



**CONTRACT AMENDMENT**  
**AHCCCS CONTRACT NUMBER: BH16-0089**  
**ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM**

1. AMENDMENT #: <b>14</b>	2. CONTRACT # <b>BH16-0089</b>	3. EFFECTIVE DATE OF AMENDMENT: <b>January 1, 2018</b>	4. PROGRAM: <b>DHCM – SMI ELIGIBILITY DETERMINATION</b>
5. CONTRACTOR NAME AND ADDRESS: <b>Crisis Response Network, Inc. (CRN)</b> <b>1275 West Washington Street, Suite 108 Tempe, AZ 85281</b>			
6. PURPOSE: To extend the Contract for the period <b>January 1, 2018 through December 31, 2018</b> and to amend Sections: Terms and Conditions, Scope of Work, and Exhibits.			
7. THE ABOVE REFERENCED CONTRACT IS HEREBY AMENDED AS FOLLOWS: Contract Sections Amended: <ul style="list-style-type: none"> <li>➤ Terms and Conditions</li> <li>➤ Scope of Work</li> <li>➤ Exhibit-1, Definitions</li> <li>➤ Exhibit-5, Deliverables</li> <li>➤ Exhibit-12, Service/Funding</li> </ul> <p>Therefore, this Contract is hereby REMOVED IN ITS ENTIRETY, including but not limited to all terms, conditions, requirements, and pricing and is amended, restated and REPLACED with the documents attached hereto as of the Effective Date of this Amendment.</p> <p>Refer to the individual Contract sections for specific changes.</p>			
8. AUTHORITY: AHCCCS is duly authorized to execute and administer agreements pursuant to A.R.S. §36-2903 et seq. and §36-2932 et seq. These Contracts/amendments are exempt from the Procurement Code pursuant to A.R.S. §41-2501(H) (as effective on July 1, 2016).			
EXCEPT AS PROVIDED FOR HEREIN, ALL TERMS AND CONDITIONS OF THE ORIGINAL CONTRACT NOT HERETOFORE CHANGED AND/OR AMENDED REMAIN UNCHANGED AND IN FULL EFFECT. IN WITNESS WHEREOF THE PARTIES HERETO SIGN THEIR NAMES IN AGREEMENT			
9. NAME OF CONTRACTOR/PROVIDER:  <b>DO NOT SIGN</b> <b>SEE SEPARATE SIGNATURE PAGE</b>		10. SIGNATURE OF AHCCCS CONTRACTING OFFICER  <b>DO NOT SIGN</b> <b>SEE SEPARATE SIGNATURE PAGE</b>	
TYPED NAME:		TYPED NAME:	
TITLE:		TITLE:	
DATE:		DATE:	

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### A. Definition of Terms

All of the definitions in Exhibit-1, "Definitions" are incorporated herein.

### B. Authority

This Contract is issued under the authority of the Contracting Officer who signed this contract. Changes to the Contract, including the addition of work or materials, the revision of payment terms, or the substitution of work or materials, directed by an unauthorized State employee or made unilaterally by the Contractor are violations of the Contract and of applicable law. Such changes, including unauthorized written Contract amendments, shall be void and without effect, and the Contractor shall not be entitled to any claim under this Contract based on those changes.

Administrative Changes - The Procurement Officer, or authorized designee, reserves the right to correct any obvious clerical, typographical or grammatical errors, as well as errors in party contact information (collectively, "Administrative Changes"), prior to or after the final execution of an Agreement or Agreement Amendment. Administrative Changes subject to permissible corrections include: misspellings, grammar errors, incorrect addresses, incorrect Agreement Amendment numbers, pagination and citation errors, mistakes in the labeling of the rate as either extended or unit, and calendar date errors that are illogical due to typographical error. The Procurement Office shall subsequently notice the Contractor of corrections to administrative errors in a written confirmation letter with a copy of the corrected Administrative Change attached.

### C. Purpose

Pursuant to provisions of the Arizona Procurement Code, A.R.S. §41-2501, et seq., the State of Arizona, Arizona Health Care Cost Containment System (AHCCCS) intends to establish a Contract for the materials or services as listed herein.

### D. Term of Contract

The "*Term of Contract*" shall commence on the Contract Award Date, include the Contract Transition Period and end 36 months after the Contract Performance Start Date. Contract Performance Start Date will begin on January 1, 2014, or at a date specified by AHCCCS, and shall continue for a period of three years thereafter, unless terminated, canceled or extended as otherwise provided herein. The total Contract term for this section will be for three years delivering services to members, plus the Contract Transition Period. The State refers to the first three Contract periods during the Term of Contract as:

1. First Contract period: Starts on the Contract Award Date, includes the Contract Transition Period, and ends 12 months after Contract Performance Start Date.
2. Second Contract period: Starts after the end of the first Contract period and ends 12 months later.
3. Third Contract period: Starts after the end of the second Contract period and ends 12 months later.

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### **E. Contract Extensions**

Contract extension periods shall, if authorized by the State, begin after the “Term of Contract” section of these Special Terms and Conditions and are subject to two additional successive periods of 12 months per extension period. The State may extend the Contract for any period of time; extensions are not limited to 12 month periods, but the Contract may not be extended in total beyond five years beyond the Contract Performance Start Date. The State refers to Contract periods four and five during the Contract Extensions period as:

1. Fourth Contract period: Starts after the end of the third Contract period and ends 12 months later.
2. Fifth Contract period: Starts after the end of the fourth Contract period and ends 12 months later.

