workforce capacities and capabilities and when indicated, deliver technical assistance to provider organizations to strengthen their WFD programs.

3. A Professional Development Plan for the WFD Administrator.

4. Data collection and information processing resources for assessing the current level of workforce capacity and capability strengths and deficits as well as forecasting and planning strategies that address future workforce requirements.

5. Single Learning Management System Contract. AHCCCS requires the Contractor to:
   a. Collaborate with all other Contractors in using a single, statewide, Learning Management System (LMS) to administer the delivery, documentation, tracking and reporting of all required education and training programs, and
   b. Financially support the Contract made between the AzAHP and the LMS vendor.

The WFDO performs the following functions:

1. Leads the Contractor's internal WFD efforts and represent the Contractor as a member of the AzAHP WFD Alliance as well as other workforce related workgroups and committees.

2. Produces the Contractor's Network WFD Plan as specified in Contract Section F, Attachment F3, Contractor Chart of Deliverables, and contributes to the WFD Alliance's Annual Collaborative Assessment and Forecast of WFD Priorities of system wide WFD needs and solutions for addressing them.

3. Ensures that providers comply with all AHCCCS required workforce training and competency requirements and practices.

4. Ensures that providers have access to and comply with all training programs and practices required by the Report of the Abuse & Neglect Prevention Task Force to Governor Douglas A. Ducey (November 1, 2019):
   a. Resources and training programs to assist professionals and family caregivers prevent and manage stress and burnout,
   b. Training for all personnel in the prevention and detection of all forms of abuse and neglect, and
   c. Routine exercises and drills to test the reactions of staff to simulated conditions where abuse and neglect could potentially occur are incorporated into the providers ongoing workforce/ staff training and development plan.

5. Ensures that providers have completed trainings related to the specific needs of the population that they serve, and as indicated on the scope of services included within the facility's license.

6. Informs providers that they are required to have policies and procedures for developing and verifying the competence of staff to provide services to AHCCCS Members and to attest that these practices are implemented and in use by completing the appropriate section in the annual AZ Healthcare Workforce Goals and Metrics Assessment (AHWGMA)

7. Provides guidance and technical assistance as needed to assist providers develop and implement policies, procedures and practices. These policies, procedures and practices should include, but are not limited to, activities such as:
   a. Identifying evidence based best practice training programs that are relevant to specific populations (For example; Individuals served in community based and residential settings who are at risk for the following conditions: autism, dementia or related disorders, traumatic brain injuries, persistent aggressive behavior, pregnancy or postpartum, and other specialized populations as identified by the Contractor)
   b. Developing staff training plans that identify staff who are required to complete certain population specific training programs,
   c. Determining the competence of staff to provide services, storing and maintaining training records and certifications using manual, electronic or a learning management system.

8. Collects and analyzes workforce data needed to prepare required and ad hoc workforce assessment reports, forecasts, and plans.

9. In recognition of the interconnected relationships that providers have with multiple health plans, coordinates the provision of technical assistance to Network Providers on WFD processes such as recruitment, selection, training, deployment, and retention.

10. Participates in routine and ad hoc WFD meetings with the AHCCCS Administrator of Healthcare WFD as well as with the AzAHP WFD Alliance.

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

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

26. PROVIDER AFFILIATION TRANSMISSION

The Contractor shall collect and submit information regarding its entire contracted provider network in the format specified in the AHCCCS Provider Affiliation Transmission (PAT) User Manual., which can be found on 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 Standard Results Review as specified in ACOM Policy 436, Attachment B. The PAT and the Minimum Network Standard Results Review shall be submitted as specified in Section F, Attachment F3, Contractor Chart of Deliverables. The Contractor shall also submit the Minimum Network Standards Plan Review and Update as specified in ACOM Policy 436 and Section F, Attachment F3, Contractor Chart of Deliverables.

27. NETWORK MANAGEMENT

The Contractor shall have written policies and procedures on how the Contractor will [42 CFR 457.1208, 42 CFR 457.1233(a), 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 the grievance/appeal processes and ensuring the member's care is not compromised during the grievance/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, recredential, and contract with providers in a manner that incorporate 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.

10. Ensure that 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).

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

Material Change to the 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 not be limited to, changes in services, covered benefits, GSAs, composition of or payments to its provider network, or eligibility of a new population. Material changes to the provider network shall be approved in advance by AHCCCS by submitting the Provider Changes Report as specified in Contract Section F, Attachment F3, Contractor Chart of Deliverables. The Contractor shall submit the Material Change to Provider Network report and required documentation as specified in ACOM Policy 439 and Section F, Attachment F3, Contractor Chart of Deliverables [42 CFR 457.1230(b), 42 CFR 457.1285, 42 CFR 438.604(a)(5), 42 CFR 438.606, 42 CFR 438.608(a)(4), 42 CFR 438.207(b)-(c), 42 CFR 438.206].

Refer to Section D, Paragraph 41, regarding material changes by the Contractor that may impact business operations.

Refer to Section D, Paragraph 50, Capitation Adjustments regarding material changes by the Contractor that may impact capitation rates.

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

Opioid Use Disorder Real-Time Service Availability Locator: The Real-Time Service Availability Locator is a service locator built to assist the public and others in locating real-time information about the availability of OUD services throughout the State. Refer to the AHCCCS Opioid Service Locator.

The Contractor shall require Opioid Treatment Programs (OTPs), Office-Based Opioid Treatment (OBOTs), and Opioid Residential Treatment Program providers to supply data feeds to the AHCCCS-contracted vendor for the Real-Time Service Availability Locator. The Contractor shall require its providers to comply with the AHCCCS reporting requirements.

The following data elements are required for initial reporting, within a timeline identified by AHCCCS and shall be updated as frequently as the data field value changes:

1. Agency and location specific information:
    a. Agency name,
    b. Address,
    c. Phone,
    d. Website,
    e. Hours of operation,
    f. Logo,
    g. Counties served, and
    h. Contracted health plans.

2. Populations served:
   a. Gender, and
   b. Age.

3. Services provided:
   a. Residential,
   b. Methadone maintenance,
   c. Buprenorphine maintenance,
   d. Naltrexone maintenance,
   e. Peer support, and
   f. Psychosocial.

4. Capacity (as applicable to provider type):
   a. Available beds,
   b. Methadone maintenance,
   c. Buprenorphine maintenance, and
   d. Naltrexone maintenance.

Provider Forums: The Contractor shall hold a provider forum no less than semi-annually. The forum shall 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 and hear any concerns from the provider community. 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 shall be made available to AHCCCS upon request. The Contractor shall create a plan to address any concerns heard in these meetings and report information discussed during these forums to executive management within the organization. In addition to the provider forum, the Contractor shall coordinate a semi-annual 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.

28. PRIMARY CARE PROVIDER STANDARDS

The Contractor shall include in its provider network a sufficient number of 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, using the AT Report, 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 semi-annual 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 shall provide information to the member on how to contact the member's assigned PCP [42 CFR 457.1230(c), 42 CFR 438.208(b)(1)].

The Contractor shall ensure that providers serving EPSDT-aged members utilize the AHCCCS-approved EPSDT Clinical Sample Template, or electronic equivalent, 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 coordinate with DCS and maintain records of attendance and training of the completed curriculum of their network of providers that include the use of the Comprehensive Health Assessment-EPSDT visits within 30 days of enrollment with CHP which shall be produced upon request from AHCCCS.

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 multidisciplinary 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), 42 CFR 438.52(d), 42 CFR 438.14(b)(3)] and this Contract. Any American Indian who is enrolled with the Contractor and who is eligible to receive services from an Urban Indian Health Program PCP participating as a Contractor's network provider, is permitted to choose Urban Indian Health Program as their PCP as long as that provider has capacity to provide the services [American Reinvestment and Recovery Act (ARRA) Section 5006(d), 42 CFR 457.1209, SMDL 10-001, 42 CFR 438.14(b)(3), 42 CFR 447].

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 days of the Contractor's receipt of notification of assignment by AHCCCS. Refer to 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 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 Clinical Sample Templates or electronic equivalent.

6. Providing clinical information regarding member's health and medications to the treating provider, including behavioral health providers, within ten business days of a request from the provider.

7. If serving children, enrolling as a VFC provider.

8. Checking the Arizona State Board of Pharmacy Controlled Substance Prescription Monitoring Program (CSPMP) when prescribing controlled medications in accordance with ARS 36-2606.

Refer to requirements specified 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.

29. 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 AMPM Chapter 400. The Contractor shall submit a Maternity and Family Planning Services Program Plan (inclusive of work Plan and Work Plan Evaluation) as specified in Section F, Attachment F3, Contractor Chart of Deliverables

The following are provider types who may provide maternity care when it is within their training and scope of practice:

1. Arizona licensed allopathic and/or osteopathic physicians who are obstetricians or general practice/family practice providers.

2. Practitioners:
   a. Physician Assistants,
   b. Nurse Practitioners, and
   c. Certified Nurse Midwives.

3. 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 shall also be assigned to a PCP for other health care and medical services. A certified nurse midwife may provide 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 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. Per AMPM Policy 410 labor and delivery services rendered through Free Standing Birthing Centers shall be provided by a physician or by a certified nurse midwife who has hospital admitting privileges for labor and delivery services, or a licensed midwife who is following licensing and practice requirements as specified in AAC R9-16-111 through 113. Labor and delivery

services may be provided in the member's home by physicians, nurse practitioners, certified nurse midwives, and licensed midwives who include such services within their practice.

30. REFERRAL MANAGEMENT PROCEDURES AND STANDARDS

The Contractor shall establish written criteria and procedures for accepting and acting upon referrals to specialists, including emergency referrals, to include, at a minimum, the following:

1. Definition of a referral as any oral, written, faxed, or electronic request for services made by the member or member's legal guardian, family member, an AHCCCS Contractor, PCP, hospital, court, Tribe, IHS, 638 Tribal Facility, school, or other State or community agency.

2. Use of Contractor's referral process,

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, or other third-party health coverages such as Medicare as applicable.

4. 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.

5. Requirements for referral in order to ensure member access to behavioral health services,

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 457.1230(a), 42 CFR 438.206(b)(2)].

7. For members with SHCNs determined to need a specialized course of treatment or regular care monitoring, the Contractor shall 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.

Disposition of Referrals: The Contractor shall require that providers, when appropriate, communicate the final disposition of each referral to the referral source and Health Plan within 30 days of the member receiving an initial assessment.

Referral for a Second Opinion: The Contractor shall 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 457.1230(a), 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 SSA and their implementing regulations which include, but are not limited to, 42 CFR Part 411, Part 424, Part 435 and Part 455, and Sections 1903(s) and 1877 of the SSA which 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 include:

1. Clinical laboratory services.

2. Physical Therapy (PT) services.

3. Occupational Therapy (OT) services.

4. Outpatient speech-language pathology services.

5. Radiology and certain other imaging services.

6. Radiation therapy services and supplies.

7. Medical equipment and appliances and medical 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.

12. Inpatient and outpatient hospital services.

The Contractor shall accept and respond to emergency referrals 24 hours a day, seven days a week. Emergency referrals do not require PA.

The Contractor shall ensure that training and education are available to PCPs regarding behavioral health referrals and consultation procedures.

31. APPOINTMENT AVAILABILITY, TRANSPORTATION TIMELINESS, MONITORING, AND REPORTING

The Contractor shall actively monitor and track provider compliance with appointment availability, transportation timeliness, monitoring, and reporting standards as specified in ACOM Policy 417 [42 CFR 438.206(c)(1)]. The Contractor shall ensure that providers offer a range of appointment availability, per-appoint timeliness standards, for 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 Appointment Availability Review and Transportation Timeliness Review information as specified in Section F, Attachment F3, Contractor Chart of Deliverables.

If the Contractor plans to change its existing methodologies for its Appointment Availability reviews the Contractor shall submit a request for approval of Appointment Availability Review Methods 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, end of life care or hospice 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.

Pursuant to ARS 8-201.01, for children in DCS custody and adopted children, if an initial behavioral health appointment is not provided within 21 days of the initial assessment the member may access services directly from any AHCCCS registered provider regardless of whether the provider is contracted with the Contractor. If the provider is not contracted with the Contractor, the provider shall submit the claim to the Contractor and the Contractor shall reimburse the provider at the lesser of 130% of the AHCCCS system's negotiated rate or the provider's standard rate. Refer to ACOM Policy 417 and ACOM Policy 449.

The Contractor shall ensure that a behavioral health screening is conducted within 72 hours of removal from the member's home, as outlined in ACOM Policy 449.

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

The Contractor shall ensure members have timely access to medically necessary non-emergent transportation for routine appointments. Additionally, the Contractor shall have a process in place for members to request and receive medically necessary transportation for urgent appointments. 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 shall meet a performance target of 95% of all completed pick-up and drop off trips in a quarter to be completed timely. The Contractor shall develop and implement 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 shall 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 shall develop a CAP when appointment standards are not met. In addition, the Contractor shall develop a CAP in conjunction with the provider when appropriate [42 CFR 457.1230(a), 42 CFR 438.206(c)(1)(iv)-(vi) 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.

32. FEDERALLY QUALIFIED HEALTH CENTERS AND RURAL HEALTH CLINICS

The Contractor is encouraged to use FQHCs/RHCs and FQHC Look-Alikes in Arizona to provide covered services. The 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 1396 b (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 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. The Contractor shall require its Subcontracted Health Plan to pay each FQHC and RHC according to the requirements listed in this section.

The Contractor shall be required to submit member month information for members for each FQHC/RHC/FQHC Look-Alike through the FQHC Member Information report 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 further guidance. The FQHCs/RHCs and FQHC Look-Alike registered with AHCCCS.

Refer to Section D, Paragraph 8, Scope of Services, *Prescription Medications* for information related to 340B Drug Pricing.

33. PROVIDER MANUAL

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

34. PROVIDER ENROLLMENT/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 457.1285, 42 CFR 438.608, 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 (NPI), Federal taxpayer identification number, and the State license or certification number of the provider.

For specific requirements on Provider Enrollment refer to AHCCCS Provider Enrollment on the AHCCCS website and AMPM Policy 610.

The NPI, for all providers eligible for an NPI, is required on all claim submissions from providers and subsequent MCO encounters 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.

AHCCCS Provider Enrollment Portal: The AHCCCS Provider Enrollment Portal (APEP) is an online, electronic portal, launched by AHCCCS August 31, 2020, which streamlines and expedites the provider enrollment process for providers. APEP allows providers the means to electronically submit a new

enrollment or modify an existing provider ID anytime of the day. The Contractor shall ensure providers register through APEP and continue to maintain the provider ID as required by AHCCCS. The Contractor shall require providers to update their provider registration data with any changes to their demographic data, including the current population group sets served for those provider types asked to enter the population group sets during their AHCCCS registration.

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

AHCCCS will screen and enroll, and periodically revalidate, all Contractor's subcontracted providers as Medicaid providers as specified by 42 CFR 457.1285 and 42 CFR 438.602(b)(1).

35. SUBCONTRACTS

The Contractor shall be held fully liable for the performance of all Contract requirements. Subject to limitations as specified 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 457.1201(i), 42 CFR 457.1233(b), 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 shall be in writing [42 CFR 457.1201(i), 42 CFR 457.1233(b), 42 CFR 438.230(c)(1)(i)-(ii), 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 shall have full disclosure of all terms and conditions and shall 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 SSA [42 CFR 457.1233(a), 42 CFR 438.214(d)(1)].

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

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 and Checklist shall be submitted as specified in ACOM Policy 438 and Section F, Attachment F3, Contractor Chart of Deliverables. All requirements for Administrative Services Subcontracts specified in Policy and Contract shall apply to Management Services Agreements unless otherwise stated. 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 shall retain the authority to direct and prioritize any delegated Contract requirements.

The Contractor shall provide oversight to the CHP Subcontracted Health Plan in the completion of functions related to the QOC investigations processes onsite QOC visits and annual audits and reviews.

Before entering into an Administrative Services Subcontract which delegates duties or responsibilities to a subcontractor, the Contractor shall 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 shall be communicated to the Administrative Services Subcontractor in order to establish a CAP [42 CFR 438.230(b)]. The results of the performance review and the CAP shall be communicated to AHCCCS upon completion via the Administrative Services Subcontractor Evaluation Report deliverable as specified in ACOM Policy 438 and Section F, Attachment F3, Contractor Chart of Deliverables.

Additionally, if at any time during the period of the Administrative Services Subcontract the subcontractor is found to be in noncompliance, the Contractor shall submit Administrative Services Subcontractor Non-Compliance Reporting to AHCCCS, and comply with ACOM Policy 438 and Section F, Attachment F3, Contractor Chart of Deliverables.

The Contractor shall 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 submit to AHCCCS copies of the CHP Subcontracted Health Plan Request for Proposals (RFPs) and RFP Amendments to these contracts, as specified in Section F, Attachment F3, Contractor Chart of Deliverables.

To ensure alignment between AHCCCS requirements and CHP Subcontracted Health Plan requirements the Contractor shall provide the CHP Subcontracted Health Plan Contract to AHCCCS as specified in Section F, Attachment F3, Contractor Chart of Deliverables.

The Contractor shall require Administrative Services Subcontractors to adhere to screening and disclosure requirements as specified in Section D, Paragraph 57, Corporate Compliance.

A change to a subcontract due to a Change in Contractor Organizational Structure of an Administrative Services Subcontractor requires prior approval of AHCCCS, as specified in ACOM Policy 438.

DUGless Data Reporting Requirements: For those demographic elements with no identified alternative data source or Social Determinant identifier, AHCCCS created an online portal (DUGless) to be accessed directly by providers for the collection of the remaining data elements for members.

The Contractor shall require that all providers who might typically document or provide these types of data provide the required data via the DUGless portal.

The requirements, definitions, and values for submission of the identified data elements are specified in the AHCCCS DUGless Portal Guide (DPG). The required information is collected by AHCCCS health care provider subcontractors submitted via the DUGless Portal on the Provider AHCCCS Online. Data and information are recorded and reported to Contractors to assist in monitoring and tracking of the following:

1. Access and utilization of services.

2. Community and stakeholder information.

3. Compliance with Federal, State, and grant requirements.

4. Health disparities and inequities.

5. Member summaries and outcomes.

6. Quality and MM activities.

7. Social Determinants Of Health (SDOH).

8. CALOCUS level of care identification as specified in AMPM Policy 580.

9. SED Identification to include SED qualifying diagnoses as specified in AMPM Policy 550.

Management Services Agreement and Cost Allocation Plan: If the Contractor has subcontracted for management services, the management service agreement shall be approved in advance by AHCCCS in accordance with ACOM Policy 438. If there is a cost allocation plan as part of the MSA, it is subject to review by AHCCCS. AHCCCS reserves the right to perform a thorough review of actual management fees charged and/or cost allocations made via the Corporate Cost Allocation Plans and Adjustment in Management Fees deliverable as specified in ACOM Policy 317 and Section F, Attachment F3, Contractor Chart of Deliverables.