### **F. Contract Type**

Firm Fixed-Price. In accordance with Scope of Work, section titled “Financial Management.”

### **G. Non-Exclusive Contract**

Any contract resulting from this solicitation shall be awarded with the understanding and agreement that it is for the sole convenience of the State of Arizona. The State reserves the right to obtain like goods or services from another source when necessary, or when determined to be in the best interest of the State.

### **H. Volume of Work**

AHCCCS does not guarantee a specific amount of work either for the life of the Contract or on an annual basis.

### **I. Employees of the Contractor**

All employees of the Contractor employed in the performance of work under the Contract shall be considered employees of the Contractor at all times, and not employees of AHCCCS or the State. The Contractor shall comply with the Social Security Act, Workman’s Compensation laws and Unemployment laws of the State of Arizona and all State, local and Federal legislation relevant to the Contractor’s business.

### **J. Order of Precedence**

The parties to this Contract shall be bound by all terms and conditions contained herein. For interpreting such terms and conditions the following sources shall have precedence in descending order: The Constitution and laws of the United States and applicable Federal regulations; the terms of the CMS Section 1115 Waiver for the State of Arizona; the Arizona State Plan; the Constitution and laws of Arizona, and applicable State Rules; the terms of this Contract which consists of the RFP, the Proposal of the Successful Offeror, and any Best and Final Offer including any attachments, executed amendments and modifications; and AHCCCS policies and procedures.

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### **K. Inspection, Acceptance and Performance Standards**

1. All services, data and required reports are subject to final inspection, review, evaluation and acceptance by AHCCCS. The Contractor warrants that all services provided under this Contract will conform to the requirements stated herein. Should the Contractor fail to provide all required services or deliver work products in accordance with Contract standards or requirements, the State shall be entitled to invoke applicable remedies, including but not limited to, withholding payment to the Contractor and declaring the Contractor in material breach of the Contract. If the Contractor is in any manner in default of any obligation or the Contractor's work or performance is determined by the State to be defective, sub-standard, or if audit exceptions are identified, the State may, in addition to other available remedies, either adjust the amount of payment or withhold payment until satisfactory resolution of the default, defect, exception or sub-standard performance. The Contractor shall reimburse the State on demand, or the State may deduct from future payments, any amounts paid for work products or performance which are determined to be an audit exception, defective or sub-standard performance. The Contractor shall correct its mistakes or errors without additional cost to the State. The State shall be the sole determiner as to defective or sub-standard performance.

### **L. Audit and Inspection**

1. The Contractor shall comply with all provisions specified in applicable A.R.S. §35-214 and §35-215 and AHCCCS rules and policies and procedures relating to the audit of the Contractor's records and the inspection of the Contractor's facilities. The Contractor shall fully cooperate with AHCCCS staff and allow them reasonable access to the Contractor's staff, subcontractors, members, and records.
2. 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.
3. 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.
4. The right to audit under this section exists during the term of this Contract and for 10 years from the termination of this Contract or the date of completion of any audit, whichever is later.

### **M. Prohibited Entities**

1. AHCCCS may, at its discretion, communicate directly with the governing body or Parent Corporation of the Contractor regarding the performance of the Contractor or the performance of a subcontractor.
2. The State prohibits a Regional Behavioral Health Authority (RBHA) and providers who provide case management services to individuals with a serious mental illness, and any parent company or subsidiary company related thereto, from performing the requirements of this Contract.

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### **N. Conflict of Interest**

The Contractor shall not knowingly engage in any actions or establish any relationships, arrangements, contracts or subcontracted provisions that would create a potential or actual conflict of interest (COI) regarding the performance of this Contract. If the Contractor discovers a COI and does not immediately notify AHCCCS and discontinue any related activities or relationships, AHCCCS may consider the Contractor to be in breach of this Contract. If, as a result of a COI, AHCCCS incurs a financial loss to a State or Federal program or the Contractor realizes an inappropriate financial gain to its organization, an employee or subcontractor, such loss or gain shall be considered an overpayment subject to recoupment by AHCCCS. In addition to exercising its remedies under this Contract, AHCCCS may refer the Contractor's COI activities to the appropriate law enforcement agency as suspected fraud or abuse.

### **O. Records**

1. The Contractor shall maintain all forms, records, reports and working papers used in the preparation of reports, files, correspondence, financial statements, records relating to SMI eligibility determination, medical records, statistical information and other records specified by AHCCCS for purposes of audit and program management. The Contractor shall comply with all specifications for record keeping established by AHCCCS and Federal and State law.
2. The Contractor shall also require its independent auditor of financial statements to maintain all working papers related to an audit for a minimum of six years after the date of the financial statement or completion of the Contract, whichever is longer.
3. The Contractor shall preserve and make available all records for a period of six years from the date of final payment under this Contract except in the following cases:
  - 3.1 If this Contract is completely or partially terminated, the records relating to the work terminated shall be preserved and made available for a period of six years from the date of any such termination.
  - 3.2 Records which relate to disputes, litigation, or the settlement of claims arising out of the performance of this Contract, or costs and expenses of this Contract to which exception has been taken by the State, shall be retained by the Contractor until such disputes, litigation, claims, or exceptions have been disposed of, or as required by applicable law, whichever is longer.

### **P. Contract Changes**

When AHCCCS issues an Amendment to modify the Contract the provisions of the Amendment shall be deemed to have been accepted 60 days after the date of transmission by AHCCCS, electronic or mail, even if Contractor has not signed or acknowledged the Amendment. If the Contractor refuses to sign the Amendment, AHCCCS may exercise its remedies under this Contract.

### **Q. Change in Contractor Organizational Structure**

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The Contractor shall obtain prior approval of AHCCCS and sign a written Contract Amendment, or any other paperwork required by the State, for any change in organizational structure of Contractor, or of a subcontracted provider that is related or affiliated with the Contractor. The Contractor shall submit notification and a detailed transition plan to AHCCCS 180 days prior to the effective date for review and include strategies to ensure uninterrupted services to members eligible to receive SMI eligibility determinations, evaluate the new entity's ability to perform the Contract requirements support the SMI eligibility determination process, ensure that services are not diminished, and that major components of the organization and programs are not adversely affected by the change in organizational structure.

A change in organizational structure may require a Contract amendment. If the Contractor does not obtain prior approval, or AHCCCS determines that a change in organizational structure is not in the best interest of the State, AHCCCS may terminate this Contract pursuant to Contract Terms and Conditions.

### **R. Exhibits**

Documents set forth in the Exhibits, 1 through 13, as they may be amended, are incorporated herein and made a part of this Contract.

### **S. Indemnification Clause**

To the fullest extent permitted by law, Contractor shall defend, indemnify, save and hold harmless the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees (hereinafter referred to as "Indemnitee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Contractor or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of such Contractor to conform to any Federal, State or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the parties that the Indemnitee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnitee, be indemnified by Contractor from and against any and all claims. It is agreed that Contractor will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. In consideration of the award of this Contract, the Contractor agrees to waive all rights of subrogation against the State of Arizona, its officers, officials, agents and employees for losses arising from the work performed by the Contractor for the State of Arizona.

*This indemnity shall not apply if the Contractor or subcontractor(s) is/are an agency, board, commission or university of the State of Arizona.*

### **T. Insurance Requirements**

Contractors shall procure and maintain until all of their obligations have been discharged, including any warranty periods under this Contract, insurance against claims for injury to persons or damage to property arising from or in connection with the performance of the work hereunder by the Contractor, its agents, representatives, employees or subcontractors.

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The insurance requirements herein are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract. The State of Arizona in no way warrants that the minimum limits contained herein are sufficient to protect the Contractor from liabilities that arise out of the performance of the work under this Contract by the Contractor, its agents, representatives, employees or subcontractors, and the Contractor is free to purchase additional insurance.

A. **MINIMUM SCOPE AND LIMITS OF INSURANCE:** Contractor shall provide coverage with limits of liability not less than those stated below.

### 1. **Commercial General Liability (CGL) – Occurrence Form**

Policy shall include bodily injury, property damage, and broad form Contractual liability coverage.

• General Aggregate	\$2,000,000
• Products – Completed Operations Aggregate	\$1,000,000
• Personal and Advertising Injury	\$1,000,000
• Damage to Rented Premises	\$50,000
• Each Occurrence	\$1,000,000

a. The policy shall be endorsed, as required by this written agreement, to include the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor.

b. Policy shall contain a waiver of subrogation endorsement, as required by this written agreement, in favor of the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

### 2. **Business Automobile Liability**

Bodily Injury and Property Damage for any owned, hired, and/or non-owned vehicles used in the performance of this Contract.

• Combined Single Limit (CSL)	\$1,000,000
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a. Policy shall be endorsed, as required by this written agreement, to include the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor, involving automobiles owned, leased, hired, and/or non-owned by the Contractor.

b. Policy shall contain a waiver of subrogation endorsement, as required by this written agreement, in favor of the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

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c. Policy shall contain a severability of interest provision.

### 3. Worker's Compensation and Employers' Liability

- Workers' Compensation Statutory
- Employers' Liability

Each Accident	\$500,000
Disease – Each Employee	\$500,000
Disease – Policy Limit	\$1,000,000

- a. Policy shall contain a waiver of subrogation endorsement, as required by this written agreement, in favor of the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.
- b. This requirement shall not apply to each Contractor or subcontractor that is exempt under A.R.S. §23-901, and when such Contractor or subcontractor executes the appropriate waiver form (Sole Proprietor or Independent Contractor).

### 4. Professional Liability (Errors and Omissions Liability)

Each Claim	\$1,000,000
Annual Aggregate	\$2,000,000

- a. In the event that the Professional Liability insurance required by this Contract is written on a claims-made basis, Contractor warrants that any retroactive date under the policy shall precede the effective date of this Contract; and either continuous coverage will be maintained or an extended discovery period will be exercised for a period of two years beginning at the time work under this Contract is completed.
- b. The policy shall cover professional misconduct or negligent acts for those positions defined in the Scope of Work of this Contract.

**B. ADDITIONAL INSURANCE REQUIREMENTS:** The policies shall include, or be endorsed to include, as required by this written agreement, the following provisions:

1. The Contractor's policies shall stipulate that the insurance afforded the Contractor shall be primary and that any insurance carried by AHCCCS, its agents, officials, employees or the State of Arizona shall be excess and not contributory insurance, as provided by A.R.S. §41-621 (E).
2. Insurance provided by the Contractor shall not limit the Contractor's liability assumed under the indemnification provisions of this Contract.

**C. NOTICE OF CANCELLATION:** For each insurance policy required by the insurance provisions of this Contract, the Contractor must provide to the State of Arizona, within two business days of receipt, a notice if a policy is suspended, voided, or cancelled for any reason. Such notice shall be sent to



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AHCCCS Contracts Unit, Mail Drop 5700, Division of Business and Finance, 701 E. Jefferson St., Phoenix, AZ 85034.