If there is an ownership change in the management services subcontractor, the assignment of the MSA shall be approved by AHCCCS prior to the assignment to the new subcontractor.
The performance of management service subcontractors shall be evaluated and included in the Annual Subcontractor Assignment and Evaluation Report required by Section D, Paragraph 35, Subcontracts and Section F, Attachment F3, Contractor Chart of Deliverables and as specified in ACOM Policy 438.

Minimum Subcontract Provisions: All subcontracts shall reference and require compliance with the AHCCCS Minimum Subcontract Provisions (MSPs). Refer to the AHCCCS Minimum Subcontract Provisions on the AHCCCS website.

All Minimum Subcontract Provisions shall apply to Management Services Agreements unless otherwise stated.

The Contractor shall collaboratively and proactively work with providers to ensure and monitor compliance with requirements of the Report of the Abuse & Neglect Prevention Task Force to Governor Douglas A. Ducey (November 1, 2019) developed in response to Executive Order 2019-03 as specified in the AHCCCS MSPs and Contract.

In addition, each subcontract shall contain the following:

1. Subcontractor activities and obligations, and related reporting responsibilities [42 CFR 457.1233(b), 42 CFR 438.230(c)(1)(i)-(iii), 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 457.1233(b), 42 CFR 438.230(c)(2), 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 and regulations, including applicable sub regulatory guidance and Contract provisions [42 CFR 457.1201(i), 42 CFR 457.1233(b), 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 (TPL).

10. The specific duties of the subcontractor relating to coordination of care for all members.

11. Provision that the subcontractor agrees to identify Medicare and other TPL coverage and to seek such Medicare or TPL payment before submitting claims to the Contractor.

12. A description of the subcontractor's patient, medical, dental, and cost record keeping system.

13. 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.

14. A provision stating that a Change in Contractor Organizational Structure of an Administrative Services Subcontractor shall require a Contract amendment and prior approval by AHCCCS.

15. A provision that indicates that AHCCCS is responsible for enrollment, re-enrollment, and disenrollment of the covered population.

16. 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.

17. A provision that the subcontractor shall obtain any necessary authorization from the Contractor or AHCCCS for services provided to eligible and/or enrolled members.

18. A provision that the subcontractor shall comply with encounter reporting and claims submission requirements as specified in the subcontract.

19. 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.

20. 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 457.1201(i), 42 CFR 457.1233(b), 42 CFR 438.230(c)(1)(iii), 42 CFR 438.3(k)].

21. 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.

22. 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 457.1230(d), 42 CFR 438.210(e)].

23. A requirement that the subcontractor shall not arbitrarily deny or reduce the amount, duration, or scope of a required service solely because of the diagnosis, type of illness, or condition of the member [42 CFR 438.210(a)(3)(ii)].

24. A provision that requires the subcontractor to assist members in understanding their right to file grievances and appeals in conformance with all AHCCCS Grievance and Appeal System and member rights policies.

25. A provision that the State, CMS, the Health and Human Services (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 457.1233(b), 42 CFR 457.1201(i), 42 CFR 438.230(c)(3)(i)-(iv)].

26. 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 enrollees [42 CFR 457.1233(b), 42 CFR 457.1201(i), 42 CFR 438.230(c)(3)(iv)].

27. For subcontractors licensed as an inpatient facility, BHRF, or TFC facility, a requirement to comply with Contractor's quality management and MM programs.

28. A provision that the right to audit under Paragraph (c)(3)(i) of 42 CFR 438.230 will exist through ten years from the final date of the Contract period or from the date of completion of any audit, whichever is later [42 CFR 457.1233(b), 42 CFR 457.1201(i), 42 CFR 438.230].

In the event of a modification to the AHCCCS MSPs 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. Refer to ACOM Policy 416.

Opioid Treatment Program Requirements: Pursuant to ARS 36-2907.14, in addition to all Federal or State licensing and registration requirements, any OTP (including New and Existing OTP sites) receiving reimbursement from AHCCCS or its Contractors shall develop and submit Plans as specified in statute, and any relevant documentation, for review and approval by AHCCCS. The Contractor shall ensure OTP providers are educated on these requirements, as specified in AMPM Policy 660.

Pharmacy Benefit Manager Subcontracts Pass-Through Pharmacy Benefit Manager Pricing Model and Discrete Administrative Fee: The Contractor shall amend the subcontract between the Contractor and its PBM to reflect a pass-through pricing model, defined as a PBM subcontract in which:

1. The Contractor shall reimburse the PBM the exact dollar amount of the actual payments made to pharmacies inclusive of the ingredient costs and the dispensing fees for claims.

2. The Contractor shall submit encounters to AHCCCS for prescription drug claims that are the exact amount of the actual payments made to the pharmacies inclusive of ingredient costs and the dispensing fees for prescription claims.

3. The Contractor shall ensure that the PBM does not implement programs to only allow for a subset of the retail network pharmacies to fill prescription medications that are normally available across all retail pharmacies.

4. The Contractor and PBM shall ensure that no additional direct or indirect remuneration fees, any membership fees or the like may be imposed on a pharmacy as a condition of claims payment or network inclusion, including but not limited to switch fees, transaction fees or any other type of fee. No additional prospective, concurrent, or retrospective remuneration or recoupment models

including, but not limited to, Generic Effective Rates (GERs) or Brand Effective Rates (BERs) shall be permitted. However, nothing shall preclude the reprocessing of claims due to claims adjudication error of the Contractor or its agent or claim related pharmacy audit adjustments for incorrectly billed pharmacy claims.

5. The Contractor shall ensure that encounters submitted to AHCCCS are payments issued by the MCO's PBM and/or the MCO PBM's contractors or subcontractors and are the exact amounts allowed under the reimbursement methodology delineated in the contract between the MCOs PBM or and the pharmacy or the PSAO and the pharmacy.

6. All revenues including direct and indirect payments and credits received by the PBM related to services provided for the Contractor are passed through to the Contractor, including but not limited to: pricing discounts/credited paid to the PBM, inflationary payments, clawbacks, fees, credits, grants, chargebacks, reimbursements, all rebates, administrative fees paid by manufacturers or other related entities, and any other payments received by the PBM on behalf of or related to the Contractor.

7. The Contractor shall not accept any credits or funding offered by the PBM, as an example but not limited to, implementation credits or ongoing credits that are proposed in the contract.

8. The Contractor shall pay the PBM an all-inclusive administrative fee, on a fixed and/or per script basis, for all services provided under the PBM subcontract. The PBM shall not charge the Contractor for other services, as an example, but not limited to, additional fees for a "flu vaccine program". The administrative fee shall not be funded directly or indirectly with revenues associated with credits, rebates, or other payments made to the PBM.

9. For all Contractors, including those contracting with a PBM that subcontracts with another PBM, the submitted encounter to AHCCCS by the Contractor shall be the actual payment to the pharmacy. The contracts between the Contractor and the PBM or the PBM and its subcontracted PBM or any other identified subcontracts associated with the delivery or administration of the pharmacy benefit, shall be submitted to AHCCCS upon request.

10. For Contractors whose PBMs or the PBMs network pharmacies subcontract with a PSAO, the submitted pharmacy encounter to AHCCCS shall include the actual payment to the pharmacy that provided the service, including the paid ingredient cost and dispensing fee. The PSAO shall not withhold any of the ingredient cost reimbursement to the pharmacy. For medications that shall be submitted at their actual acquisition cost as defined by AHCCCS, the PBM and PSAO shall not withhold any of the ingredient cost reimbursement.

11. The Contractor's PBM contract shall be updated to exclude any waiting period for a pharmacy to be added to the PBM's pharmacy network, as an example, but not limited to, the PBM shall not require the pharmacy to wait six months prior to adding the pharmacy to the Contractor's PBM pharmacy network.

The PBM may charge a discrete administrative fee to the Contractor. AHCCCS recommends this fee not be greater than the average of two dollars per paid prescription, including any fixed administrative charges. The discrete administrative fee shall be reported to AHCCCS in the quarterly financial reporting packages as directed in the AHCCCS Financial Reporting Guide. Refer to Section F, Attachment F3, Contractor Chart of Deliverables. Contractor pharmacy encounters shall be submitted

in accordance with the requirements in Section D, Paragraph 61, Encounter Data Reporting. The Contractor shall submit the PBM subcontract to AHCCCS in order to demonstrate that it complies with the above provisions as stated in Section F, Attachment F3, Contractor Chart of Deliverables.

Reimbursement Requirements: The Contractor shall include the specific content below in the PBM subcontracts for reimbursement:

Brand Name Drugs: The Contractor's Contract with the PBM shall provide a Guaranteed Brand Name Drug Discount Rate and require the reimbursement of Brand Name Prescription claims, in aggregate, at a minimum, to be the following:

1. *84-Day Supply or Less*: The lesser of the Average Wholesale Price (AWP) less 18%, the Submitted Ingredient Cost, or the U&C price plus a Dispensing Fee.

2. *Greater than an 84-Day Supply*: The lesser of the AWP less 19.50%, the Submitted Ingredient Cost, or the U&C price plus a Dispensing Fee.

The Guaranteed Discount Rate shall be calculated for branded legend and Over-the-Counter branded drugs on a cumulative six-month basis, beginning with the period October 1 through March 31 and followed by the period April 1 through September 30. The Guaranteed Discount Rate shall be calculated on the actual contracted rate between the Contractor and the PBM.

The PBM shall evaluate and calculate each six-month time period and determine if the performance guarantee was met. The guarantee shall be calculated within 30 days after the end of each cumulative six-month time period.

If the guarantee was not met, the PBM shall issue payment to the Contractor to meet the performance guarantee after each six-month time period within 60 days after the close of the six-month time period. The results of one guarantee shall not be used to offset another guarantee.

The Contractor shall audit the PBM to ensure the reimbursements paid to pharmacies are in accordance with the contract reimbursement terms between the Contractor and the PBM and are equal to the encounter values submitted to AHCCCS. The Contractor shall report the PBM Audit Findings to AHCCCS as specified in Section F, Attachment F3, Contractor Chart of Deliverables.

Generic Drugs: The Contractor's Contract with the PBM shall require the reimbursement of generic drugs to be guaranteed, in aggregate, at a minimum, at AWP less 84% for all Days Supplies dispensed. The calculation of the aggregate guarantee shall include all generic drugs, including single source, multisource and Over-the-Counter generic drugs and generic drug claims reimbursed at U & C pricing or the Submitted Ingredient Cost. All generic drug prescription claims shall be reimbursed to network pharmacies at the lesser of the Maximum Allowable Cost, AWP less 18%, the submitted ingredient cost, or U & C pricing plus a Dispensing Fee.

The Generic Drug Guarantee shall be calculated for generic drugs on a cumulative six-month basis, beginning with the period October 1 through March 31 and followed by the period April 1 through September 30. The Generic Drug Guarantee shall be calculated on the actual contracted rate between the Contractor and the PBM.

The PBM shall evaluate and calculate each six-month time period and determine if the performance guarantee was met. The guarantee shall be calculated within 30 days after the end of each cumulative six-month time period.

If the guarantee was not met, the PBM shall issue payment to the Contractor to meet the performance guarantee after each six-month time period within 60 days after the close of the six-month time period. The results of one guarantee shall not be used to offset another guarantee.

The Contractor shall audit the PBM to ensure the reimbursements paid to pharmacies are in accordance with the contract reimbursement terms between the Contractor and the PBM and are equal to the encounter values submitted to AHCCCS. The Contractor shall report the PBM Audit Findings to AHCCCS as specified in Section F, Attachment F3, Contractor Chart of Deliverables.

Compounded Prescriptions:
Compounded drugs are currently submitted to the Contractor's PBM using the NCPDP version D.0 standard multi-ingredient compound functionality. All ingredients shall be identified, their units shall be indicated, and the ingredient cost for each ingredient shall be submitted on the claim. At least one ingredient in the compound shall be a covered (Federally/State reimbursable drug).

The Contractor shall require their respective PBM to reimburse compounded prescription ingredient costs in accordance using the NCPDP standard format. In addition, the Contractor shall utilize the NCPDP Level of Effort as follows:

Level Of Effort (LOE) Compound Type	LOE Description	LOE Reimbursement
11 Shall be compounded using USP <795> standards	• Single active ingredient capsule • Any combination of commercially available products Examples include but are not limited to: Magic Mouth wash, GI cocktails	$15.00
12 Shall be compounded using USP <795> standards	• Two ingredient capsule/suppository • Transdermal gel	$20.00
13 Shall be compounded using USP <795> standards.	• Three or less ingredient cream/ointment/gel • Three ingredient capsule/suppository • Two or less ingredient troche • Non-complex suspension • Tablet triturate Examples include but are not limited to: folic acid liquid, captopril suspension, lansoprazole/omeprazole suspension, non-hazardous creams and suspensions.	$35.00
14 Shall be compounded using USP	• Topical containing controlled substance • Three or more ingredient troche	$50.00

<795> standards and USP <800> where applicable.	• Four or more ingredient capsule/suppository/cream/ointment/gel • Complex suspensions (e.g., pediatric/altering pH/base to salt conversion) • Chemotherapy cream/ointment/gel • Hormone therapy capsules / troches / suppositories	
15 Shall be compounded in a USP <797> compliant environment and compounds are dispensed as sterile finished preparation	• Sterile compounded drugs limited to: ○ Aqueous bronchial and nasal inhalations, ○ Injections, irrigations for wounds, and ○ ophthalmic drops and ointments Examples include but are not limited to: fortified antibiotic eye drops, IV antibiotics, atropine eye drops. Excludes nasal sprays or nasal irrigations	$100.00

The Contractor's PBM claims adjudication claims system setup for D.0, shall utilize the 474-8E DUR/PPS Level of Effort field in the DUR//PPS Segment on the Request Claim Transaction to submit values, 11-15 that match with the LOE table above. The LOE reimbursement amount shall be the amount corresponding with the LOE code in the above table. The LOE reimbursement fee amount is returned/paid to the pharmacy in the Claim Response Pricing Segment, 507-F7 Dispensing Fee Paid field.

The Contractor's PBM shall reimburse the pharmacy 100% of the LOE reimbursement rates in accordance with the LOE code in the above table. The PBM or PSAO contracting with a pharmacy or PBM, shall not withhold any of the LOE reimbursement from the pharmacy billing for the compounded prescription.

Mail Order Prescriptions Services: The Contractor's Contract with the PBM shall provide a Guaranteed Discount Rate for all Mail Order Pharmacy Prescriptions Claims, in aggregate, at a minimum, of AWP less 24% and the Mail Order Prescription Claims shall be reimbursed, at a minimum, the lesser of the AWP less 24%, the Submitted Ingredient Cost, Maximum Allowable Cost, or the U & C price. This is applicable to Contractors providing mail order services when the pharmacy is owned or operated under the same corporate umbrella of companies as the PBM. This does not apply to the retail pharmacy networks not owned or operated under the same corporate umbrella that includes the PBM.

The Guaranteed Discount Rate shall be calculated for mail order prescription drugs on a cumulative six-month basis, beginning with the period October 1 through March 31 and followed by the period April 1 through September 30. The Guaranteed Discount Rate shall be calculated on the actual contracted rate between the Contractor and the PBM.

The PBM shall evaluate and calculate each six-month time period and determine if the performance guarantee was met. The guarantee shall be calculated within 30 days after the end of each cumulative six-month time period.

If the guarantee was not met, the PBM shall issue payment to the Contractor to meet the performance guarantee after each six-month time period within 60 days after the close of the six-month time period. The results of one guarantee shall not be used to offset another guarantee.

Other-Miscellaneous: The PBM subcontract shall include:

1. A clause that allows for an annual review of the Contract for rate setting, adjustments to market conditions, and to ensure network adequacy.

2. Language requiring the Contractor's PBM to monitor and update the Maximum Allowable Cost for generic drugs and other pricing benchmarks on a schedule at least as consistent with market changes, including additions and changes as the cost of generic drugs increase or decrease. Upon request from the Contractor or a network pharmacy, the PBM shall provide at least one source where a non- 340B network pharmacy is able to purchase the drug at the PBM's Maximum Allowable Cost rate for that drug, or lower. The PBM shall provide a reasonable and direct process for network pharmacies to communicate with the PBM and report the pharmacy's inability to purchase at the PBM's maximum allowable cost price and receive instructions from the PBM as to where to purchase the drug at the maximum allowable cost price. The language shall include a specific response time for pricing resolution when inquiries are brought to the attention of the PBM by the Contractor or Network Pharmacy.

3. Language with performance guarantees that address adherence to the AHCCCS Drug List Preferred Agents for the AHCCCS Supplemental Rebate Classes Preferred Agents.

4. Language that allows the Contractor to terminate the PBM subcontract without cause and without penalty.

5. Language that upon termination of the PBM's Contract the following, at a minimum, will be transferred to the PBM at no charge:
   a. Claims History File,
   b. Prior Authorization File,
   c. Mail Order Open Refills File,
   d. Specialty Drug Open Refills File,
   e. Accumulators File (if the Contractor has a corresponding Medicare Advantage Plan for Dual Eligible members),
   f. Adjustments, and
   g. Other requests by AHCCCS.

Rebate Payments: The Contractor shall include the content below in PBM subcontracts for reimbursement when the PBM is paying a flat fee rebate, a percentage rebate, or a market share rebate to the Contractor for prescription utilization:

1. Rebate guarantees based on a minimum flat rate fee, a percentage or market share rebate shall be compared, in total, to the collected rebates by the PBM from the manufacturer or an entity on behalf of the manufacturer. The PBM shall provide the Contractor with the minimum flat rate rebate, the percentage rebate, the market share rebate, or 100% of the collected rebates, whichever is greater for all prescription utilization.

2. The PBM subcontractor shall include language that requires the PBM to report rebates and administrative fees to the Contractor in the AHCCCS requested format.

3. The PBM subcontract shall include language that does not allow administrative costs to be collected and kept by the PBM for utilization that is related to the Contractor. All monies, including but not limited to, rebates and administrative fees collected by the PBM from a manufacturer, or other company representing the manufacturer, that relate to the prescription utilization under the MCO/PBM Contract, shall be passed through to the Contractor.

4. The Contractor shall not apply monies received for rebates or the administration of rebates against the administrative fees costs of the PBM Contract.

Specialty and Biosimilar Drugs: The Contractor's Contract with the PBM shall provide a Guaranteed Discount Rate, in aggregate, at a minimum, of AWP less 18.25% for all Specialty and Biosimilar Drugs. Specialty and Biosimilar Prescription claims, in aggregate, shall be reimbursed to pharmacies at the lesser of AWP less 18.25%, maximum allowable cost, the Submitted Ingredient Cost, or the U & C price plus a Dispensing Fee. The Dispensing Fee for non-compounded and compounded prescriptions shall not be greater than what is listed in the Arizona State Plan. Limited and exclusive distribution, biosimilars, and specialty drugs are included in the guarantee.

The Guaranteed Discount Rate shall be calculated for limited distribution, biosimilars and specialty drugs on a cumulative six-month basis, beginning with the period October 1 through March 31 and followed by the period April 1 through September 30. The Guaranteed Discount Rate shall be calculated on the actual contracted rate(s) between the Contractor and the PBM.

The PBM shall evaluate and calculate each six-month time period and determine if the performance guarantee was met. The guarantee shall be calculated within 30 days after the end of each cumulative six-month time period.

If the guarantee was not met, the PBM shall issue payment to the Contractor to meet the performance guarantee after each six-month time period within 60 days after the close of the six-month time period. The results of one guarantee shall not be used to offset another guarantee.

Specialty Medications that can be purchased and dispensed by a retail pharmacy shall not be reimbursed to the Specialty Pharmacy for a greater amount than the amount that would be reimbursed under the PBM/Contractor Retail Pharmacy Drug Reimbursement rates.
The Contractor shall audit the PBM to ensure the reimbursements paid to pharmacies are in accordance with the contract reimbursement terms between the Contractor and the PBM and are equal to the encounter values submitted to AHCCCS. The Contractor shall report the audit findings to AHCCCS their findings every six months for the time periods of October 1 through March 31 and April 1 through September 30.

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 specified in AMPM Chapter 600.

The Contractor shall 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 shall 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 shall 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 shall 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 ARS 36-2918, 36-2932, and 36-2957.

If the Contractor has a Contract for services with a residential facility that serves juveniles, the subcontract shall include a requirement to comply with all relevant provisions in ARS 36-1201. If the Contractor has a Contract for specialty services with a NF or ALF, these contracts shall include Work Statements that outline the special services being purchased, including admission criteria, discharge criteria, staffing ratios (if different from non-specialty units), staff training requirements, program description and other non-clinical services such as increased activities.

Nursing Facility subcontracts shall include a provision to ensure temporary nursing care registry personnel, including Nurse Aides, are properly certified and licensed before caring for members, in accordance with 42 CFR 483.75(e) 3 and (g) 2. The provision shall also require the subcontractor to ensure these registry personnel are fingerprinted as required by ARS 36-411.

36. CLAIMS PAYMENT/HEALTH INFORMATION SYSTEMS

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, member grievances and appeals, and disenrollment for reasons other than loss of Medicaid eligibility [42 CFR 438.242(a)].

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 ARS 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 SSA].

The Contractor shall include nationally recognized methodologies to correctly pay claims including but not limited to:

1. Medicaid National Correct Coding Initiative (NCCI) for Professional, Ambulatory Surgical Center (ASC), and Outpatient services.

2. Multiple Procedure/Surgical Reductions.

3. Global Day Evaluation and Management (E & M) Bundling standards.

The Contractor's claims payment system shall 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.

7. Over-Utilization Standards.

The Contractor shall produce a remittance advice related to the Contractor's payments and/or denials to providers and each shall 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 Coordination Of Benefits (COB) and copays.

6. Provider rights for claim disputes.

Additionally, the Contractor shall include information in its remittance advice which informs providers of instructions and timeframes for the submission of claim disputes and corrected claims. All paper format remittance advices shall describe this information in detail. Electronic remittance advice shall 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 shall be sent with the payment unless the payment is made by Electronic Funds Transfer (EFT). Any remittance advice related to an EFT shall be sent to the provider, no later than the date of the EFT. Refer to Section D, Paragraph 59, Systems and Data Exchange Requirements, for specific standards related to remittance advice and EFT payment.

In accordance with the Deficit Reduction Act (DRA) of 2005, Section 6085, SMDL 06-010, and Section 1932(b)(2)(D) of the SSA, the Contractor is required to reimburse non-contracted emergency services providers at the AHCCCS FFS rate. This applies to in State as well as out of State providers.

In accordance with ARS 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 ARS 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 ARS 36-2903.01. All payments are subject to other limitations that apply, such as provider enrollment, PA, medical necessity, and covered service.

The Contractor is required to reimburse AHCCCS registered providers that are County departments of health for adult immunization services at the AHCCCS fee schedule in the absence of a Contract or negotiated rate.

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 PA 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 PA; an Explanation of Benefits (EOB), policy or procedure, or 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.

Refer to ACOM Policy 203 for additional requirements regarding the adjudication and payment of claims.

Recoupments: The Contractor's claims processes, as well as its PA and concurrent review process, shall minimize the likelihood of having to recoup already-paid claims.

The Contractor shall review and process all recoupments as outlined in ACOM Policy 412. The Contractor shall request AHCCCS approval prior to initiating an individual recoupment in excess of $50,000 per provider Tax Identification Number (TIN) or a recoupment from a provider TIN more than 12 months from the date of original payment. Recoupment requests shall be submitted via the Single Claims Recoupments >$50,000 or Claims Recoupments >12 Months deliverables as specified in Section F, Attachment F3, Contractor Chart of Deliverables. In accordance with ACOM Policy 103, the Contractor is forbidden from seeking recoupments for fraud, waste, and/or abuse, and must refer all information to AHCCCS OIG.

The Contractor shall 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 shall 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 via the Data Processes for Recoupments deliverable as specified in Section F, Attachment F3, Contractor Chart of Deliverables. All replaced or voided encounters shall 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 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.
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.

2. Accuracy of payments against provider Contract terms.

Audits of provider Contract terms shall 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 shall 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 specified above shall be documented and any deficiencies noted in the resulting reports shall 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 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.

37. 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 AHCCCS be held responsible for reimbursement exceeding that payable under the relevant AHCCCS specialty Contract including, but not limited to, reinsurance payments.

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. MM and the adjudication of claims related to such 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. AHCCCS may provide technical assistance prior to the implementation of any specialty contracts.

Refer to Section D, Paragraph 52, Reinsurance.

38. 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 ARS 36-2904 and 36-2905.01, 36-2905.03, and 9 AAC 22, Article 7, sets forth requirements for: reimbursement of the majority of inpatient hospital services using the APR-DRG payment methodology in AAC R9-22-712.60 through AAC R9-22-712.81, reimbursement of limited inpatient hospital services using per diem rates specified in AAC R9-22-712.61; reimbursement of inpatient services provided by non-contracted hospitals in Pima and Maricopa counties at 95% of the amounts otherwise payable for inpatient services; and reimbursement of inpatient behavioral health services provided by non-contracted BHRF at 90% of the AHCCCS FFS rates.

When the principal diagnosis on the inpatient claim is a behavioral health diagnosis (even when physical health services are included in the claim), the Contractor shall reimburse the hospital using per diem rates prescribed by AHCCCS and specified in AAC R9-22-712.61(B) regardless of the hospital type.

When the principal diagnosis on the inpatient claim is a physical health diagnosis (even when behavioral health services are included in the claim), the Contractor shall reimburse the hospital using the APR-DRG payment methodology in AAC R9-22-712.60 through AAC R9-22-712.81 EXCEPT when the hospital is a rehabilitation hospital or a long-term acute care hospital. For inpatient services with a principal diagnosis of physical health provided by a rehabilitation hospital or a long-term acute care hospital, the Contractor shall reimburse the hospital using the per diem rates published in the Administration's capped fee schedule as specified in AAC R9-22-712.61(A).

Claims for services associated with transplants are paid in accordance with AAC R9-22-712.61(A) and (C). Inpatient transplant evaluation services are paid using APR DRG payment methodology, unless a transplant contract exists that specifies otherwise. Refer to Section D, Paragraph 49, Compensation.

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 36, Claims Payment/Health Information System.

For information on Differential Adjusted Payments (DAPs) refer to Section D, Paragraph 49, *Compensation*.

39. RESPONSIBILITY FOR NURSING FACILITY REIMBURSEMENT

The Contractor shall provide medically necessary NF services as specified in Section D, Paragraph 8, Scope of Services. The Contractor shall also provide medically necessary NF services for any enrolled member who has a pending ALTCS application who is currently residing in a NF 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 NF coverage, the Contractor is only responsible for NF reimbursement during the time the member is enrolled with the Contractor as shown in the PMMIS. NF 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 PPC, 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 PPC, which occurs concurrently with AHCCCS acute enrollment.

The Contractor shall notify the Assistant Director of AHCCCS DMPS by email, when a member has been residing in a NF or receiving HCBS for 45 days. This will allow AHCCCS time to follow up on the status of the ALTCS application if the stay goes beyond the 90 day per Contract Year maximum. The notice shall be sent via email to HealthPlan45DayNotice@azahcccs.gov.

For information on Differential Adjusted Payments (DAPs) refer to Section D, Paragraph 49, *Compensation.*

40. PHYSICIAN INCENTIVES

The Contractor shall ensure compliance with all applicable physician incentive requirements, including but not limited to Section 1903 (m)(2)(A)(x) of the SSA, 42 CFR 457.1201(h), 42 CFR 457.1207, 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 specified 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 Physician Incentives: Contractual Arrangements with Substantial Financial Risk report shall be submitted to AHCCCS for review and approval as specified in Section F, Attachment F3, Contractor Chart of Deliverables [Section 1903(m)(2)(A)(x) of the SSA, 42 CFR 457.1201(h), 42 CFR 422.208(c)(2), 42 CFR 438.3(i), 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.

5. Any other items as 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, through the submission of the Physician Incentives: Contractor-Selected and/or Developed Pay for Performance Initiative as specified in Section F, Attachment F3

Any Contractor-selected and/or developed physician incentive that meets the requirements of 42 CFR 417.479 shall be approved by AHCCCS prior to implementation as specified in Section F, Attachment F3, Contractor Chart of Deliverables, through the submission of the Physician Incentives: Contractual Arrangements with Substantial Financial Risk report.
AHCCCS shall review the VBP deliverables required under Section D, Paragraph 49, Compensation.

41. 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 shall be approved in advance by AHCCCS.

The Contractor shall submit the request for approval of a Material Change to Business Operations as specified in ACOM Policy 439 and as specified in Section F, Attachment F3, Contractor Chart of Deliverables.

The Contractor may be required to conduct meetings with providers and/or members to address issues related changes to business operations, changes in policy, reimbursement matters, PA and other matters as identified or requested by AHCCCS.

Refer to Section D, Paragraph 27, regarding material changes by the Contractor that may impact the provider network.

Refer to Section D, Paragraph 59, for additional submission requirements regarding system changes and upgrades.

42. RESERVED

43. RESERVED

44. ACCUMULATED FUND DEFICIT

The Contractor shall review financial statements for accumulated fund deficits on a quarterly and annual basis. If at any time during the term of this Contract the Contractor determines that its funding is insufficient, it shall notify AHCCCS in writing and shall include in the notification recommendations on resolving the shortage. The Contractor, with AHCCCS, may request additional money from the Governor's Office of Strategic Planning and Budgeting. AHCCCS may, at its sole discretion, impose sanctions as a result of an accumulated deficit, even if unaudited.

45. ADVANCES, EQUITY DISTRIBUTIONS, AND LOANS

The Contractor shall not, without the prior approval of AHCCCS, make any advances, equity distributions, loans, loan guarantees, profit sharing agreements, or investments including, but not limited to those to related parties or affiliates including another fund or Line of Business within its organization, All requests for Related Parties or Affiliates Advances, Loans, Loan Guarantees, Investments, Profit Sharing, or Equity Distributions are to be submitted to AHCCCS, as specified in Section F, Attachment F3, Contractor Chart of Deliverables.

The Contractor shall not, without prior approval of AHCCCS, make individual or cumulative loans, loan guarantees, or advances to providers equal to or in excess of $50,000 per Provider TIN within a Contract year. The Contractor is required to report all repayment of Advances, Loans, Loan Guarantees, or Investments as specified in Section F, Attachment F3, Contractor Chart of Deliverables and ACOM Policy 418. All requests for prior approval are to be submitted to AHCCCS as specified in Section F, Attachment F3, Contractor Chart of Deliverables, Advances, Loans, Loan Guarantees, Investments, Profit Sharing, or Equity Distributions. Refer to ACOM Policy 418 for further information.

46. FINANCIAL REPORTING AND VIABILITY STANDARDS

The Contractor shall comply with the AHCCCS-established financial viability standards or any revisions or modifications of the standards, in conformance with the AHCCCS Financial Reporting Guide. On a quarterly basis, AHCCCS will review the following ratios with the purpose of monitoring the financial health of the Contractor: Current Ratio, Contract Year to Date Medical Loss Ratio (MLR), and Contract Year to Date Administrative Cost Percentage [42 CFR 438.116 (a) and (b)].

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 Contract Year to Date MLR and Contract Year to Date Administrative Cost Percentage results.

However, if a critical combination of the Financial Viability Standards is not met, additional monitoring, such as monthly reporting, may be required.

The Contractor shall cooperate with AHCCCS reviews of the ratios and financial viability standards below. The ratios and financial viability standards are as follows:

FINANCIAL VIABILITY STANDARDS - CHP	
CURRENT RATIO	Current assets, less due from affiliates, divided by current liabilities. "Current Assets" includes any long-term marketable investment that can be converted to cash within three business days without significant loss of value (i.e., more than 10%). For calculation purposes of the Current Ratio, private equity and private debt securities are not considered marketable securities and cannot be included with short-term or long-term investments. All components of the calculation should include annual audit adjustments. Other Assets deemed restricted by AHCCCS are excluded from this ratio. Refer to the AHCCCS Financial Reporting Guide. Standard: At least 1.00
MEDICAL LOSS RATIO	Incurred claims plus expenditures for activities that improve health care quality, divided by total premium revenue less taxes, licensing, Community Reinvestment Expenses, and regulatory fees. For additional information, refer to the AHCCCS Financial Reporting Guide. Standard: At least 85%
ADMINISTRATIVE COST PERCENTAGE	Total administrative expenditures less administrative expenditures for activities that improve health care quality (care management) included in the Medical Loss Ratio above, divided by the sum of total [Capitation, Alternative Payment Model Initiatives, All Reconciliation/Settlements, Delivery Supplement, State Directed Payments Revenue, Differential Adjusted Payments Revenue] less Premium Tax, taxes, licensing and regulatory fees. All components of the calculation should include annual audit adjustments. For additional information, refer to the AHCCCS Financial Reporting Guide. Standard: No more than 15%

Financial Reports: The Contractor shall provide clarification of accounting issues found in financial reports identified by AHCCCS upon request and provide annual financial reports audited by an independent Certified Public Accountant prepared in accordance with Generally Accepted Auditing Standards (GAAS) and the Cost Allocation Plan. The Contractor shall have the annual Supplemental Reports audited and signed by an independent Certified Public Accountant [42 CFR 438.3(m)].

The Contractor shall comply with all financial reporting requirements specified in Section F, Attachment F3, Contractor Chart of Deliverables, and the AHCCCS Financial Reporting Guide [42 CFR 457.1201(k), 42 CFR 438.3(m)] a copy of which may be found on the AHCCCS website. The required reports are subject to change during the Term of the Contract and are summarized in Section F, Attachment F3, Contractor Chart of Deliverables.

The Contractor shall prepare deliverables in accordance with Generally Accepted Accounting Principles (GAAP) in electronic copy form. Where specific guidance is not found in authoritative literature or where multiple acceptable methods to record accounting transactions are available, the Contractor shall, when directed by AHCCCS, comply with the requirements in conformance with the AHCCCS Financial Reporting Guide [42 CFR 438.3(m)].

Medical Loss Ratio Annual Requirement: The Contractor shall submit an MLR Report and Attestation in compliance with 42 CFR 457.1203 and 42 CFR 438.8, as specified in Section F, Attachment F3, Contractor Chart of Deliverables. All components of the calculation should include annual audit adjustments and true up of any estimates to present on an incurred date of service basis. 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. The Contractor shall comply with MLR requirements implemented as a result of the newly promulgated Medicaid Managed Care Rules. Refer to the AHCCCS Financial Reporting Guide.

The Contractor shall submit annual audit adjustments with the Draft and Final Audit Financial Reporting Packages and comply with all financial reporting requirements contained in Section F, Attachment F3, Contractor Chart of Deliverables and the AHCCCS Financial Reporting Guide. The Draft Audit Financial Reporting Package, and the Final Draft Audit Reporting Package, are required to be submitted as specified in Section F, Attachment F3, Contractor Chart of Deliverables. The required reports are subject to change during the Term of the Contract and are summarized in Section F, Attachment F3, Contractor Chart of Deliverables.

The Contractor shall comply with the financial viability standards, or any revisions or modifications of the standards, in conformance with the AHCCCS Financial Reporting Guide, Financial Ratios and Standards [42 CFR 438.116 (a) and (b), 42 CFR 438.3(m)].

The Contractor shall submit unaudited financial information, including financial statements, in an Excel file through SharePoint quarterly via the Financial Reporting Package as specified in Section F, Attachment F3, Contractor Chart of Deliverables. The Contractor shall utilize the AHCCCS prepared Excel template as specified in the AHCCCS Financial Reporting Guide.

In addition, the Contract Year Annual Supplement is required as specified in Section F, Attachment F3, Contractor Chart of Deliverables.

47. RESERVED

48. CHANGE IN CONTRACTOR ORGANIZATIONAL STRUCTURE

When a State agency reorganization is required, resulting from an act of the Governor of the State of Arizona or the Arizona State Legislature, the Contractor shall submit prior Change in Contractor Organizational Structure Notification, Transition Plan Documents, ACH Vendor Authorization Form, Disclosure of Information on Persons Convicted of a Crime Information, and Documents Required after AHCCCS Approval to AHCCCS, as specified in ACOM Policy 317 and Section F, Attachment F3, Contractor Chart of Deliverables.

The purpose of AHCCCS' review of the Change in Contractor Organizational Structure is to ensure uninterrupted services to members, evaluate the new entity's ability to maintain and support the Contract requirements, ensure services to members are not diminished, and major components of the organization and AHCCCS programs are not adversely affected by any Change in Organizational Structure.

A State agency reorganization may require a Contract amendment.