- D. **ACCEPTABILITY OF INSURERS:** Contractor's insurance shall be placed with companies licensed in the State of Arizona or hold approved non-admitted status on the Arizona Department of Insurance List of Qualified Unauthorized Insurers. Insurers shall have an "A.M. Best" rating of not less than A- VII. The State of Arizona in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.
- E. **VERIFICATION OF COVERAGE:** Contractor shall furnish the State of Arizona with certificates of insurance (valid ACORD form or equivalent approved by the State of Arizona) as required by this Contract and as specified in Exhibit-5, Deliverables. An authorized representative of the insurer shall sign the certificates.

All certificates and endorsements, as required by this written agreement, are to be received and approved by the State of Arizona before work commences. Each insurance policy required by this Contract must be in effect at or prior to commencement of work under this Contract. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal, is a material breach of Contract.

All certificates required by this Contract shall be sent directly to AHCCCS Contracts Unit, Mail Drop 5700, Division of Business and Finance, 701 E. Jefferson St., Phoenix, AZ 85034. All subcontractors are required to maintain insurance and to provide verification upon request. The AHCCCS project/contract number and project description shall be noted on the certificate of insurance. The State of Arizona and AHCCCS reserves the right to require complete, certified copies of all insurance policies required by this Contract at any time.

- F. **SUBCONTRACTORS:** Contractors' certificate(s) shall include all subcontractors as insureds under its policies or Contractor shall be responsible for ensuring and/or verifying that all subcontractors have valid and collectable insurance as evidenced by the certificates of insurance and endorsements for each subcontractor. All coverages for subcontractors shall be subject to the AHCCCS Minimum Subcontract Provisions located on the AHCCCS website. AHCCCS reserves the right to require, at any time throughout the life of this Contract, proof from the Contractor that its subcontractors have the required coverage.
- G. **APPROVAL AND MODIFICATIONS:** AHCCCS, in consultation with State Risk, reserves the right to review or make modifications to the insurance limits, required coverages, or endorsements throughout the life of this Contract, as deemed necessary. Such action will not require a formal Contract amendment but may be made by administrative action.

### U. Health Insurance Portability and Accountability Act (HIPAA) of 1996

The Contractor shall comply with the Administrative Simplification requirements of 45 CFR Parts 160 and 162 that are applicable to the operations of the Contractor by the dates required by the implementing Federal regulations as well as all subsequent requirements and regulations as published.

### V. Pandemic Contractual Performance

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1. The State shall require a written plan that illustrates how the Contractor shall perform up to Contractual standards in the event of a pandemic. The State may require a copy of the plan at any time prior or post award of a Contract. At a minimum, the pandemic performance plan shall include:
  - 1.1.1. Key succession and performance planning if there is a sudden significant decrease in Contractor's workforce.
  - 1.1.2. Alternative methods to ensure there are products in the supply chain.
  - 1.1.3. An up to date list of company contacts and organizational chart, upon request.
2. In the event of a pandemic, as declared the Governor of Arizona, U.S. Government or the World Health Organization, which makes performance of any term under this Contract impossible or impracticable, the State shall have the following rights:
  - 2.1.1. After the official declaration of a pandemic, the State may temporarily void the Contract(s) in whole or specific sections, if the Contractor cannot perform to the standards agreed upon in the initial terms.
  - 2.1.2. The State shall not incur any liability if a pandemic is declared and emergency procurements are authorized by the Director as per A.R.S. §41-2537 of the Arizona Procurement Code.
  - 2.1.3. Once the pandemic is officially declared over and/or the Contractor can demonstrate the ability to perform, the State, at its sole discretion, may reinstate the temporarily voided Contract(s).
3. The State at any time, may request to see a copy of the written plan from the Contractor. The Contractor shall produce the written plan within 72 hours of the request.

### **W. Anti-Kickback**

1. The Contractor or any director, officer, agent, employee or volunteer of the Contractor shall not request nor receive any payment or other thing of value either directly or indirectly, from or for the account of any subcontractor (except such performance as may be required of a subcontractor under the terms of its subcontract) as consideration for or to induce the Contractor to enter into a subcontract with the subcontractor or any referrals of enrolled persons to the subcontractor for the provision of covered behavioral health services.
2. The Contractor shall certify that it has not engaged in any violation of the Medicare Anti-Kickback statute (42 USC §§1320a-7b) or the "Stark I" and "Stark II" laws governing related-entity referrals (P.L.101-239 and P.L. 101-432) and compensation there from. If the Contractor provides laboratory testing, it certifies that it has complied with 42 CFR 411.361 and has sent to AHCCCS and AHCCCS simultaneous copies of the information required by that rule to be sent to the CMS, by signing the Contract.

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### **X. Use of Funds for Lobbying**

The Contractor shall not use funds paid to the Contractor by AHCCCS, or interest earned, for the purpose of influencing or attempting to influence any officer or employee of any State or Federal agency; or any member of, or employee of a member of, the United States Congress or the Arizona State Legislature 1) in which it asserts authority to represent AHCCCS or advocate the official position of AHCCCS in any matter before a State or Federal agency; or any member of, or employee of a member of, the United States Congress or the Arizona State Legislature; or 2) 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.

### **Y. Claim Disputes**

#### **1. Claim Disputes:**

Contract claims and disputes shall be adjudicated in accordance with State Law, AHCCCS Rules and this Contract.

Except as provided by 9 A.A.C. Chapter 22, Article 6, the exclusive manner for the Contractor to assert any dispute against AHCCCS shall be in accordance with the process outlined in 9 A.A.C. Chapter 34 and A.R.S. §36-2932. All disputes except as provided under 9 A.A.C. 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.

### **Z. Arbitration**

The parties to this Contract agree to resolve all disputes arising out of or relating to this Contract through arbitration, after exhausting applicable administrative review, to the extent required by A.R.S. §12-1518 except as may be required by other applicable statutes.

### **AA. Contract 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. 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.

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 be responsible for the retention, preservation, and availability of all records,

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including, but not limited to those records related to member grievances and appeal records, litigation, base data, Medical Loss Ratio (MLR) reports, claims settlement and those covered under HIPAA, as required by Contract, State and Federal Law, including but not limited to, 45 CFR 164.530(J)(2).

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.

1. **Termination upon Mutual Agreement:** This Contract may be terminated by mutual written agreement of the parties effective upon the date specified in the written agreement. If the parties cannot reach agreement regarding an effective date for termination, AHCCCS will determine the effective date.
2. **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.

3. **Voidability of Contract:** This Contract is voidable and subject to immediate termination by AHCCCS upon the Contractor becoming insolvent or filing proceedings in bankruptcy or reorganization under the United States Code, or upon assignment or delegation of the Contract without the prior written approval of AHCCCS.
4. **Contract Cancellation:** AHCCCS reserves the right to cancel this Contract, in whole or in part, due to a failure by the Contractor to carry out any material obligation, term or condition of the Contract. AHCCCS shall issue written notice to the Contractor of the intent to cancel the Contract for acting or failing to act, as in any of the following:
  - 4.1 The Contractor fails to adequately perform the services set forth in the specifications of the Contract including the documents incorporated by reference;
  - 4.2 The Contractor fails to complete the work required or to furnish required materials within the time stipulated by the Contract; or
  - 4.3 The Contractor fails to make progress in improving compliance with the Contract or gives AHCCCS reason to believe that the Contractor will not or cannot improve performance to meet the requirements of the Contract.
5. **Response to Notice of Intent to Cancel:** Upon receipt of the written notice of intent to cancel the Contract, the Contractor shall have 10 days to provide a satisfactory response to AHCCCS.

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Failure on the part of the Contractor to adequately address all issues of concern may result in AHCCCS utilizing any single or combination of the following remedies:

- 5.1 Cancel the Contract and send a Notice of Termination;
  - 5.2 Reserve all rights or claims to damage for breach of any covenant of the Contract; and/or
  - 5.3 Perform any test or analysis on materials for compliance with the specifications of the Contract. If the result of any test confirms a material non-compliance with the specifications, any reasonable expense of testing shall be borne by the Contractor.
6. **AHCCCS' Rights Following Contract Cancellation:** If the Contract is cancelled, AHCCCS reserves the right to purchase materials or to complete the required work in accordance with the Arizona Procurement Code. AHCCCS may recover any reasonable excess costs resulting from these actions from the Contractor by:
- 6.1 Deduction from an unpaid balance; and
  - 6.2 Any combination of the above or any other remedies as provided by law.
7. **Contractor Obligations:** In the event the Contract or any portion thereof, is terminated for any reason, or expires, the Contractor shall assist AHCCCS in the transition to another Contractor at Contractor's expense and shall abide by standards and protocols as delineated by AHCCCS. In addition, AHCCCS reserves the right to extend the term of the Contract on a month-to-month basis to assist in any transition.

The Contractor shall:

- 7.1 Make provisions for continuing all management and administrative services and the provision of SMI eligibility determinations until the transition is completed and all other requirements of this Contract are satisfied;
- 7.2 Designate a person with appropriate training and experience to act as the Transition Coordinator. The individual appointed to this position must be a health care professional or an individual who possesses the appropriate education and experience and is supported by a health care professional to effectively coordinate and oversee transition issues, responsibilities, and activities. The Transition Coordinator shall interact closely with AHCCCS and the staff of the receiving Contractor to ensure a safe, timely and orderly transition.
- 7.3 Submit a detailed plan to AHCCCS for approval regarding the transition in the event of Contract expiration or termination. The name and title of the Contractor's Transition Coordinator shall be included in the transition plan;
- 7.4 Provide all reports set forth in this Contract and necessary for the transition process. This includes providing to AHCCCS, until AHCCCS is satisfied that the Contractor has paid all such obligations:

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- 7.4.1 A monthly claims aging report by provider/creditor including IBNR amounts,
- 7.4.2 A monthly summary of cash disbursement,
- 7.4.3 Copies of all bank statements received by the Contractor, and
- 7.4.4 These reports shall be due on the fifth day of each succeeding month for the prior month unless otherwise specified.
- 7.5 The Contractor shall provide the following reports:
  - 7.5.1 Quarterly and Audited Financial Statements up to the date of Contract termination as specified in Exhibit-5, Deliverables. The financial statement requirement will not be absolved without an official release from AHCCCS; and
  - 7.5.2 Quarterly Quality Management and Medical Management reports describing services rendered up to the date of Contract termination including quality of care (QOC) concern reporting based on the date of service, as opposed to the date of reporting, for a period of three months after Contract termination.
  - 7.5.3 Encounter reporting until all services rendered prior to Contract termination have reached adjudicated status and data validation of the information has been completed, as communicated by a letter of release from AHCCCS.
- 7.6 Notify subcontractors and members of the Contract termination as directed by AHCCCS;
- 7.7 Complete payment of all outstanding obligations for covered services rendered to members until AHCCCS is satisfied that the Contractor has paid all such obligations. The Contractor shall cover continuation of services for the duration of the period for which payment has been made, as well as for inpatient admissions up until discharge;
- 7.8 Cooperate with a successor Contractor during Transition Period including, at minimum, sharing and transferring member information and records. AHCCCS will notify the Contractor with specific instructions and required actions at the time of transfer;
- 7.9 Return to AHCCCS any funds advanced to the Contractor for coverage of members for periods after the date of termination. Funds must be returned to AHCCCS within 30 days of termination of the Contract; and Contractor shall supply all information necessary for reimbursement of outstanding claims.
- 7.10 Preserve and make available records within the timeframes required by State and Federal law, including but not limited to [45 CFR 164.530(j)(2)].