49. COMPENSATION

The method of compensation under this Contract will be PPC capitation, prospective capitation, and reinsurance, as specified and defined within this Contract, special provisions for payment as specified and defined within this Contract, and appropriate laws, regulations, and policies [42 CFR 438.6(b)(1)].

Final capitation rates are identified and developed, and payment is made in accordance with 42 CFR 457.1201(c) and 42 CFR 438.3(c). 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 one and Option two specified below [42 CFR 457.1201(c), 42 CFR 438.3(c)(2)].

The Contractor will not receive compensation for value-added services and shall not report the cost of value-added services as allowable medical or administrative costs.

The Contractor shall comply with Rates and Reimbursement Guidance as directed by AHCCCS and subsequently made available on the AHCCCS Website at:
https://www.azahcccs.gov/PlansProviders/RatesAndBilling/ManagedCare/

Refer to Section D, Paragraph 3, Enrollment and Disenrollment for information regarding PPC for members transitioning to Title XIX from ACC-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 complies with the terms and conditions of this Contract. Payment shall comply with the requirements of ARS 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

(EFT) 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 Term of Contract may be kept by the Contractor.

All funds received by Contractor pursuant to this Contract shall be separately accounted for in accordance with GAAP.

Except for monies received from the collection of permitted copayments and TPLs, the only source of payment to the Contractor for the services provided hereunder is the Comprehensive Health Plan Expenditure Authority Fund as specified in ARS 44 8-512.02. An error discovered by AHCCCS or any of the applicable oversight entities, with or without an audit, in the amount of fees paid to Contractor, with or without 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 shall be notified and reimbursed within 30 days of identification [42 CFR 457.1285 and 42 CFR 438.608(a)(2)].

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.

Should any part of the scope of work under this Contract relate to a State program that is no longer authorized by law (e.g., which has been vacated by a court of law, or for which CMS has withdrawn Federal authority, or which is the subject of a legislative repeal), the Contractor shall do no work on that part after the effective date of the loss of program authority. The State will adjust capitation rates to remove costs that are specific to any program or activity that is no longer authorized by law. If the Contractor works on a program or activity no longer authorized by law after the date the legal authority for the work ends, the Contractor will not be paid for that work.

If the State paid the Contractor in advance to work on a no-longer-authorized program or activity and under the terms of this Contract the work was to be performed after the date the legal authority ended, the payment for that work shall be returned to the State. However, if the Contractor worked on a program or activity prior to the date legal authority ended for that program or activity, and the State included the cost of performing that work in its payments to the Contractor, the Contractor may keep the payment for that work even if the payment was made after the date the program or activity lost legal authority [CMS, Medicaid and CHIP Operations Group Letter Dated September 4, 2020].

***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 Contractors will not receive PPC capitation for 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 HPE. These members will receive coverage of services during the PPC period through AHCCCS FFS.

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 457.1270, 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 SSA].

The Contractor shall develop and maintain internal controls and systems to separately account for both AHCCCS-related revenue and expenses and non-AHCCCS-related revenue and expenses by type and program and develop and maintain internal controls to prevent and detect fraud, waste, and program abuse. The Contractor shall separately account for all funds received under this Contract in conformance with the requirements in the AHCCCS Financial Reporting Guide [42 CFR 438.3(m)].

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 to establish rates 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 [42 CFR 438.3(m)] reported by Contractors.

3. Market basket inflation trends.

4. AHCCCS FFS schedule pricing adjustments (if applicable).

5. Historical and projected enrollment by risk group.

6. Member specific statistics, e.g., member acuity, member choice.

7. Programmatic or Medicaid covered service changes that affect reimbursement.

8. 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. Notwithstanding the encounter submission deadline as specified in Section D, Paragraph 60, Encounter Data Reporting, if risk adjustment is utilized, the encounter data used for the risk adjustment will be based on a lag period determined appropriate by the actuary but not less than three months.

Additional elements that may be considered in capitation rate development include:

1. Reinsurance (as specified in Section D, Paragraph 52, Reinsurance).

2. Age/Gender.

3. Medicare enrollment.

4. Member specific statistics, e.g., member acuity, member choice, member diagnosis.

5. Supplemental information requested from Contractors.

Information is reviewed by AHCCCS' actuaries each year to determine if adjustments are necessary. A Contractor may cover services that are not covered under the Arizona State Plan or the A 1115 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 SSA]. Graduate Medical Education payments (GME) are not included in the capitation rates but are paid out separately consistent with the terms of the Arizona State Plan.

Capitation rate development will not include costs for amounts expended for providers excluded by Medicare, Medicaid, or CHIP, except for emergency services.

The Contractor shall not provide any Case Management services to CHP members that are covered under Contract via the Interagency Service Agreement between DCS and AHCCCS. AHCCCS shall recoup capitation payments, or withhold future capitation payments, for any duplicative Case Management services provided by CHP and DCS.

Community Reinvestment: The Contractor shall require its Subcontracted Health Plan to demonstrate a commitment to the communities served by the Contractor through Community Reinvestment (CRI) activities including contributing up to 10% of its after-tax-profits from its Subcontracted Health Plan on a Contract Year End (CYE) basis (October 1 through September 30) to community reinvestment using a tiered approach as specified in ACOM Policy 303. The Contractor shall submit a Community Reinvestment Plan for its Subcontracted Health Plan detailing its anticipated CRI activities, as specified in Section F, Attachment F3, Contractor Chart of Deliverables. The Contractor shall also submit a Community Reinvestment Report of its Subcontracted Health Plan's actual expenditures as specified in Section F, Attachment F3, Contractor Chart of Deliverables.

Federally Qualified Health Centers and Rural Health Clinics: The Contractor shall pay each FQHC and RHC the unique, all-inclusive per visit rate as established by AHCCCS for all visits eligible to receive the PPS rate, except for instances in which Medicaid is not the primary payer of the claim, in which case established system logic to pay the lesser of amount may prevail.

Premium Tax: ARS 36-2905 and ARS 36-2944.01 require that the Contractor report and pay premium tax quarterly to Arizona Department of Insurance and Financial Institutions (DIFI) based on Title XIX/XXI payments received from AHCCCS during the quarter being reported. Capitation payments, reinsurance payments and any other reimbursement paid to the Contractor by AHCCCS will have the Premium Tax included in the payments/recoupments. Refer to ACOM Policy 304. Premium Tax Reporting shall be due to AHCCCS as specified in Section F, Attachment F3, Contractor Chart of Deliverables.

Provider Rate Requirements

Practitioner/Dentist Rates: As required by Laws 2020, Ch.46, Sec.2, AHCCCS increased base reimbursement rates for services reimbursed under the AHCCCS dental fee schedule and physician fee schedule effective October 1, 2020. AHCCCS expects the Contractor to maintain the fee schedule adjustments to the contracted rates that were in place three months prior to the effective date of the fee schedule increases required by Laws 2020, Ch. 46, Sec 2. If the Contractor does not intend to maintain the increase to the dental and physician rates by at least the fee schedule rate increases, the Contractor shall notify AHCCCS of the Proposed Rates and Adjustments 60 days in advance of implementation and provide an explanation of how it intends to track, evaluate, and mitigate any potential negative impacts to access to care that could result as specified in Contract Section F,

Attachment F3, Contractor Chart of Deliverables. AHCCCS will review the proposed rates to consider if an adjustment to the Contractor's capitation rates may be warranted.

Reconciliations

Reconciliation of CHP Subcontracted Health Plan Costs to Reimbursement: CHP will reconcile its Subcontracted Health Plan medical expenses to medical capitation paid to the Subcontracted Health Plan in accordance with CHP'S Contract with the Subcontracted Health Plan. CHP shall submit the CHP Subcontracted Health Plan Reconciliation to AHCCCS for approval as specified in Section F, Contractor Chart of Deliverables and AHCCCS shall reconcile with CHP by making a payment for excess losses to be reimbursed to the Subcontracted Health Plan or recouping from CHP the amount reflecting any excess profits recouped from the Subcontracted Health Plan. AHCCCS shall return the Federal share to CMS.

Requests for Federal Financial Participation: The method of compensation under this Contract shall be capitation as specified herein. AHCCCS shall transfer the capitation payments, both Federal and State match, to DCS, in accordance with General Accounting Office guidelines, the Cash Management Improvement Act (CFR 31, Part 205) and the State's Cash Management Improvement Act Contract provision.

Special Provisions for Payments

In accordance with 42 CFR 438.6, the Contractor shall participate in delivery system and provider payment initiatives and shall direct payments to providers as specified by AHCCCS. These provisions are specified below.

Delivery System and Provider Payment Initiatives

42 CFR Sections 438.6(c) and 438.6(d) provide the State flexibility to implement delivery system and provider payment initiatives. AHCCCS reserves the right to utilize this flexibility to require Contractor participation in initiatives that may require certain payment levels and/or certain directed payments to providers to support State actions that are critical to ensuring timely access to high-quality care. AHCCCS will obtain written approval from CMS prior to implementation, if applicable, and Contractors will be required to implement, as directed by AHCCCS guidance. AHCCCS anticipates that most initiatives will involve payments to the Contractor outside of the monthly base capitation payments, made as a separate lump sum payment. AHCCCS will compute directed payment amounts and ensure the associated payments and/or capitation rates meet actuarial soundness requirements, as applicable.

These delivery system reform initiatives [42 CFR 438.6(c)]:

1. Make 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. Use a common set of performance measures across all payers and providers.

3. Does not set the amount or frequency of the expenditures.

4. Does not allow AHCCCS to recoup any unspent funds allocated for these arrangements from the Contractor [42 CFR 438.6(c)(1)(ii)].

Access to Professional Services Initiative: AHCCCS Access to Professional Services Initiative (APSI) is a program to preserve and promote access to medical services through a uniform percentage increase to the contracted rates between the qualified practitioners and the Contractors. Contractors shall supplement, not supplant, contracted reimbursement rates with payments made under the APSI directed payment program for professional services provided by qualified practitioners affiliated with designated hospitals as specified in ACOM Policy 330.

Federal regulation mandates that APSI payments be approved by CMS before they shall be implemented. AHCCCS will notify the Contractor when CMS approves the APSI preprint. AHCCCS will compute the Qualified Practitioners rate increase and will make available to the Contractor 20% of the estimated annual payment amounts on a quarterly basis for each of the four quarters in the Contract Year. Interim payments are calculated using projected experience for the Contract Year. The Contractor will be paid outside of the monthly capitation payments through a separate quarterly lump sum payment. No sooner than nine months after the contract period, AHCCCS will utilize actual encounters with the uniform percentage increase applied to calculate the actual year's experience compared to the prior quarterly payments made to the Contractors and will make a fifth and final payment to the Contractors. The fifth and final payment is based on the actual encounter experience from the Contract Year being reconciled. AHCCCS may amend the APSI components annually or during the Contract Year and will provide guidance to the Contractor as applicable.

Differential Adjusted Payments: AHCCCS has introduced multiple Differential Adjusted Payment (DAP) 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. Federal regulation mandates that these payments be approved by CMS before they shall be implemented. AHCCCS will notify the Contractor when CMS approves the DAPs. AHCCCS may amend the DAP components annually, 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). Contractors shall supplement, not supplant, contracted reimbursement rates with payments made under the DAP directed payment program. The DAPs require that the Contractor shall adjust payments for specific qualifying providers, in addition to any AHCCCS fee for service rate changes adopted by the Contractor, to the qualifying providers. This DAP increase to rates shall be included in all payments made to qualifying providers (including sub-capitation and block payment arrangements). These DAP payments are specified at: Public Notices and Opportunities for Public Comment – Rates and Supplemental Payments, Rates Section - Notice of Differential Adjusted Payments: https://www.azahcccs.gov/AHCCCS/PublicNotices/. Contractors shall communicate DAPs to providers and assist providers with payments.

Qualifying Differential Adjusted Payments Providers*:* AHCCCS will provide a reference file that will contain the qualifying DAP providers, or a provider file for individual provider flags, for applicable DAP categories. In addition, AHCCCS will post listings of the qualifying providers by DAP category on the AHCCCS Plans and Providers – Other Programs and Initiatives - Differential Adjusted Payments - "Qualifying Provider " web page on the AHCCCS website.
https://www.azahcccs.gov/PlansProviders/OtherProviderProgramsAndInitiatives/qualifyingproviders.html

The Contractor shall utilize these files with information specified in the DAP Public Notice to increase the rates that the Contractor would otherwise pay by the appropriate percentage for

contracted and non-contracted providers. For contracted providers, the DAP category is reflected as an increase in the provider contracted rates. For non-contracted providers not reimbursed at a provider-specific rate, the applicable AHCCCS MCO fee schedule (also supplied as a reference file extract) shall be used as the default base rate to which the applicable increase or increase percentages shall be applied for the qualified providers. For non-contracted providers reimbursed at a provider-specific rate, the AHCCCS supplied rates are reflective of the percent increase. The Contractor shall be required to increase the rates that the Contractor would otherwise pay to contracted and non-contracted Physicians, Physician Assistants, and Registered Nurse Practitioners (Provider Types 08, 18, 19, and 31) for PCP services by 3.81%.

***Hospital Enhanced Access Leading to Health Improvements Initiative*:** AHCCCS seeks to provide enhanced support to hospitals in order to preserve and enhance access to these facilities that deliver essential services to Medicaid members in Arizona. The Hospital Enhanced Access Leading to Health Improvements Initiative (HEALTHII) is a program to preserve and promote access to medical services through an increase in the amounts specified by AHCCCS to the Contractor's reimbursement to contracted hospitals. Federal regulation mandates that these payments be approved by CMS before they shall be implemented. AHCCCS will notify the Contractor when CMS approves the HEALTHII preprint. Contractors shall supplement and not supplant contracted hospital reimbursement rates with payments made under the HEALTHII directed payment program.

AHCCCS will compute the annual interim HEALTHII rate increase using projected experience for the Contract Year and will pay out 25% of the total on a quarterly basis. Lump sum payments made outside of the monthly capitation will be sent to the Contractor with payment directions. No later than 12 months after the end of the Contract period, AHCCCS intends to calculate final HEALTHII payment amounts by Contractor and provider based on actual utilization incurred and will direct Contractors to adjust payments. AHCCCS may amend the HEALTHII components annually or during the Contract Year and will provide guidance to the Contractor as applicable.

Pediatric Services Initiative: AHCCCS seeks to provide enhanced support to ensure the financial viability of the State's Qualified Children's Hospital as defined in ACOM Policy 327. Pediatric Services Initiative (PSI) is a program to preserve and promote access to medical services through a uniform percentage increase to the Contractor's rates for inpatient and outpatient services provided by Qualified Children's Hospital. Federal regulation mandates that these payments be approved by CMS before they shall be implemented. Annually, AHCCCS will notify the Contractor when CMS approves the PSI initiative. The rate increase is intended to supplement, not supplant, payments to Qualified Children's Hospital.

AHCCCS will compute the interim rate increase and will make available to the Contractor the associated amounts of payments owed on a quarterly basis. Interim payments are calculated using projected experience for the Contract Year. The Contractor will be paid outside of the monthly capitation payments through a separate quarterly interim lump sum payment. No sooner than nine months after the contract period there will be an adjustment based on a reconciliation of the interim lump sum payments compared to the actual utilization incurred during the Contract Year. AHCCCS may amend the PSI components annually or during the Contract Year and will provide guidance to the Contractor as applicable.

Safety Net Services Initiative: AHCCCS seeks to provide enhanced support to ensure the financial viability of the State's Public Safety Net Hospital. The Safety Net Services Initiative (SNSI) is a program to preserve and promote access to medical services through a uniform percentage increase to the Contractor's rates for inpatient and outpatient services provided by the Public Safety Net Hospital. Federal regulation mandates that these payments be approved by CMS before they shall be implemented. Annually, AHCCCS will notify the Contractor when CMS approves the SNSI preprint. The rate increase is intended to supplement, not supplant, payments to the Qualified Public Safety Net Hospital.

AHCCCS will compute the rate increase and will make available to the Contractor the associated amounts of payments owed on a quarterly basis. Interim payments are calculated using projected experience for the Contract Year. The Contractor will be paid outside of the monthly capitation payments through a separate lump sum payment. No sooner than nine months after the contract period there will be an adjustment based on a reconciliation of the interim lump sum payments compared to the actual utilization incurred during the Contract Year. AHCCCS may amend the SNSI components annually or during the Contract Year and will provide guidance to the Contractor as applicable.

Alternative Payment Model (APM) Initiative: The Contractor shall include the APM requirements to its Subcontracted Health Plan and submit the APM deliverables on behalf of its Subcontracted Health Plan. The purpose of the APM-PBP initiatives are to encourage Contractor activity in the area of QI by aligning the incentives of the Contractor and the provider through APM strategies in the Health Care Payment Learning and Action Network (LAN) APM Framework with a focus on Categories 3 and 4. Failure of a Contractor to meet or certify meeting the criteria in a particular contract year for a specific Line of Business (LOB) may result in the assessment of sanctions as specified in ACOM Policy 307.

The Contractor shall submit the APM Quality Reporting Narrative as specified in Section F, Attachment F3, Contractor Chart of Deliverables. The Contractor shall submit data for the prior Contract period as requested by AHCCCS.

The Contractor shall submit the APM Strategic Plan Template and the APM Strategic Plan Attachment as specified in Section F, Attachment F3, Contractor Chart of Deliverables.

The Contractor shall submit the APM Strategies and PBP Incentive Certification (Initial), APM and PBP Incentive Strategies Certification (Interim), and APM and PBP Incentive Strategies Certification (Final) as specified in Section F, Attachment F3, Contractor Chart of Deliverables.

Related Party Sub-Capitated/Block Payment Arrangements: The Contractor shall identify related party sub-capitated (or block) payment arrangements where the related party subcontractor pays providers on a fee-for-service basis. For all applicable arrangements where the total paid to the related party subcontractor exceeds 5% of total sub-cap/block medical spend, the Contractor shall submit a Related Party Sub-capitated/Block Payment Arrangement - Service Payments to Providers Report of provider paid amounts on an incurred basis by month of service summarized by category of service, form type, risk group, and GSA, as specified in in Section F, Attachment F3, Contractor Chart of Deliverables.

State Only Transplants Option One and Option Two: The Contractor will be paid as a lump-sum payment, from State Only funding, an administrative component for those member months the

member is enrolled with the Contractor. For Option one members the Contractor will be paid the administrative component up to a 12-month continuous period of extended eligibility. For Option two 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.

Vaccines for Children (VFC): The Contractor shall pay providers for the administration of the vaccines at the regional maximum allowable reimbursement rate as set by CMS and as stated in the AHCCCS State Plan, and may not discount the amount reimbursed.