The above list is not exhaustive and additional information may be requested to ensure that all operational and reporting requirements have been met. Any dispute by the Contractor, with respect

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to termination or suspension of this Contract by AHCCCS, shall be exclusively governed by the provisions of Terms and Conditions, Paragraph 9, Disputes.

8. **Additional Obligations:** In addition to the requirements stated above and in the Terms and Conditions, Paragraphs on Termination for Convenience and Termination for Default, the Contractor shall comply with the following provisions:

8.1 The Contractor shall stop all work as of the effective date contained in the Notice of Termination and shall immediately notify all management subcontractors, in writing, to stop all work as of the effective date of the Notice of Termination;

8.2 Upon receipt of the Notice of Termination, and until the effective date of the Notice of Termination, the Contractor shall perform work consistent with the requirements of this Contract and in accordance with a written plan approved by AHCCCS for the orderly transition of members.

9. **Disputes:** Contract claims and disputes shall be adjudicated in accordance with State Law, AHCCCS Rules and this Contract.

Except as provided by 9 A.A.C. Chapter 22, Article 6, the exclusive manner for the Contractor to assert any dispute against AHCCCS shall be in accordance with the process outlined in 9 A.A.C. Chapter 34 and A.R.S. §36-2932. All disputes except as provided under 9 A.A.C. 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.

10. **Payment:** The Contractor shall be paid the Contract price for all services and items completed prior to the effective date of the Notice of Termination and shall be paid its reasonable and actual costs for work in progress as determined by GAAP; however, no such amount shall cause the sum of all amounts paid to the Contractor to exceed the compensation limits set forth in this Contract.

### **BB. AHCCCS' Contractual Remedies**

#### **1. Declaration of Emergency**

Upon a declaration by the Governor that an emergency situation exists in the delivery of behavioral or other health service delivery system that without intervention by government agencies, threatens the health, safety or welfare of the public, AHCCCS may operate as the Contractor or undertake actions to negotiate and award, with or without bid, a Contract to an entity to operate as the Contractor. Contracts awarded under this section are exempt from the requirements of A.R.S. Title 41, Chapter 23. AHCCCS shall immediately notify the affected Contractor(s) of its intention.

#### **2. AHCCCS' Right to Operate Contractor**

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In accordance with A.R.S. §36-3412.D and in addition to any other rights provided by law or under this Contract, upon a determination by AHCCCS that Contractor has failed to perform any requirements of this Contract that materially affect the health, safety or welfare of behavioral health recipients, AHCCCS may, immediately upon written Notice to the Contractor, directly operate the Contractor for so long as necessary to ensure the uninterrupted care to behavioral health recipients and to accomplish the orderly transition of behavioral health recipients to a new or existing Contractor, or until the Contractor corrects the Contract performance failure to the satisfaction of AHCCCS.

### **CC. Cooperation with other Contractors and the State**

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.

### **DD. Eligibility for State or Local Public Benefits; Documentation and Violations**

To the extent permitted by Federal Law:

1. Contractors providing services as an agent of the State, shall ensure compliance with A.R.S §1-502. A.R.S §1-502 requires each person applying or receiving a public benefit to provide documented proof which demonstrates a lawful presence in the United States.
2. The State shall reserve the right to conduct unscheduled, periodic process and documentation audits to ensure Contractor compliance. All available Contract remedies, up to and including termination may be taken for failure to comply with A.R.S §1-502 in the delivery of services under this Contract.

### **EE. Suspension or Debarment**

The State may, by written notice to the Contractor, immediately terminate this Contract if the State determines that the Contractor or its subcontractor has been debarred, suspended or otherwise lawfully prohibited from participating in any public procurement activity, including but not limited to, being disapproved as a subcontractor of any public procurement unit or other governmental body.

### **FF. Duns Number Requirement**, is hereby added with the following:

Pursuant to 2 CFR 25.100 *et seq*, no entity (defined as a Governmental organization, which is a State, local government, or Indian tribe; foreign public entity; domestic or foreign nonprofit organization; domestic or foreign for-profit organization; or Federal agency, but only as a sub recipient under an award or sub award to a non-Federal entity) may receive a sub award from AHCCCS unless the entity provides its Data Universal Numbering System (DUNS) Number to AHCCCS.

### **GG. 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.

### **HH. Right to Assurance**

If AHCCCS, in good faith, has reason to believe that the Contractor does not intend to perform or is unable to continue to perform this Contract, the procurement officer may demand in writing that the



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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.

### **II. E-Verify Requirements**

In accordance with A.R.S. §41-4401, the Subcontractor warrants compliance with all Federal immigration laws and regulations relating to employees and warrants its compliance with Section A.R.S. §23-214, Subsection A.