50. CAPITATION ADJUSTMENTS

Rate Adjustments: The rates set forth in Section B shall not be subject to renegotiation during the term of the Contract.

Rates are based on public or private payment rates for comparable services for comparable populations, consistent with actuarially sound principles as defined at 42 CFR 457.10 [42 CFR 457.1203(a)]. 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.

5. Centers for Medicare and Medicaid Services (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 Term of Contract 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 public institution.

3. Duplicate capitation to the same Contractor.

4. Adjustment based on change in member's Contract type.

5. Child was not eligible for CHP as specified in ARS 8-512.

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: The Arizona Department of Corrections Rehabilitation and Reentry (ADCRR) and several Counties are submitting a daily file of inmates entering or being released from their custody. AHCCCS matches 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 "CTYPRI" (with the County of jurisdiction) or "DOCMAT" (DOC Matched Recipient) as the new health plan of enrollment due to incarceration. Upon release from incarceration, the member will be re-enrolled with their 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 an incarcerated member who meets criteria as an inmate of a public institution as determined by the Children in Detention Policy and is not identified in the AHCCCS reporting above, the Contractor shall notify AHCCCS for an eligibility determination within 24 hours. Notifications shall be sent via email to: MCDUJustice@azahcccs.gov. Notifications shall include:

1. AHCCCS ID.

2. Name.

3. Date of Birth (DOB).

4. When incarcerated.

5. Where incarcerated.

Refer to the AHCCCS Medical Assistance Eligibility Policy Manual Chapter 500, 525 Not an Inmate and section MA1502J of the EPM; AHCCCS Medical Assistance Eligibility Policy Manual Chapter 1500, 1502 Types of Changes, V. Incarcerated

51. 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 specified in AAC R9-28-701.10 (2).

Except for permitted copayments and calculated share of cost, the Contractor or its subcontractors shall 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), 42 CFR 438.606, 42 CFR 438.116, Section 1932(b)(6) of the SSA].

2. Covered services provided to the member except as permitted under AAC R9-28-701.10(2),42 CFR 457.1226, 42 CFR 457.1233(b), 42 CFR 438.106(b)(1)-(2) and (c), 42 CFR 438.3(k), 42 CFR 438.230(c)(1)-(2), Section 1932(b)(6) of the SSA.

3. 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 SSA].

52. 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 specified in this paragraph. The reinsurance CY 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 co-insurance percentage. The co-insurance 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 the 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 and subject to co-insurance percentages and Medicare/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, refer to the AHCCCS Reinsurance Policy Manual.

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.

AHCCCS shall perform Reinsurance Reviews annually as specified in Section F, Attachment F3 Chart of Deliverables.

Reinsurance as specified in this paragraph applies to all members covered under this Contract.

The table below represents deductible and co-insurance levels. Refer to the specific case types below for coverage details.

REINSURANCE CASE TYPE	DEDUCTIBLE	CO-INSURANCE
REGULAR REINSURANCE	$150,000	75%
CATASTROPHIC REINSURANCE	N/A	85%
TRANSPLANT AND OTHER CASE TYPES	Refer to specific paragraphs below	Refer to specific paragraphs below

Annual deductible levels apply to all members except for State Only Transplant members.

Regular Reinsurance: Regular reinsurance covers partial reimbursement of covered inpatient hospital services. Reinsurance reimbursement is based upon the lesser of the AHCCCS transplant Contract amount or the Contractor's paid amount, subject to co-insurance percentages. Inpatient services are those services provided in acute care hospitals (provider type 02), Specialty per diem hospital (provider type C4), and accredited psychiatric hospitals (provider type 71) only. Same-day admit-and-discharge services do not qualify for reinsurance. Regular reinsurance does not cover services provided by any other inpatient provider type, including but not limited to RTCs and subacute facilities. Refer to the AHCCCS Reinsurance Policy Manual for additional details.

When NF (provider type 22) services are provided within 30 days following acute hospital stay, the per diem cost of a continuous NF stay up to 90 days of services in any Contract year shall be eligible for reinsurance coverage. A second admission to a NF in the same Contract year is not eligible for reinsurance unless there is an additional inpatient stay directly preceding the second admission. The total number of NF days eligible for reinsurance shall not exceed 90 days per Contract year regardless of whether there is one or multiple post-hospitalization nursing facility admissions. The Contractor shall submit their NF Contracted Rates for Reinsurance as specified in Section F, Attachment F3, Contractor Chart of Deliverables and the AHCCCS Reinsurance Policy Manual.

Encounter Submission and Payments for Reinsurance: Contractors are reimbursed for reinsurance claims by submitting encounters that are associated to a reinsurance case. All reinsurance associated encounters, except as provided below for "Disputed Matters" shall 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 due to a change in Contractor will be eligible for reinsurance consideration as long as the days of the hospital stay do not cross reinsurance contract years.

The Contractor shall 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 shall be submitted and reach adjudicated/approved status within 15 months of end date of service to receive adjusted reinsurance benefits. Refer to the AHCCCS Reinsurance Policy Manual for further details. The Contractor should refer to Section D, Paragraph 60, Encounter Data Reporting, for encounter reporting requirements.

Catastrophic Reinsurance: The Catastrophic Reinsurance program encompasses members receiving certain biologics/high-cost specialty drugs as well as those members who are diagnosed with Hemophilia, Von Willebrand's Disease, or Gaucher's Disease, as follows:
Biologics/High-Cost Specialty Drugs: Catastrophic reinsurance is available to cover the cost of certain biologics or high-cost specialty drugs when medically necessary, including other high-cost, low frequency drugs identified by AHCCCS on a case-by-case basis. Refer to the AHCCCS Reinsurance Processing Manual for a complete list of the approved biologics high-cost specialty drugs.

When a biosimilar (generic equivalent) of a biologic/high-cost specialty drug is available, and AHCCCS has determined that the biosimilar is more cost-effective than the brand name biologic/high-cost specialty product, AHCCCS will reimburse 85% of the lesser of the biologic/high-cost specialty drug or its biosimilar equivalent for reinsurance purposes unless the biosimilar equivalent is contraindicated for a specific member. If the AHCCCS P&T Committee mandates the utilization of only the brand name biologic/high-cost specialty drug rather than the biosimilar, AHCCCS will reimburse 85% of the paid amount of the branded biologic/high-cost specialty drug. All biologic/high-cost specialty drugs shall be encountered on a Form C pharmacy claim to be eligible for reinsurance. The Contractor shall ensure that all biologics/high-cost specialty drugs are reimbursed to contracted providers through the outpatient pharmacy point-of-sale system using Form Type C. Members transitioning to different biologics and/or high-cost specialty drugs or receiving multiple biologics and/or high-cost specialty drugs shall request authorization from AHCCCS MM for each separate drug in order to receive Reinsurance.

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.

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 PA, 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.

For additional detail and restrictions refer to the AHCCCS Reinsurance Policy Manual. There are no deductibles for catastrophic reinsurance cases. For members receiving biologic/high specialty 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.

Gene therapies will be evaluated on a case-by-case basis for members with hemophilia, von Willebrands, Gaucher's and all other disease states.

The Contractor shall notify AHCCCS of cases identified for catastrophic reinsurance coverage (Catastrophic Reinsurance Request), 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. For continuation of previously approved catastrophic reinsurance, the Contractor shall submit the Catastrophic Reinsurance Request and Catastrophic Reinsurance and Crossover Member List as specified in Section F, Attachment F3, Contractor Chart of Deliverables.

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 DBF, Health Care Finance, Reinsurance Supervisor and Reinsurance Analyst 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 of service will disqualify the related encounters for 100% reimbursement consideration.

All catastrophic claims are subject to medical review by AHCCCS.

Regular and Catastrophic Reinsurance Cases Payment: AHCCCS will reimburse a Contractor for costs incurred in excess of the applicable deductible level, subject to co-insurance percentages and Medicare/TPL payment, less any applicable quick pay discounts, slow payment penalties and interest. For reimbursement of reinsurance encounters in subcapitated arrangements, refer to the AHCCCS Reinsurance Policy Manual.

Transplant Reinsurance: This program covers members who are eligible to receive AHCCCS 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 shall notify AHCCCS when a member is referred to a transplant facility for evaluation for an AHCCCS-covered organ transplant. Transplant reinsurance will be paid for a maximum 30-day retroactive period from the date of notification to AHCCCS. In order to qualify for reinsurance benefits, the Transplant Reinsurance Request shall be received by AHCCCS as specified in Section F, Attachment F3, Contractor Chart of Deliverables. For continuation of previously approved transplant reinsurance, the Contractor shall submit Transplant Reinsurance Crossover Member List with members that have a component that crosses the Contract year as specified in Section F, Attachment F3, Contractor Chart of Deliverables.

If a Contractor intends to use a non-contracted transplant facility for a covered transplant and AHCCCS already holds a contract for that transplant type, or a non-contracted transplant type at a contracted transplant facility, the Contractor shall obtain prior approval from AHCCCS, MM. An approved transplant performed at a non-contracted facility will be reimbursed at 85% of the

lesser of 1) The AHCCCS transplant contracted rate for the same organ or tissue, if available, or 2) The health plan paid amount. Depending on the unique circumstances of each approved non-contracted transplant, AHCCCS DBF, Health Care Finance, 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 non-contracted facility or for a non-contracted transplant type, those costs are not eligible for either transplant or regular reinsurance.

Transplant Reinsurance Cases Payment: 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 inpatient follow up care post-transplant 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 under Rates and Billing.
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 shall 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 shall 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 Reinsurance Extended Eligibility Option One and Option Two: Individuals who are currently on the transplant waiting list and subsequently lose 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.

2. The individual was on the transplant waitlist before AHCCCS eligibility expired.

3. The individual 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).

   Option One*:* Extended eligibility is for one 12-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 one 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. The member shall be enrolled under rate code 3100 or 310z. 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 Two: 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 their previous Contractor to receive all covered transplant services. The member shall be enrolled under rate code 3200 or 320z.

Reinsurance coverage for State Only Option one and Option two members (as specified in Section D, Paragraph 2, Eligibility) for transplants received at an AHCCCS Contracted facility is paid at the lesser of 1) 85% of the AHCCCS Contract amount for the transplantation services rendered less the transplant share of cost, or 2) 85% of the Contractor paid amount, less the transplant share of cost, refer to the AHCCCS Reinsurance Manual. 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 85% of the Contractor paid amount, less the transplant share of cost. All Option one and Option two transplants are subject to the terms regarding non-contracted facility transplants set forth above and in the AHCCCS Reinsurance Policy Manual. The AHCCCS contracted transplant rates may be found on the AHCCCS Website under Rates and Billing. When a member is referred to a transplant facility for an AHCCCS-covered organ transplant, the Contractor shall notify AHCCCS as specified in the AMPM Policy 310-DD Attachment A.

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 both the Notice of Decision letter 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.

53. COORDINATION OF BENEFITS AND THIRD-PARTY LIABILITY

AHCCCS is the payor of last resort unless specifically prohibited by applicable Federal or State 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 verifies the existence of a liable third party that is not known to AHCCCS, or identifies any change in coverage, the Contractor shall report the information 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 67, 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 specified in the AHCCCS Technical Interface Guidelines (TIG).

The Contractor shall coordinate benefits in accordance with 42 CFR 433.135 et seq., ARS 36-2903, and AAC Title 9, Chapter 22, Article 10, 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 specified in AAC Title 9, Chapter 22, Article 10, Federal and State law, and ACOM Policy 434. For Contractor cost sharing responsibilities for members covered by both Medicare and Medicaid refer to 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 shall apply post-payment recovery processes as specified 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 health care item or service delivered to a member. If the probable existence of a party's liability cannot be established, the Contractor shall adjudicate the claim. The Contractor shall then utilize post-payment recovery which is specified in further detail below. The Contractor shall submit a Cost Avoidance Savings Recovery Report as specified in Section F, Attachment F3, Contractor Chart of Deliverables. If AHCCCS determines that the Contractor is not actively engaged in cost avoidance activities, the Contractor shall be subject to sanctions.

If a third-party insurer other than Medicare requires the member to pay any copayment, co-insurance 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, shall 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 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 an AHCCCS 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 and AHCCCS to register with the BCRC as a trading partner. Upon completion of the registration process, the BCRC shall issue each Contractor a unique COB ID number upon completion of BCRC readiness review activities.

Upon receipt of its BCRC COB ID number, the Contractor shall coordinate with BCRC regarding the electronic exchange and transmission of necessary BCRC-provided data files and file layouts, including eligibility and claim data files to coordinate payment of Medicare FFS crossover claims only.

Further information and resources for Contractors regarding the Medicare FFS cross-over claims process and BCRC requirements are available on the BCRC web page: www.cms.gov/Medicare/Coordination-of-Benefits-and-Recovery/Coordination-of-Benefits-and-Recovery-Overview/Overview.html.

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): Refer to Section D, Paragraph 55, 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 shall adjudicate the claim and then utilize post-payment recovery processes which include: Pay and Chase, Retroactive Recoveries Involving Commercial Insurance Payor Sources, and other TPL recoveries. Refer to ACOM Policy 434.

Pay and Chase: The Contractor shall pay the full amount of the claim according to the AHCCCS Capped FFS Schedule or the contracted rate and then seek reimbursement from any third-party if the claim meets the requirements specified in ACOM Policy 434.

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 shall 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.
Refer to 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-feasors.
4. Restitution Recoveries.
5. Worker's Compensation Cases.

Upon identification of a potentially TPL for any of the above situations, the Contractor shall, within ten business days, report the potentially liable third party to AHCCCS' TPL Contractor for determination of a mass tort, total plan case, or joint case, 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 67, Administrative Actions. A mass tort case is a case where multiple plaintiffs or a class of plaintiffs have filed a lawsuit against the same tort-feasor(s) to recover damages arising from the same or similar set of circumstances (e.g., class action lawsuits) regardless of whether any reinsurance or FFS 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 FFS payments are involved. By contrast, a "joint" case is one where FFS payments and/or reinsurance payments are involved. The Contractor shall cooperate with AHCCCS' authorized representative in all collection efforts.

***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 ten 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.

***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 ARS 36-2915 and ARS 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).

3. Such recovery is not prohibited by Federal or State 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 FFS payment that has been made by AHCCCS via the Total Plan Case Settlement Reporting via the Settlement Notification Form deliverable, as specified in Contract Section F, Attachment F3, Contractor Chart of Deliverables. Failure to report these cases prior to negotiating a settlement amount may result in one of the remedies specified in Section D, Paragraph 67, Administrative Actions.

The Contractor shall report settlement information to AHCCCS, utilizing the AHCCCS-approved casualty recovery Settlement Notification Form (refer to ACOM Policy 434), within ten business days from the settlement date or in an AHCCCS-approved monthly file via the Total Plan Case Settlement Reporting via Monthly File deliverable, 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 67, Administrative Actions.

Contract Termination: Upon termination of this Contract, the Contractor shall complete existing TPL cases or make any necessary arrangements to transfer the cases to AHCCCS' authorized TPL representative.

Cost Avoidance Savings Recovery Report: The Contractor shall submit reports regarding Cost Avoidance Savings Recovery Report, 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.

Other Reporting Requirements: All TPL reporting requirements are subject to validation through periodic audits and/or operational review 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. Refer to AMPM Policy 320-C and AMPM Policy 440. 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 ARS 36-2982(G).

54. COPAYMENTS

The Contractor is required to comply with AAC R9-22-711, ACOM Policy 431, and other direction by AHCCCS. Those populations exempt from copayments or subject to non-mandatory (also known as nominal or optional) copayments may not be denied services for 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.

55. 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 Original Medicare FFS, a Medicare Advantage Plan, 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).

Certain Medicare covered Part B preventive services are available to dual eligible members at little or no out-of-pocket cost. Refer to Medicare.gov for further information.

Medicare Cost Sharing: The Contractor shall pay Medicare co-insurance 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 eligible members based on a variety of factors. The Contractor shall limit their cost sharing responsibility according to AAC R9-29-301 and AAC R9-29-302 and as further specified in ACOM Policy 201. Refer to Section D, Paragraph 9, Scope of Services, *Prescription Medications* regarding coverage of Medicare Part D medications.

In Original Medicare FFS, a dual eligible member may access Medicare services from any provider 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," the Medicare-approved amount as payment in full for Medicare covered services.
For a dual eligible member enrolled in a Medicare Advantage Plan or a State-contracted Medicare Advantage D-SNP for Medicare covered services, the dual eligible member shall follow the Medicare Advantage Plan or 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 shall submit AHCCCS Notification to Waive Medicare Part D Co-Payments pursuant to ACOM Policy 201 and as specified in Section F, Attachment F3, Contractor Chart of Deliverables.

56. MARKETING

The Contractor shall not conduct any marketing activities for the purpose of increasing membership.

57. CORPORATE COMPLIANCE

Corporate Compliance Program: The requirements of 42 CFR 438.608 are imposed on the Contractor and the Contractor shall ensure compliance with these provisions. The Contractor shall have a mandatory 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 14, Staffing Requirements. The Contractor's written Corporate Compliance Plan shall adhere to Contract and ACOM Policy 103 and shall 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 shall include:

1. Written policies, procedures, and standards of conduct that articulate the organization's commitment to and processes for complying with all applicable Federal and State rules, regulations, guidelines, and standards as specified in ACOM Policy 103 and submission of the Corporate Compliance Plan as stated in Section F, Attachment F3, Contractor Chart of Deliverables.

2. The Corporate Compliance Officer shall be an onsite or virtual management official who reports directly to the Contractor's Administrator/CEO and Board of Directors, if applicable. If working virtually, the Corporate Compliance Officer shall do so within the same county as the Contractor's local office. The Corporate Compliance Officer shall 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 provisions for the prompt referral of any potential fraud, waste, or abuse to AHCCCS OIG as specified in ACOM Policy 103.

6. Establishment and implementation of procedures and a system with dedicated staff for routine 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 a Corporate Compliance: External Audit Plan/Schedule, Corporate Compliance: External Auditing Schedule-Changes, and Corporate Compliance: Audit Report of all individual provider audits to AHCCCS OIG as specified in ACOM Policy 103 and Section F, Attachment F3, Contractor Chart of Deliverables.

8. 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 SSA, 42 CFR 457.1285, 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 of Corporate Compliance: CMS Compliance Issues Related to HIPAA Transaction and Code Set Complaints or Sanctions as specified in Section F, Attachment F3, Contractor Chart of Deliverables.

12. Reporting to AHCCCS of description of transactions between the Contractor and a party in interest as defined in Section 1318(b) of the SSA, including the following Transactions Between the Contractor and a Party of Interest as specified in Section F, Attachment F3, Contractor Chart of Deliverables [Section 1903(m)(4)(B) of the SSA]:
    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 regarding 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.

Disclosure Information: The Contractor shall submit Disclosure Information: Disclosure of Ownership and Control and Disclosure of Information on Persons Convicted of a Crime including Attestation as specified in Section F, Attachment F3, Contractor Chart of Deliverables regarding 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 specified in regulation, ACOM Policy 103, ACOM Policy 317, and creditors [42 CFR 455, Subpart B, 42 CFR 457.1285, 42 CFR 438.602(c), 42 CFR 438.604(a)(6), 42 CFR 438.606, 42 CFR 438.608(c)(2), 42 CFR 455.436, SMDL 08-003 and 09-001, Sections 1124(a)(2)(A) and 1903(m)(2)(A)(viii) of the SSA]. 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 SSA, 42 CFR 457.1285, 42 CFR 438.608(c)(2), 42 CFR 455.100-103, 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.

5. Within 35 days after any change.

6. Upon request by AHCCCS.

The Contractor shall immediately notify AHCCCS OIG of any person who has been excluded through these checks via the Corporate Compliance: Exclusions Identified Regarding Persons Convicted of a Crime deliverable 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 SSA [42 CFR 438.808(a), 42 CFR 438.808(b)(1), 42 CFR 431.55(h), Section 1903(i)(2) of the SSA, 42 CFR 1001.1901(c), 42 CFR 1002.3(b)(3), SMDL 6/12/08, State Medicaid Director Letter (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 specified in Section 1128(b)(8)(B) of the SSA [42 CFR 438.808(a), 42 CFR 438.808(b)(2), 42 CFR 431.55(h), Section 1903(i)(2) of the SSA, 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 [Section 1932(d)(1) of the SSA, 42 CFR 457.1285, 42 CFR 438.608(c)(1),42 CFR 438.808(a), 42 CFR 438.808(b)(2), 42 CFR 438.610(a)(1)-(2),(b), (c)(1)-(4), and (d)(2), 42 CFR 431.55(h), Section 1903(i)(2) of the SSA, 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 SSA [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 SSA, 42 CFR 1001.1901(c), 42 CFR 1002.3(b)(3), SMDL 6/12/08, SMDL 1/16/09] or with an individual or entity excluded by the published AZ Exclusion List.

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 SSA, 42 CFR 1001.1901(c), 42 CFR 1002.3(b)(3), SMDL 6/12/08, SMDL 1/16/09, Executive Order No. 12549] or with an individual or entity excluded by the published AZ Exclusion List., 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 SSA, 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] or with an individual or entity excluded by the published AZ Exclusion List.

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 SSA or with an individual or entity excluded by the published AZ Exclusion List., 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 specified 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 SSA]. 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 SSA or with an individual or entity excluded by the published AZ Exclusion List.

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 SSA and when the person furnishing such item or service knew, or had reason to know, of the exclusion (Sections 1903(i) and 1903(i)(2)(B))of the SSA).

The Contractor is prohibited from paying for an item or service 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 SSA).

Reporting Alleged Fraud Waste, or Abuse of the AHCCCS Program: In accordance with ARS 36-2918.01, 36-2932, 36-2905.04 and ACOM Policy 103, the Contractor, its subcontractors, and providers are required to notify AHCCCS OIG regarding all allegations of fraud, waste or abuse involving the AHCCCS Program as specified in Contract Section F, Attachment F3, Contractor Chart of Deliverables. The Contractor shall notify AHCCCS within 10 calendar days from 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 457.1285, 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. The Contractor shall submit Internally Resolved Non-Fraud, Waste, or Abuse Allegations Not Reported to AHCCCS OIG as specified in Section F, Attachment F3, Contractor Chart of Deliverables.

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 shall also report to AHCCCS, as specified in AMPM Policy 950 and Section F, Attachment F3, Contractor Chart of Deliverables, any Credentialing Re-Credentialing Denials including, but not limited to those which are the result of licensure issues, QOC concerns, excluded providers, and which are due to alleged fraud, waste, or abuse via the Adverse Action to the Provider with Rationale (such as but not limited to limitations, suspensions terminations, and denials including credentialing/recredentialing denials) deliverable, as specified in Section F, Attachment F3, Contractor Chart of Deliverables. 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 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 OIG. The Contractor agrees to provide documents, including original documents, to AHCCCS OIG upon request and at no cost. 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 audit, investigate, recoup, or otherwise offset any suspected overpayments. This includes subcontractors working on behalf of the Contractor.

In the event that AHCCCS OIG, either through a criminal restitution order, civil monetary penalty or assessment, a global civil settlement or judgment, 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 shall require and develop a mechanism for a network provider to report to the Contractor when it has received an overpayment to the Contractor within 60 calendar days after the date on which the overpayment was identified, and to notify the Contractor in writing of the reason for the overpayment [42 CFR 438.608(d)(2)]. 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 the overpayment(s).

In the event that the Contractor has recovered an overpayment, the Contractor shall notify AHCCCS OIG via the Recovered Overpayment deliverable 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.

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 (as defined in 42 CFR 455.101) 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.

58. 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 QOC, 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, Federal or State 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 specified in 42 CFR 438.3(u) and retain such records for a period of no less than ten years.

For retention of patient medical records, the Contractor shall ensure compliance with ARS 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's medical records for at least six years after the last date the adult patient received medical or health care services from that provider.

2. If the patient is under 18 years of age, the provider shall retain the patient's 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 specified above.

59. SYSTEMS AND DATA EXCHANGE REQUIREMENTS

AHCCCS supports new and evolving technologies that create efficiencies, improve QOC and lead to better health care outcomes while containing costs. Examples of such technologies, supported, in part, by the Health Information Technology for Economic and Clinical Health Act (HITECH) include the use of HIT in EHRs, e-prescribing, and a HIE infrastructure. Expanding technological capability is expected to reduce total spending on health care by diminishing the number of inappropriate tests, duplicate procedures, paperwork, and administrative overhead, which will result in fewer adverse events. The use of HIT for health care service delivery and health Care Management is critical to the effectiveness in the following areas:

1. Access to care.
2. Care coordination.
3. Prescribing practices, for example, polypharmacy.
4. Evidence-based care.
5. Medical Management (MM) programs.
6. Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) services.
7. Coordination with community services.
8. Referral management.
9. Discharge planning.
10. Performance measures.
11. Performance Improvement Projects (PIPs).
12. Medical record review.
13. Quality Of Care (QOC) review processes.
14. Quality Improvement (QI).
15. Claims processing.
16. Claims review.
17. Prior Authorization (PA).

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 shall be in the formats prescribed by AHCCCS, which includes those required/covered by the

HIPAA. Details for the formats may be found in the draft HIPAA Transaction Companion Guides, Trading Partner Agreements, the AHCCCS Encounter Manual and in the AHCCCS TIG.

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 appropriate notification by AHCCCS.

Claims Data: This system shall 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 ARS 36-2903 and 36-2904 and AAC R9-28-701.10. The system shall be adaptable to updates in order to support future AHCCCS claims related policy requirements on a timely basis as needed.
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 PBMs electronically.
2. Produce and distribute 75% of remittances electronically.

3. Provide 85% of claims payments via EFT.

AHCCCS intends to increase the percentage requirements over the term of the Contract.

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 specified 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, complete, and truthful, to the best of the Contractor's Administrator/CEO, CFO, or designee's knowledge under penalty of perjury [42 CFR 438.606] as specified by AHCCCS in the HIPAA Transaction Companion Guides and Trading Partner Agreements [42 CFR 438.606, 42 CFR 457.1201(o), 42 CFR 457.1201(n)(2)].

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.

Data Security: The Contractor is required to have a security audit performed by an independent third party on an annual basis. The AHCCCS Compliance Summary Checklist shall be submitted to AHCCCS as specified in Section F, Attachment F3, Contractor Chart of Deliverables.

The audit shall include, at a minimum, a review of Contractor compliance with security requirements as specified in the AHCCCS Compliance Summary Checklist, as specified in ACOM Policy 108. In addition, the audit shall 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 shall result in a findings report and as necessary a CAP, detailing all issues and discrepancies between the security requirements and the Contractor's policies, practices, and systems. The CAP shall also include timelines for corrective actions related to all issues or discrepancies identified. The annual report shall include the findings and CAP and shall be submitted to AHCCCS for review and approval. AHCCCS will verify that the required audit has been completed and that approved remediation plans are in place and being followed.

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 shall be able to make claims payments via electronic funds transfer and have the capability to accept electronic claims attachments.

Electronic Visit Verification: Pursuant to Section 1903 of the SSA (42 USC 1396b), AHCCCS is mandated to implement EVV for non-skilled in-home services and home health services. The Contractor is required to monitor member access to care and provider compliance standards as directed by AHCCCS. The Contractor shall implement policies and procedures to monitor, analyze, and take appropriate action to ensure member access to care to services and to support provider compliance with requirements covered under the EVV program as specified in AMPM Policy 540.

Health Information Exchange: The Contractor is required to Contract with the qualifying State designated HIO, a non-profit organization which provides the secure HIE network for the exchange of clinical health information. The Contractor shall sign a participation agreement with the HIO, to ensure each Contractor has access to the HIE for any permitted uses, as described in the HIE Participation Agreement. To further the integration of technology-based solutions and the promotion of interoperability of EHR 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 HIT 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 HIT.

It is AHCCCS' expectation that the Contractor will 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 of HIT 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 HIE participation for all Medicaid providers and Contractors by:

1. Requiring that behavioral health and physical health providers use the HIE for the secure sharing of clinical information between physical and behavioral health providers.

2. Ensuring providers utilize ADT alerts to facilitate timely follow up with members after admission or discharge from hospitals and emergency rooms.

3. Supporting the acceleration of electronic prescribing by Arizona Medicaid providers.

4. Joining HIO's Board of Directors and advisory councils to enable and provide input into governance and policy making, and the availability of information technology service offerings.

5. Identifying value-based purchasing opportunities that link with a provider's adoption and use of HIT.

The Contractor shall encourage providers that are participating in the Medicaid Promoting Interoperability Program (formerly the EHR Incentive Program) (i.e., eligible hospitals and eligible professionals) to continue to promote interoperability, 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 the HIO to support projects and initiatives in 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 and across the CoC facilities.

2. Identifying l partnerships for integrated care among other health care delivery participants.

3. Identifying and implementing strategies that improve care coordination and health outcomes for high-need/high-cost members.

4. Coordinating care for members who are enrolled in the American Indian Health Program (AIHP).

5. Coordinating care for members who are transitioning between AHCCCS and Qualified Health Plans.

6. Coordinating care for AHCCCS eligible and enrolled members involved in transitioning in or out of the Justice system.

7. Improving Care coordination and care transitions between providers and members.

8. Improving Pharmacy management.

9. Collaborating with the HIO on recruitment and outreach strategies that target providers in each Contractor's network and that encourages those providers to join the HIE.

10. Participating in QI activities and reporting as identified by the Contractor or AHCCCS.

11. Other activities as identified by AHCCCS and that are allowed under the Permitted Use Policy of the HIO.

To support outreach to the providers in each Contractor's network, each Contractor is recommended to develop, with the HIO, a recruitment plan that can achieve a 10% increase in the number of providers that join the HIE.

Health Insurance Portability and Accountability Act: 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 implementing Federal Regulations as well as all subsequent requirements and regulations as published.

Interoperability for Payers: The Contractor shall implement requirements applicable to payers in the CMS "Interoperability and Patient Access for Medicare Advantage Organization and Medicaid Managed Care Plans, State Medicaid Agencies, CHIP Agencies and CHIP Managed Care Entities, Issuers of Qualified Health Plans on the Federally-facilitated Exchanges, and Health Care Providers" final rule (CMS-9115-F) as published in the Federal Register on May 1, 2020 (85 FR 25510). The Contractor shall implement: Section III-Patient Access Application Programming Interface (API) (effective January 1, 2021, with enforcement date of July 1, 2021), Section IV-Provider Directory API (effective January 1, 2021, with enforcement date of July 1, 2021), and Section V-Payer to Payer Data Exchanges (effective January 1, 2022). The Contractor shall implement Section III-Patient Access Application Programming Interface (API), Section IV-Provider Directory API, and Section V-Payer to Payer Data Exchanges in accordance with AHCCCS effective dates. The Contractor shall implement the API in accordance with 42 CFR 431.60 and 42 CFR 431.70, which shall include all of the provider directory information specified in 42 CFR 438.10(h)(1) and (2).

The Contractor shall implement these interoperability requirements in accordance with the applicable specifications of the Office of the National Coordinator's (ONC's) "21st Century Cures Act: Interoperability, Information Blocking, and the ONC Health IT Certification Program" companion final rule as published in the Federal Register on May 1, 2020 (85 FR 25642), effective June 30, 2020.

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.

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 Pre-paid Medicaid Management Information System (PMMIS) contact will be assigned to the Contractor after Contract award.

The Contractor shall ensure that changing or making major upgrades to the ISs 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.

60. 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 FFS and capitation rates, 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 PPC [42 CFR 457.1233(d), 42 CFR 457.1285, 42 CFR 438.242(c)(1)-(4), 42 CFR 438.604(a)(1)-(4), 42 CFR 438.606, CFR 438.8, 42 CFR 438.818]. This requirement is a condition of the CMS grant award [42 CFR 438.242(b)(1) and 42 CFR 455.1 (a)(2)].

New Contractors shall 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 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 shall 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 shall 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 CAPs and/or sanctions.

Encounter Reporting: The Contractor shall produce reports for the purposes of tracking, trending, reporting process improvement and monitoring submissions and revisions of encounters. The Contractor shall submit Corrected Pended Encounter Data and New Day Encounter 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 shall 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 Submissions: Encounters shall be submitted in the format prescribed by AHCCCS. Encounter data shall be provided to AHCCCS as specified in the HIPAA Transaction Companion Guides, Trading Partner Agreements, the AHCCCS 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 SSA.

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 SSA; the State shall collect such rebates from manufacturers. (Section 1903(m)(2)(A)(xiii) of the SSA 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 shall be provided to AHCCCS no later than 30 days after the end of the quarter in which the pharmaceutical item was dispensed. The Contractor shall 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 SSA 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 SSA and SMDL 10-006).

The Contractor's health plan paid amount per pharmacy encounter that is submitted to AHCCCS shall be equal to the adjudicated and approved reimbursement amount between the PBM and the PBM's network pharmacy or in an emergent situation, a reimbursement made to a non-network pharmacy. A network pharmacy includes hospital outpatient, retail, compounding, specialty, long-term care pharmacies, or any other pharmacy type included in the PBM's Pharmacy Network.

A Contractor shall prepare, review, verify, certify, and submit, encounters for consideration to AHCCCS. Upon submission, the Contractor shall attest 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 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 Validation Studies*:** Per CMS requirements, AHCCCS will conduct encounter validation studies of the Contractor's encounter submissions. These studies may result in sanction of the Contractor and/or require a CAP 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.

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.

61. ENROLLMENT AND CAPITATION TRANSACTION UPDATE

AHCCCS produces daily enrollment transaction updates identifying new members and changes to existing members' demographic, eligibility and enrollment data as specified in the HIPAA Transaction Companion Guides, Trading Partner Agreements, and the TIG 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 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 disenrollment as of the first of the prospective month.

AHCCCS also produces a daily Manual Payment Transaction as specified in the TIG, available on the AHCCCS website, which identifies enrollment or disenrollment activity that was not included on the 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 specified 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 specified 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 shall 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 Information Services Division (ISD).

62. 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 specified in Section D, Paragraph 67, 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 457.1285, 42 CFR 438.604(b), 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.

63. 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 ten 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.

64. 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.

65. 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 shall satisfy AHCCCS' requirements on all Readiness Review elements in order to continue operating under this Contract [42 CFR 438.66(d)(3)].

66. MONITORING ACTIVITIES

The Contractor shall comply with all reporting requirements contained in this Contract and AHCCCS Policy.

In accordance with Medicaid managed care and CHIP regulations; and State Statutes, Rules, Contract and Policy requirements, AHCCCS has in effect procedures for monitoring the Contractors' operations to ensure program compliance and identify best practices. Monitoring activities include, but are not limited to, evaluation of submitted deliverables and ad hoc reporting, periodic focused reviews, and periodic compliance reviews (i.e., operational reviews) [42 CFR 434.6(a)(5)]. AHCCCS may contract with an independent agent to perform these reviews.

Monitoring activities may include, but are not limited to, operations related to the following:

1. Member enrollment and disenrollment.
2. Processing member grievances and appeals.
3. Processing Provider Claim Disputes and Appeals.
4. Findings from the State's EQR process.
5. Results of member satisfaction surveys conducted by the Contractor.
6. Performance on required quality measures.
7. Medical Management (MM) committee reports and minutes.

8. Annual QI plan.

9. Audited financial and encounter data.

10. Medical loss ratio summary reports.

11. Customer service performance data.

12. Data related to the provision of Long-Term Services and Supports (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.

15. Program integrity.

16. Provider network management.

17. Member care and related clinical decisions.

18. All other provisions of the Contract, as appropriate.

Monitoring activities will evaluate the Contractor's progress towards implementing mandated programs or operational enhancements, include recommendations for areas of improvement, and provide the Contractor with technical assistance when necessary. The type, frequency, and duration of the monitoring activities will be solely at the discretion of AHCCCS.

The activities may include on-site reviews. The Contractor shall provide an appropriate private workspace and internet access for reviews conducted on-site. AHCCCS, or an independent agent contracted to perform reviews, 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, and any independent agent contracted to perform reviews, by forwarding, in advance, policies, procedures, job descriptions, contracts, records, logs, and other materials 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.

AHCCCS reserves the right to conduct reviews without notice to monitor Contractual and Policy requirements and performance as needed.

Operational Reviews: In accordance with 42 CFR 438.358(b)(iii), AHCCCS, or an independent agent, will conduct periodic operational reviews of the Contractor to ensure program compliance. Effective August 1, 2024, AHCCCS contracted with an EQRO to perform operational reviews described under 42 CFR 438.358(b)(iii).

The Contractor will be furnished a copy of a draft operational review Report resulting from operational review of the Contractor and will be given an opportunity to comment on any operational review findings prior to AHCCCS issuing the final operational review Report. AHCCCS reserves the right to publish information related to the results of any operational review. The Contractor shall develop corrective action plans based on recommendations provided in the final operational review Report. The CAPs and modifications to the CAPs shall be approved by AHCCCS. Unannounced follow up reviews may be conducted at any time after the initial operational review to determine the Contractor's progress in implementing recommendations and achieving compliance.