### **JJ. Federal Immigration and Nationality Act**

The Subcontractor 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 Subcontract. Further, the Subcontractor shall flow down this requirement to all Subcontractors utilized during the term of the Subcontract. The State shall retain the right to perform random audits of Subcontractor's records or to inspect papers of any employee thereof to ensure compliance. Should the State determine that any Subcontractor(s) 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 or Subcontractor.

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# SCOPE OF WORK

## 1. INTRODUCTION

### 1.1 Purpose

The purpose of this Contract is to prescribe the requirements for the Contractor who will be conducting Serious Mental Illness (SMI) determinations in all Geographic Service Areas in Arizona.

The Serious Mental Illness (SMI) Eligibility Determination Contractor (“Contractor”) shall be responsible for the performance of all Contract requirements. The Contractor may delegate responsibility for services and related activities under this Contract, but remains ultimately responsible for compliance with the terms of this Contract. .

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:

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

### 1.2 Background

Arizona Health Care Cost Containment System (AHCCCS) administers the State of Arizona’s public behavioral health system and programs to deliver behavioral health services to eligible populations, including persons with a serious mental illness.

Accordingly, AHCCCS has been statutorily mandated to establish an eligibility determination process to identify whether an individual meets the statutory definition of “seriously mentally ill,” A.R.S. §36-3408 and §36-550.06.

A critical component of the AHCCCS service delivery system is the effective and efficient identification of persons who have special behavioral health service needs due to significant functional impairments resulting from a behavioral health disorder. One such population is persons designated as having a serious mental illness. Without receipt of appropriate care, these persons are at a high risk for further deterioration of their physical and mental condition, increased hospitalizations and potential homelessness and incarceration.

AHCCCS has developed a standardized process and criteria to determine SMI eligibility to ensure that persons designated as SMI are promptly identified and enrolled for services. SMI eligibility criteria is applied to the information obtained through a behavioral health assessment, the assessor’s evaluation of whether the individual meets the SMI eligibility criteria, and all relevant treatment records necessary for the Contractor to make a final determination of SMI eligibility. The Contractor will be responsible for rendering final SMI Eligibility Determinations, the Grievance System requirements, and all administrative responsibilities related thereto.

## SCOPE OF WORK

### 2 POPULATION

The Contractor shall:

- 2.1 Conduct SMI eligibility determinations upon receiving an assessment report from AHCCCS Contractors/Managed Care Organizations, Tribal Regional Behavioral Health Authorities (TRBHAs), Indian Health Service facilities, Tribally owned or operated 638 facilities, Arizona Department of Corrections (ADC), and the Arizona Department of Juvenile Corrections (ADJC), for the following populations:
  - 2.1.1 For Persons 18 or older who request or consent to a determination,
  - 2.1.2 For persons 17 and six months who are currently receiving behavioral health services in preparation for behavioral health services as an adult,
  - 2.1.3 For persons who are behavioral health recipients and are currently designated as SMI, for whom the Contractor, designated provider, or an AHCCCS approved entity as detailed in section 2.1 (above) has requested a review of the SMI eligibility determination, and
  - 2.1.4 Persons ordered to undergo an SMI eligibility determination by or through a Superior Court in Arizona.
- 2.2 Effective 10/01/17 the Contractor shall conduct SMI eligibility determinations for Arizona Long Term Care System (ALTCS) Program for individuals who are Elderly and/or have a Physical Disability (EPD).
- 2.3 **ALTCS Eligibility Determination During Hospitalization:** 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.

### 3 SCOPE OF SERVICES

The Contractor shall:

- 3.1 Conduct SMI eligibility determinations in accordance with the AHCCCS Medical Policy Manual AMPM Policy 320-P, all applicable State laws and the requirements in this Contract.
- 3.2 Ensure an SMI eligibility determination related grievance system which complies with AHCCCS policies, all applicable State and Federal laws, and the requirements in this Contract.
- 3.3 Communicate the results of the SMI eligibility determination process to the parties required by this Contract.
- 3.4 Comply with the requirements of all applicable AHCCCS guidelines, policies and manuals.

### 4 QUALITY MANAGEMENT (QM)

The Contractor shall:

## **SCOPE OF WORK**

- 4.1 Establish and implement a quality management program, plan and processes, subject to AHCCCS approval, designed to monitor and ensure Contractor's timely and accurate SMI eligibility determinations. The Contractor shall submit annually, to AHCCCS, a Quality Management Plan and a Quality Improvement Work Plan. In addition, the Contractor must submit an evaluation of the previous year's plans as specified in Exhibit-5, Deliverables.
- 4.2 Include in the quality management plan the following:
  - 4.2.1 Mechanisms to solicit and utilize feedback and recommendations from key stakeholders to improve services under this scope of work. The data from the quality of care data system must be analyzed and evaluated to determine any trends related to the quality of care or service in the Contractor's service delivery system or provider network. Contractors are responsible for incorporating trending of quality of care issues in determining systemic interventions for quality improvement.
  - 4.2.2 Inter-rater reliability training and monitoring of the staff making SMI eligibility determinations.
  - 4.2.3 Develop and implement a process to ensure consistent application of review criteria in making medical necessity decisions which include prior authorization, concurrent review, and retrospective review. Ensure that all staff involved in these processes receive inter-rater reliability training within 30 days of hire and annually thereafter. Inter-rater reliability testing of all staff involved in determination processes must be done within 90 days of hire and at least annually, as specified in Exhibit-5, Deliverables.
  - 4.2.4 A corrective action plan must be included for staff that does not meet the Contractor's minimum test scores.
  - 4.2.5 Use of information and data acquired through the Grievance System processes to improve services provided under this scope of work. The Contractor must develop and implement policies and procedures to review, evaluate and resolve quality of care and service issues raised by enrolled members, contracted providers and stakeholders. The issues may be received from anywhere within the organization or externally from anywhere in the community. All issues must be addressed regardless of source (external or internal).
  - 4.2.6 A process to disseminate key performance indicators to AHCCCS and key stakeholders. Contractor performance may be publicly reported on the AHCCCS website such as in its report cards and rating systems, and through other means, such as sharing of data with state agencies and other community organizations and stakeholders.
- 4.3 Ensure that the Contractor's Chief Medical Officer oversees the quality management program, plan and processes.