The Contractor shall not distribute or otherwise make available operational review Tool(s), methodology, draft operational review Report, or final operational review Report to other Contractors.

Member-Specific Care/Care Coordination Needs: AHCCCS may, at any time, request to evaluate member-specific care, care planning documentation, clinical coordination notes, and/or any other information related to the clinical or non-clinical decision-making processes and assessments for or delivery of needed care and services. AHCCCS has the discretion to review and reserves the right to direct Contractor care plans, needs assessment, placement determination, and other aspects of service delivery based on medical necessity if it is in the best interest of the member.

67. ADMINISTRATIVE ACTIONS

In the event a Contractor fails to demonstrate compliance with contractual requirements, AHCCCS may elect to impose an Administrative Action. Administrative actions may include issuance of any or all of the following: Notice of Concern, Notice to Cure (NTC), a mandate for a Corrective Action Plan (CAP), and Sanctions.

Notice to Cure: AHCCCS may provide a written Notice to Cure to the Contractor outlining the details of the noncompliance 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.

Sanctions: In accordance with applicable Federal and State regulations, AAC R9-22-606, ACOM Policy 408, ACOM Policy 440, Section 1932 of the SSA 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 457.1201(m), 42 CFR 457.1212, 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 SSA]. Refer to Section E, Paragraph 44, Temporary Management/Operation of a Contractor, and Paragraphs 46 through 49 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 pre-payment to be withheld. The Contractor may dispute the decision to impose a sanction in accordance with the process specified in AAC R9-34-401 et seq.

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.

4. Recognize that a Contractor's subcontractor's 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.

68. CONTINUITY OF OPERATIONS AND RECOVERY PLAN (CORP)

The Contractor shall develop a Continuity of Operations and Recovery Plan (CORP) as detailed in ACOM Policy 104, to manage unexpected events including the threat of such occurrences, which may negatively and significantly impact business operations, and the Contractor's ability to adequately deliver services to members. All Contractor staff shall be trained on the Contractor's CORP to understand their respective roles and documentation of staff training occurring at least annually.
The Contractor is responsible for ensuring its Subcontracted Health Plan comply with the ACOM Policy 104 and contract requirements. The Contractor's Subcontracted Health Plan's CORPs shall, at a minimum, address the areas listed in ACOM Policy 104 as applicable.

The Contractor's CORP shall be evaluated, tested, and updated annually. The Contractor's CORP shall be made available to AHCCCS upon request.

69. RESERVED

70. PENDING ISSUES

The following constitute pending items that may be resolved after the issuance of this Contract or during the Term of Contract. 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 Contractor may be subject to program changes that are a result of:

1. Legislative mandates.

2. Federal or State Directives.

3. Regulatory changes.

4. Executive orders.

5. Court orders.
6. AHCCCS initiatives.
7. Committee decisions.
8. Stakeholder input.
9. Quality Management (QM).
10. Performance improvement.
11. Modernization efforts.

The items in this paragraph are subject to change and should not be considered all-inclusive.

1115 Waiver: 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 or other guidance, as necessary. On October 14, 2022, CMS approved AHCCCS' request for a five-year extension of its 1115 Waiver; the CMS approval is effective from October 14, 2022 through September 30, 2027. In addition to renewing current waiver and expenditure authorities, AHCCCS is seeking to implement additional authorities which are subject to CMS approval. Refer to the AHCCCS website for pending Waiver proposals and amendments.

Centers for Medicare and Medicaid Services (CMS) Managed Care Regulations: On April 27, 2023, CMS released two proposed rules impacting both the Medicaid and CHIP programs. In May 2024, CMS published the final Rules. The Rules include significant changes to numerous areas including access to care, transparency, and oversight of provider payment rates, engagement of members, quality measurement, and program accountability:

1. Managed Care Access, Finance, and Quality, which focuses on managed care delivery systems by improving access to, and quality of, care. The CMS Summary of the final Rule is available here: https://www.cms.gov/newsroom/fact-sheets/ensuring-access-medicaid-services-final-rule-cms-2442-f

2. Ensuring Access to Medicaid Services (or the "Access Rule"), which focuses on FFS and managed care delivery systems including home and community-based services (HCBS) provided through those delivery systems. The CMS Summary of the final Rule is available here: https://www.cms.gov/newsroom/fact-sheets/medicaid-and-childrens-health-insurance-program-managed-care-access-finance-and-quality-final-rule

The Contractor shall participate with AHCCCS in implementation strategies for the final Rules. The Contractor shall comply with the applicable sections of the Rules and any modifications thereafter.

Mental Health Parity: As part of the Agency's initiatives to improve oversight of the Contractor's compliance with mental health parity consistent with 42 CFR Part 457, 42 CFR Part 438, and ACOM Policy 110, AHCCCS is considering implementation of a requirement for Contractors to obtain a third-party subcontractor to perform annual compliance reviews of the Contractor's compliance with mental health parity and report results to AHCCCS. AHCCCS also intends to pursue contracting with a third-party to assess Contractor compliance with Mental Health Parity. The Contractor is required to cooperate with the contracted entity and provide information as requested. Requests may include, for example, submission of Contractor policies and procedures requiring review to determine Contractor compliance with Mental Health Parity regulations.

The Interoperability and Prior Authorization Final Rule: The Interoperability and Prior Authorization Final Rule will improve the electronic exchange of health care data, streamline processes related to prior authorization, and add new measures for eligible hospitals and critical access hospitals. These policies will reduce overall payer and provider burden and improve patient access to health information while continuing CMS's drive toward interoperability in the health care market. The CMS Summary of the Final Rule is available here: https://www.federalregister.gov/documents/2024/02/08/2024-00895/medicare-and-medicaid-programs-patient-protection-and-affordable-care-act-advancing-interoperability.

The Contractor shall participate with AHCCCS in implementation strategies for the final Rules.

71. 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 shall be based on provider certification, accreditation, or other specific recognition as performing with fidelity to locally or nationally recognized and established criteria for the population being served. Identification as a Center of Excellence by a Contractor shall include tracking and reporting of outcome data demonstrating efficacy in treatment and adherence to established benchmarks for outcome data for the population served.

Adult's Integrated System of Care: The Contractor shall contract with providers which adhere to nationally recognized criteria as a Centers of Excellence, and demonstrate in annual reporting how these providers implement evidence-based practices in adherence with nationally recognized criteria and shall present outcome data for the following groups of adults with special health care needs:

1. Members with chronic pain with or without co-occurring SUD.

Children's Integrated System of Care: The Contractor shall contract with providers which adhere to nationally recognized criteria as a Centers of Excellence, and demonstrate in annual reporting how these providers implement evidence-based practices in adherence with nationally recognized criteria and shall present outcome data for the following groups of children with special health care needs:

1. Children aged birth through five with behavioral health needs: Staffed with specialists who are endorsed by the AZAIMH 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 with or at risk of ASD.

3. Adolescents with SUD, for example:
   a. Adolescent Community Reinforcement Approach (A-CRA),
   b. Assertive Community Care, and
   c. Global Appraisal of Individual Needs (GAIN).

4. Transition Aged Youth, for example:
   a. First episode psychosis programs, and
   b. Transition to Independence (TIP) Model.

Value-Based Providers: The Contractor shall develop strategies that ensure that members are directed to providers who offer value as determined by measurable outcomes. The Contractor shall submit a Centers of Excellence Report describing its strategies to direct members to valued providers. The Report shall be included submitted with the Provider NDMP and Associated Documents as specified in ACOM Policy 415, and submitted as specified in Section F, Attachment F3, Contractor Chart of Deliverables.

72. ACCREDITATION

Accreditation: CHP shall require its CHP Subcontracted Health Plan to have achieved National Committee for Quality Assurance (NCQA) First Health Plan Accreditation, inclusive of the NCQA Medicaid Module, by October 1, 2023, and maintain Health Plan Accreditation status, thereafter. CHP shall require its CHP Subcontracted Health Plan to achieve NCQA Health Equity Accreditation by October 1, 2025, and maintain Health Equity Accreditation status, thereafter.

Accreditation Status and Documentation: Pursuant to 42 CFR 438.332, the Contractor shall report if it has received accreditation from any private independent accrediting entity. In consideration of this requirement, if CHP obtains accreditation from NCQA, CHP shall submit information as required below; if CHP obtains accreditation from an entity other than NCQA, CHP shall submit information regarding that accreditation as is required below for its NCQA Accreditation(s).

CHP shall submit to AHCCCS its Accreditation Status and Documentation for its accreditation as specified in Section F, Attachment F3, Contractor Chart of Deliverables; the submission shall include the following [42 CFR 438.332(a) and 42 CFR 438.332(b)(1)-(3)]:

1. The NCQA Accreditation Certificate with Seal.

2. The NCQA Decision Letter inclusive of:
   a. Accreditation Status (includes the status for any AHCCCS-required Accreditation, Module, and Distinction), Survey type, and Level. This includes if the Contractor loses its accreditation (either due to non-renewal or revocation),
   b. Accreditation effective date and expiration date,
   c. Date of next Survey, and
   d. Recommended and required actions or improvements.

3. The NCQA Summary Report(s).

4. The NCQA Regulatory/Regulations Report(s)/Submission Overview Report(s).

5. Additional documentation requested by AHCCCS and/or provided by the Contractor including, but not limited to:
   a. Identification of any Standards, Elements, and/or Factors scored as NA due to a regulatory conflict, with a brief explanation of the identified regulatory conflict and associated evidence of the regulatory conflict as submitted to NCQA,
   b. Documentation regarding Voluntary CAP such as:
      i. Confirmation of the Contractor pursuing a Voluntary CAP with NCQA (if offered),
   c. Documentation regarding Reconsideration of Compliance Designations and/or Accreditation Outcome such as:
      i. The Contractor's request for reconsideration to NCQA, if applicable; if not applicable, the Contractor shall indicate so,
      ii. NCQA's Reconsideration decision letter; or status of reconsideration if letter not yet received, and
   d. Documentation regarding Expedited survey including:
      i. Confirmation of the Contractor pursuing an Expedited Survey with NCQA (if offered).

Any subsequent CAP information shall be submitted via the CAP Updates contract deliverable.

Accreditation CAP Updates: The Contractor shall submit CAP information, including Voluntary CAPs, via the CAP Updates contract deliverable as specified in Section F, Attachment F3, Contractor Chart of Deliverables, including:

1. The NCQA Decision Letter requiring CAP, including option of Voluntary CAP.

2. Contractor documentation submitted to NCQA including its notice/request to pursue CAP.

3. The NCQA decision(s)/communication(s) regarding the CAP.

4. Clear indication of all NCQA Standards, Elements, and Factors included under the CAP.

5. The CAP Survey timeline and results.

6. Documents requested by AHCCCS and/or provided by the Contractor.

AHCCCS will make CHP's accreditation status available on the AHCCCS website [42 CFR 438.332(c)(1)].

Accreditation - Nonduplication/Deeming: Pursuant to 42 CFR 438.360, CMS provides a mechanism for states to use to prevent duplication of the mandatory external quality review activities described in 438.358(b)(1)(i) through (iii) for its Contractors when a Contractor has had a similar review performed by an approved Medicare or national accrediting organization. If AHCCCS identifies an activity as duplicative to an associated Accreditation Standard set forth by the AHCCCS-approved accrediting organization, NCQA, pursuant to 42 CFR 438.360, the activity is considered "deemed" (whether in full or in part) and AHCCCS will consider the Contractor as compliant with a requirement if the Contractor has met and continues to meet the associated

NCQA Accreditation Standard. AHCCCS retains the right to reinstate any "deemed" requirement at any time for any reason.

AHCCCS may identify components (whether in full or in part) of the AHCCCS Operational Review standards required under 42 CFR 438.358(b)(1)(iii) as deemed, in conformance with 42 CFR 438.360, and may remove or modify Operational Review standards based upon on this evaluation. AHCCCS retains the ability to reinstate any Operational Review requirement that is removed or modified as part of nonduplication efforts at any time for any reason.

AHCCCS may identify Contractor deliverables or components of Contractor deliverables as deemed to further reduce administrative burden. AHCCCS retains the ability to reinstate any Contractor deliverable that is removed or modified as part of nonduplication efforts at any time for any reason.

Regardless of deemed status of an activity or requirement, CHP shall ensure that all information, including all information from its Subcontracted Health Plan, is furnished to AHCCCS or its External Quality Review Organization, as applicable and/or as directed by AHCCCS, for analysis and inclusion in the External Quality Review annual technical reports described in 42 CFR 438.364(a).

[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 ARS 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 shall conform to the requirements of Contract Section D, Paragraph 33, Subcontracts.

5. RESERVED

6. AUDIT AND INSPECTION

The Contractor shall comply with all provisions specified in applicable ARS 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 457.1201(g), 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 457.1201(g), 42 CFR 438.3(h), Section 1903(m)(2)(A)(iv) of the SSA].

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 ten years from the termination of this Contract or the date of completion of any audit, whichever is later [42 CFR 457.1201(g), 42 CFR 438.3(h)].

7. AUTHORITY

This Contract is issued under the authority of the AHCCCS Procurement 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 shall request an adjustment within 30 days from the date of receipt of the change notice.

Contract amendments are subject to approval by the 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 (PPACP); 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 457.1201(f), 42 CFR 457.1220, 42 CFR 438.3(f)(1), 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), 42 CFR 438.3(d)(4), ARS 41-1461 et seq., and Executive Order 2023-01, 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, pregnancy, childbirth or medical conditions related to pregnancy or childbirth, political or religious affiliations or ideas culture, creed, social origin or condition, genetic information, sexual orientation, gender identity or expression, ancestry, age, military service or veteran status, marital status, 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 457.1201(d), 42 CFR 438.3(d)(1)].

11. CONFIDENTIALITY AND DISCLOSURE OF CONFIDENTIAL INFORMATION

The Contractor shall safeguard information in accordance with Federal and State statutes and regulations, including but not limited to: the HIPAA of 1996 (Public Law 104-191), 45 CFR Parts 160 and 164, 42 CFR Part 431, Subpart F, 42 CFR Part 2, 42 CFR Part 457, 42 CFR Part 438, ARS 36-664, ARS 36-2903, ARS 36-2932, ARS 41-1959, ARS 46-135, and any rules implanting those State statutes (e.g., AAC R9-22-503, AAC R9-22-512 and AAC 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 shall be construed according to the laws of the State of Arizona.

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 AHCCCS Procurement Officer on behalf of the State and signed by a duly authorized representative of the Contractor.

Administrative Changes - The Contracting 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 Amendment. Administrative Changes subject to permissible corrections include: misspellings, grammar errors, incorrect addresses, incorrect 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 457.1285, 42 CFR 438.604, 42 CFR 438.606(b)]. Certification of financial and encounter data shall be submitted concurrently with the data [42 CFR 457.1285, 42 CFR 438.606(c), 42 CFR 438.604(a)-(b)]. Certification may be provided by the Contractor's Director, Deputy Director of the Division, CFO, or an individual who is delegated authority to sign for, and who reports directly to the Director, Deputy Director or CFO [42 CFR 457.1285, 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 9 AAC Chapter 22, Article 6, the exclusive manner for the Contractor to assert any dispute against AHCCCS shall be in accordance with the process specified in 9 AAC Chapter 34 and ARS 36-2932. All disputes except as provided under 9 AAC 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 ARS 41-4401, the Contractor warrants compliance with all Federal immigration laws and regulations relating to employees and warrants its compliance with Section ARS 23-214, Subsection A.

21. EFFECTIVE DATE

The effective date of this Contract shall be the date referenced on the offer and award page of this Contract or any subsequent amendments.

22. 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.

23. 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.

24. 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.

25. RESERVED

26. RESERVED

27. RESERVED

28. 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.

29. 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.

30. 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.

31. NO GUARANTEED QUANTITIES

AHCCCS does not guarantee the Contractor any minimum or maximum quantity of services or goods to be provided under this Contract.

32. NON-EXCLUSIVE REMEDIES

The rights and the remedies of AHCCCS under this Contract are not exclusive.

33. OFF-SHORE PERFORMANCE OF WORK PROHIBITED

Any services that are specified 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 457.1285, 42 CFR 438.602(i)].

34. 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 Section 1115 Demonstration 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.

35. 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 Federal and State 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].

36. RESERVED

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 AHCCCS 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 ARS 41-2547.

41. RESERVED

42. 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.

43. 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 they have been excluded from participation in Federal health care programs, are subject to sanctions, loss of licensure, or other adverse actions that are required to be reported to AHCCCS.

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.

44. TEMPORARY MANAGEMENT/OPERATION OF A CONTRACTOR

Temporary Management/Operation by AHCCCS: Pursuant to the Medicaid Managed Care Regulations, 42 CFR Part 438, Subpart I, 42 Part 457, and ARS 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 SSA. 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 SSA. Pursuant to 42 CFR 438.706, AHCCCS shall not delay imposition of temporary management to provide a hearing before imposing this sanction [42 CFR 457.1270, 42 CFR 438.706(a)-(d), Section 1932(e)(2)(B)(ii) of the SSA].

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.

45. TERM OF CONTRACT AND OPTION TO RENEW

The initial term of this Contract shall be one year, with annual options to extend. Whereas previously the Contract Year was July 1 through June 30 with an annual July 1 renewal, the term of this Contract is amended to July 1, 2018, through September 30, 2019, in order to transition the Contract to October 1 through September 30 with an annual October 1 renewal, effective October 1, 2019. 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 [42 CFR 438.610(c)(3)] and shall be at the sole option of AHCCCS.

Contract amendments, including renewals, are subject to approval by the 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.

46. 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 Arizona State Plan or Section 1115 Demonstration Waiver, 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 SSA [42 CFR 457.1270, 42 CFR 438.708(a), 42 CFR 438.708(b), Sections 1903(m), 1905(t), 1932 of the SSA].

If the Contractor is providing services under more than one Contract with AHCCCS, AHCCCS may deem unsatisfactory performance under one Contract 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 SSA, 42 CFR 457.1270, 42 CFR 438.722(a)-(b)]. Pursuant to the Balanced Budget Act of 1997,42 CFR 438.710, and 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 records available, 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, 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), 42 CFR 457.1201(q), and 42 CFR 438.3(u). Refer to 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.

47. 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.

48. 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 ARS 38-511.

49. 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.

50. 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.

51. TYPE OF CONTRACT

Fixed-Price, stated as capitated Per Member Per Month (PMPM), except as otherwise provided.

52. 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

The Contractor shall have a written policy specifying 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 shall also be made available in alternate formats upon request at no cost. Auxiliary aids and services shall 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 conspicuously visible font size) explaining the availability of written translation or oral interpretation services to understand the information and include the Contractor's toll free and TTY/TDD telephone numbers for customer service. Oral interpretation services, as applicable 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, at a minimum, through the Contractor's member handbook and website, that oral interpretation services are available in any language, and alternative communication formats are available for members who are deaf or hard of hearing or are blind or have low vision.

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 457.1207, 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 shall 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 shall contain at a minimum the following [42 CFR 457.1260, 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,

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, and
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 thoroughly investigate grievances and appeals using the applicable statutory, regulatory, contractual and policy provisions, ensuring that relevant facts are obtained from all parties.

4. The Contractor shall track and trend Grievance and Appeal System information in accordance with the AHCCCS Grievance and Appeal System Report.

5. 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 [42 CFR 457.1260, 42 CFR 438.414, 42 CFR 438.10(g)(2)(xi)(A)-(C)].

6. The Contractor shall provide members with 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 457.1260, 42 CFR 438.406(a),42 CFR 438.228(a)].

7. The availability of toll-free numbers that a member can use to file a grievance or appeal by phone if requested by the member.

8. Oral inquiries seeking to appeal an Adverse Benefit Determination are treated as standard appeals unless the member or the provider requests expedited resolution [42 CFR 457.1260, 42 CFR 438.406(b)(3)].

9. The Contractor shall permit both oral and written appeals and grievances [42 CFR 457.1260, 42 CFR 438.402(c)(3)(i), 42 CFR 438.402(c)(3)(ii)].

10. The Contractor shall acknowledge receipt of each grievance and appeal. For grievances, an oral grievance shall be considered acknowledged at the time it is made. The Contractor is not required to acknowledge receipt of the grievance in writing, however, if the member requests written acknowledgement, the acknowledgement shall be made within five business days of receipt of the request.

11. For appeals, the Contractor shall acknowledge receipt of standard appeals in writing within five business days of receipt and within one day of receipt for expedited appeals as specified by ACOM Policy 445 and Section F, Attachment F3, Contractor Chart of Deliverables [42 CFR 457.1260, 42 CFR 438.406(b)(1), 42 CFR 438.228(a)].

12. In the case that the MCO fails to adhere to the appeal notice and timing requirements, the member is deemed to have exhausted the MCO's appeals process. The member may initiate a State fair hearing (SFH) in accordance with 42 CFR 438.405(c) and (f) and 42 CFR 457.1260(e)(3).

13. 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 same or similar clinical specialty in treating the member's condition or disease [42 CFR 457.1260, 42 CFR 438.406(b)(2)(ii)(A)-(C), 42 CFR 438.228(a)]. Decisions makers on grievance and appeals of adverse benefit determinations shall take into account all comments, documents, records, and other information submitted by the member or their representative as well as providers without regard to whether such information was submitted or considered in the initial adverse benefit determination [42 CFR 457.1260, 42 CFR 438.406(b)(2)(iii), 42 CFR 438.228(a)]. AHCCCS does not offer or arrange for an external medical review as specified in 42 CFR 457.1260 and 42 CFR 438.402(c)(1)(i)(B).

14. The Contractor shall not delegate the Grievance and Appeal System requirements to its providers.

15. 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.

16. A member shall file a grievance with the Contractor and the member is not permitted to file a grievance directly with AHCCCS [42 CFR 457.1260, 42 CFR 438.402(c)(3)(i)].

17. The Contractor shall address identified issues as expeditiously as the member's condition requires and shall resolve each grievance within ten 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 457.1260, 42 CFR 438.408(a), 42 CFR 438.408(b)(1) and (3)].

18. The Contractor responds to a grievance in writing, if a member requests a written explanation of the resolution, and the response shall be mailed within 10 business days of resolution of the grievance [42 CFR 438.408(d)(1)].

19. 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 457.1260, 42 CFR 438.408, 42 CFR 438.402(c)(1)(i)(A)].

20. For appeals involving issues of medical necessity when a decision is not reached within the required time frame or when there is insufficient or conflicting information regarding medical necessity, the Contractor shall extend the timeframe for resolution of an appeal, by up to 14 days, and shall document efforts to consult with the ordering provider (peer-to-peer) to obtain clinical information to assist in resolving the appeal. Obtaining an extension and peer-to-peer consultation in these circumstances is in the members' best interest [42 CFR 438.210 (b)(2), 42 CFR 457.1260, 42 CFR 438.408(b)(1)-(3), 42 CFR 438.408(c)(1)(i)-(iii)].

21. If the Contractor extends the timeframe for resolution of an appeal not at the request of the member, the Contractor shall 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 457.1260, 42 CFR 438.408(c)(2)(i)-(ii), 42 CFR 438.408(b)(1)-(3)].

22. 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.

23. Define a standard authorization request for standard authorization decisions not involving medications: 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 shall 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 457.1260, 42 CFR 457.1230(d)**,** 42 CFR 438.210(d)(1)(i)-(ii), 42 CFR 438.404(c)(3)-(4)]. The Notice of Adverse Benefit Determination shall 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.

24. Define an expedited authorization request for expedited authorization decisions not involving medications: An expedited authorization request is a request for a service that is not a medication in which either the requesting provider indicates, or the 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 shall 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 457.1260, 42 CFR 457.1230(d), 42 CFR 438.210(d)(2)(i)-(ii), 42 CFR 438.404(c)(6)].

25. For service authorization decisions for medications, the Contractor shall provide a Notice of Adverse Benefit Determination no later than 24 hours from receipt to the provider and member 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[42 CFR 438.210(d)(3), 42 CFR 457.1230(d), and SSA 1927(d)(5)(A)]. 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 shall 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)].

26. 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.

27. 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. A denial, in whole or in part, of a payment for a service. A denial, in whole or in part, of a payment for a service because the claim does not meet the definition of a clean claim at 42 CFR 447.45(b) is not an adverse benefit determination,
    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 457.1260 and 42 CFR 438.408(b)(1)-(2) required for standard resolution of appeals and standard disposition of grievances,
    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, or
    g. Denial of a member's request to dispute a financial liability, including cost sharing, copayments, premiums, deductibles, coinsurance, or other member financial liabilities.

28. For decisions involving issues of medical necessity when a decision is not reached within the required time frame or when there is insufficient or conflicting information regarding medical necessity, the Contractor shall extend the timeframe to render a decision, by up to 14 days, and shall document efforts to consult with the ordering provider (peer-to-peer), to obtain clinical information to assist in a decision. Obtaining an extension and peer-to-peer consultation in these circumstances is in the member's best interest [42 CFR 438.210 (b)(2), 42 CFR 457.1260, 42 CFR 438.408(b)(1)-(3), 42 CFR 438.408(c)(1)(i)-(iii)]. The Contractor shall allow the provider sufficient time for a peer-to-peer to occur before the Contractor issues its decision.

29. 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, and the decision constitutes as a denial [42 CFR 438.404(c)(5). If the decision has not been completed within the time and in the best interest of the member, for expedited or standard requests an extension of up to 14 days is required to obtain additional information.

30. If the Contractor extends the timeframe to make a standard or expedited authorization decision, the Contractor shall 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 shall issue and carry out its decision as expeditiously as the member's health condition requires and no later than the date the extension expires [42 CFR 457.1260, 42 CFR 457.1230(d), 42 CFR 438.210(d)(1)(ii), 42 CFR 438.404(c)(4)(i)-(ii)].

31. The Contractor shall notify the requesting provider, in writing, of the decision to deny or reduce a service authorization request. Electronic notification is acceptable.

32. 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 shall 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)].

33. 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 SSA, 42 CFR 483.12(a)(5)(i), 42 CFR 483.12(a)(5)(i)-(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 they are ineligible for further services,
    d. The member's address is unknown, and mail directed to the member has no forwarding address, and
    e. The member has been accepted for Medicaid in another local jurisdiction,
    f. The member has a change in level of medical care prescribed by the member's PCP,
    g. The notice involves an adverse determination made with regard to the preadmission screening requirements of section 1919(e)(7) of the SSA, or
    h. The action date of action will occur in less than 10 days, in accordance with 42 CFR 431.211, which provides exceptions to the 30 days notice requirements of 42 CFR 431.213.

34. The Notice of Adverse Benefit Determination shall explain:
    a. The adverse benefit determination the Contractor has taken or intends to take,
    b. The requested service and the reason for the requested service,
    c. The reasons for the adverse benefit determination which include an explanation of the specific facts that pertain to the decision and the legal basis for the determination, including the applicable statutes, rules, contractual provisions, policies, and procedures, if applicable. Reference to general legal authorities alone is not acceptable. If citing medical necessity as a reason for denial, the Notice of Adverse Benefit Determination shall provide a clear and specific explanation of why the service is not medically necessary. The Contractor shall also include potential alternative options to consider and not merely refer the member back to the provider,
    d. The effective date of a service denial, limited authorization, reduction, suspension, or termination,
    e. 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, and any documentation, records, and other information relevant to the member request as specified in 42 CFR 438.404(b)(2),
    f. A listing of legal aid resources,
    g. The member's right to request an appeal and the procedures for filing an appeal of the Contractor Adverse Benefit Determination, including information on exhausting the Contractor's appeals process described in 42 CFR 438.402(b) and the right to request a State fair hearing consistent with 42 CFR 438.402(c), including if the Contractor fails to make a decision in a timely manner regarding the member's appeal request,
    h. The procedures for exercising these rights,
    i. Circumstances when expedited resolution is available and how to request it,
    j. The member's right to receive continued 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 457.1260, 42 CFR 438.404(b)(1)-(b)(6) 42 CFR 438.402(b)-(c)], and

k. A statement that the provider who requested the service authorization request has the option to request a peer-to-peer discussion with the Contractor's Medical Director. The Contractor shall allow at least 10 business days from the date the provider has been made aware of the denial for the provider to request a peer-to-peer.

35. Define an appeal as the request for review of an Adverse Benefit Determination, as defined above [42 CFR 438.400(b)].

36. 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 457.1260, 42 CFR 438.408(a), 42 CFR 438.408(b)(2)]. If a Notice of Appeal Resolution (NOAR) 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 457.1260, 42 CFR 438.402(b), 42 CFR 438.228(a)].

37. 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 457.1260, 42 CFR 438.408(d)(2)(ii)]. If a NOAR 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)].

38. 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 457.1260, 42 CFR 438.402(c)(2)(ii)].

39. 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 457.1260, 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 [42 CFR 457.1260, 42 CFR 438.402(c)(1)(ii), 42 CFR 438.402(c)(2)(ii), 42 CFR 438.402(c)(3)(ii)].

40. 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 457.1260, 42 CFR 438.406(b)(6)].

41. The Contractor shall ensure that punitive action is not taken against a provider who either requests an expedited resolution or supports a member's appeal [42 CFR 457.1260, 42 CFR 438.410(b)].

42. 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 457.1260, 42 CFR 438.408(c), 42 CFR 438.408(b)].

43. 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 457.1260, 42 CFR 438.408(c)(2)(i)-(iii), 42 CFR 438.408(b)(2)-(3)].

44. 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 457.1260, 42 CFR 438.210(d)(2)(i), 42 CFR 438.404(c)(6), 42 CFR 438.410(a)].

45. If the Contractor denies a request for expedited resolution, it shall transfer the appeal to the 30-calendar day timeframe for a standard appeal [42 CFR 457.1260, 42 CFR 438.410(c), 42 CFR 438.408(b)(2), 42 CFR 438.408(c)(2)]. 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 denial of expedited resolution and the member's grievance rights.

46. The Contractor shall have policies and procedures outlining documentation requirements related to appeals that include but are not limited to:
    a. The reason the member is appealing the previous decision,
    b. Additional clinical or other information provided with the appeal request,
    c. Actions taken that relate to the appeal including previous denial or appeal history, and
    d. Follow-up activities associated with the denial of any prior appeal and before the current appeal.

    Policies and procedures shall state that the Contractor fully investigates the content of the appeal and documents the findings. The Contractor shall ensure that all documentation pertinent to the appeal is included in the appeal file.

47. 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), 42 CFR 438.408(b), 42 CFR 438.408(c)]. The Contractor shall inform the member of the limited time

available to provide this information sufficiently in advance of the resolution timeframe [42 CFR 438.406(b)(4), 42 CFR 438.408(b), 42 CFR 438.408(c)].

48. For appeals, the Contractor provides the member and their 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 shall be provided at no charge to the member and sufficiently in advance of the resolution timeframe [42 CFR 457.1260, 42 CFR 438.406(b)(5)].

49. The Contractor shall provide written NOAR to the member and the member's representative or the representative of the deceased member's estate in a format and language that, at a minimum, meets the requirements in accordance with 42 CFR 438.10, ACOM Policy 404, and which shall contain:
    a. The results of the resolution process in easily understood language, and the date it was completed. As part of the resolution process, the Contractor shall perform a thorough and independent review of the appeal and the issues presented by the authorization request as specified in more detail below. The Contractor's Notice of Appeal Resolution shall not be a "cut and paste" from the Notice of Adverse Benefits Determination and shall discuss the particular facts of the appeal and the legal basis for the determination, including the applicable statutes, rules, contractual provisions, policies, and procedures, if applicable. Reference to general legal authorities alone is not acceptable. For appeals which are denied based upon medical necessity or due to the experimental nature of the service, the Notice of Appeal Resolution shall provide a clear and specific explanation of why the service is not medically necessary or why it is considered experimental. The Contractor shall also include potential alternative options to consider and not merely refer the member back to the provider,
    b. Title and specialty of the practitioners who participated in the appeal decision,
    c. For appeals not resolved wholly in favor of members the Notice shall include and describe in detail the following:
    d. Specific reasons for the Contractor denial,
    e. Specific criteria used in making the decision and that the criteria used to make the decision is available upon request,
    f. Appeal decision which meets readability requirements in ACOM Policy 404,
    g. 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 appeals,
    h. Specific factual and legal basis to support the decision, and an explanation of:
        i. How the Contractor applies the relevant and specific facts in the case to the relevant laws to support the Contractor's decision. For determinations which deny the service request due to lack of medical necessity, the notice shall include a clear and specific explanation of why the service is not medically necessary. The Contractor shall also include potential alternative options for consideration,
        ii. The applicable statutes, rules, contractual provisions, policies, and procedures, if applicable. Reference to general legal authorities alone is not acceptable,
        iii. The member's right to request a State fair hearing (including the requirement that the member shall file the request for a hearing in writing to the Contractor) no later than 90 days after the date the member receives the Contractor's NOAR and how to do so,

iv. The right to receive continued benefits pending the hearing when the member has requested a hearing within ten calendar days from the date the notice of resolution was sent and how to request continuation of benefits, and
v. 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)-(ii), 42 CFR 438.10, 42 CFR 438.408(e)(1)-(2)].

Refer to the AHCCCS Guide to Language in Notice of Adverse Benefit Determination.

50. 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,
    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.

51. If at a member's request benefits are continued or are reinstated while the appeal or State fair hearing is pending, the Contractor shall continue benefits 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 ten calendar days from the date the Contractor sends the notice of an adverse appeal resolution, and
    c. A State fair hearing decision adverse to the member is issued.

52. The Contractor shall continue benefits regardless of the period of the initial prior authorization if all of the requirements are met.

53. 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)].

54. If the member files a request for hearing the Contractor shall ensure that the hearing request and supporting documentation is submitted to the AHCCCS OGC as specified by ACOM Policy 445 and Section F, 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)].

55. 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 457.1260, 42 CFR 438.424(a)]. Services shall be authorized within the above timeframe irrespective of whether the Contractor contests the decision.

56. 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 [42 CFR 457.1260, 42 CFR 438.424(b)].

57. 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.

58. 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.

59. The future enrollment of a Contractor’s member to another Contractor and/or the member’s subsequent loss of AHCCCS eligibility are not valid reasons to deny or limit a member’s service authorization request submitted to the Contractor during the time period in which the member was enrolled with that Contractor. The Contractor shall not take the position during the grievance and appeals process that a former member’s subsequent enrollment with another Contractor or that member’s subsequent loss of AHCCCS eligibility are valid reasons for the Prior Contractor to deny or dismiss an appeal of the adverse benefit determination if the member submitted the service authorization request to the Prior Contractor during a period of enrollment with the Prior Contractor. The Prior Contractor is required to substantiate that the denial or reduction of the service authorization request is based upon medical necessity, the exclusion of the service from the scope of AHCCCS covered services, and/or cost effectiveness. If the authorization decision of the Prior Contractor is overturned on appeal, the Prior Contractor is financially responsible for coverage of those services notwithstanding the member’s subsequent enrollment with a different Contractor or the member’s subsequent loss of AHCCCS eligibility.

[END OF ATTACHMENT F1: MEMBER GRIEVANCE AND APPEAL SYSTEM STANDARDS]

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 shall be adjudicated in Arizona, including those claim disputes arising from claims processed by an Administrative Services Subcontractor.

2. 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. The Provider Claim Dispute Policy shall specify that all claim disputes challenging claim payments, denials, or recoupments shall 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 shall 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.

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 shall 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 shall 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's 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, and
    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 shall ensure that the State Fair Hearing Request Documentation for Claim Disputes is submitted as specified by ACOM Policy 445 and Section F, Attachment F3, Contractor Chart of Deliverables.

13. If the Contractor upholds a claim dispute and a request for hearing is subsequently filed, the Contractor shall 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, 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 shall be authorized within the above timeframe irrespective of whether the Contractor contests the decision.

[END OF ATTACHMENT F2: PROVIDER CLAIM DISPUTE DISTANDARDS]

ATTACHMENT F3: CONTRACTOR CHART OF DELIVERABLES

The following table is a summary of the periodic reporting requirements for the Contractor and are 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. The submission of late, inaccurate, or incomplete data shall be subject to the penalty provisions described in Section D, Paragraph 68, Administrative Actions.

The deliverables 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: AHCCCS SharePoint Contract Compliance Site.

Should AHCCCS modify any deliverables, or the submission process for deliverables, AHCCCS shall provide a notice of instruction to the Contractor outlining changes to the deliverable.

AHCCCS has identified which deliverables are addressed through the Contractors' NCQA Accreditation requirements and can be removed to further reduce administrative burden. These deliverables will remain listed in the Contract Chart of Deliverables and are marked as fully deemed and do not require submission to AHCCCS unless the Contractor has not met accreditation requirements or AHCCCS has determined to resume the deliverable.

Refer to Section F, Attachment F3, Contractor Chart of Deliverables in the separately attached Excel document.

[END OF ATTACHMENT F3: CONTRACTOR CHART OF DELIVERABLES]