## **5 CULTURAL COMPETENCY**

The Contractor shall:

- 5.1 Be knowledgeable of the historical, cultural, social, economic, political and other events that

## SCOPE OF WORK

affect behavioral health of the diverse populations.

- 5.2 Consider during the SMI eligibility determination process how culture, faith, spiritual beliefs, gender identity, sexual orientation, alternative medicine, traditional healers, and language impacts behavioral health.
- 5.3 Conduct SMI eligibility determination processes in accordance with AHCCCS cultural competency requirements and with the, Culturally and Linguistically Appropriate Services (CLAS) mandates, guidelines and recommendations (National Standards for Culturally and Linguistically Appropriate Services in Health Care Final Report, OMH, 2001).
- 5.4 The Contractor shall participate in AHCCCS' efforts to promote, and shall implement a program that promotes, the delivery of services in a culturally competent manner to all members, including those with limited English proficiency and diverse cultural and ethnic backgrounds, disabilities, and regardless of gender, sexual orientation or gender identity.

### **6 COMMUNICATON GUIDELINES**

- 6.1 The Contractor shall comply with Federal regulations in 45 CFR Part 92 implementing Section 1557 of the Affordable Care Act which prohibits discrimination on the bases of race, color, national origin, sex, age, or disability in health programs and activities receiving Federal funds. Section 1557 is the first Federal civil rights law to prohibit discrimination on the basis of sex, including gender identity and sexual stereotypes, in all health programs and activities which receive Federal financial assistance.
  - 6.1.1 The general effective date of these Federal nondiscrimination rules is July 18, 2016. Covered entities, among other requirements, are required to adopt a grievance procedure that complies with Section 1557 and designate an employee responsible for coordinating compliance with Section 1557 requirements and for investigating complaints. Covered entities must also comply with specific posting requirements for nondiscrimination notices which include required taglines. The nondiscrimination notices must be posted in the covered entity's significant publications and significant communications, on its website, and in conspicuous physical locations where the covered entity interacts with the public as delineated in 45 CFR 92.8.

The Contractor shall:

- 6.2 Be accessible by phone during normal business hours, with a local and a toll-free number.
- 6.3 Develop and maintain a public website, targeted towards community members and providers, which provides information regarding the SMI determination process.
- 6.4 Use easily understood language and formats in any written materials provided.
- 6.5 Use alternative communication formats when indicated, and notify persons that such formats are available and how to access them.
- 6.6 Offer interpretation or language translation services to persons who do not speak or understand

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English and provide interpretation assistance for the visual or hearing impaired, free of charge.

### 7 INFORMATION SYSTEMS

The Contractor shall:

- 7.1 Maintain an Information System which, at a minimum, is capable of receiving, storing, transmitting and reporting on client level assessment and Grievance System information.
- 7.2 Abide by the data transmission formats, rules and standards detailed in the AHCCCS Technical Interface Guidelines.
- 7.3 Comply with all data submission standards including correction and resubmission as required by AHCCCS.
- 7.4 Accept AHCCCS rejection of data submissions that are not in compliance with these standards.
- 7.5 Submit exchanged data information in accordance with all procedures, policies, rules, regulations or statutes in effect during the term of this Contract. If any of these procedures, policies, rules, regulations or statutes are changed, both parties agree to conform to these changes following notification by AHCCCS.
- 7.6 Bear the cost to make any adjustments to correct its records due to any unreported inconsistencies subsequently discovered.
- 7.7 Make available all components of its Management Information System (MIS) system for review or audit upon request by AHCCCS. The Contractor's MIS, or any component thereof, is subject to AHCCCS approval if AHCCCS determines that the system cannot be sustained or is unable to comply with the requirements of this Contract.
- 7.8 Establish and maintain a T1 line or greater.
- 7.9 Develop and maintain security precautions for email transmission in accordance with the Health Insurance Portability and Accountability Act (HIPAA), the Health Information Technology for Economic and Clinical Health Act (HITECH), Title XIII, Subsection D of the American Recovery and Reinvestment Act of 2009 (ARRA), and consistent with AHCCCS systems and encryption methods. Security precautions shall be compatible with SSL encryption for FTP and Global Certs Gateway for secure e-mail.
- 7.10 Have a current antivirus patch system process for security updates and a log to record the updates.

### 8 DATA COLLECTION

**Contractor Data Exchange:** Before a Contractor may exchange data with AHCCCS, certain agreements, authorizations and control documents may be required in order to exchange data with AHCCCS. With the completion of required documents as outlined by AHCCCS, the Contractor will be provided with appropriate access to facilitate the exchange of data from and to AHCCCS.



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**Contractor Responsibilities:** The Contractor is responsible for any incorrect data or delayed submission. Any data that does not meet the standards required by AHCCCS shall not be accepted by AHCCCS.

### 8.1 Requirements

The Contractor shall:

- 8.1.1 Coordinate and cooperate with AHCCCS by establishing and implementing systems or processes for communication, consultation, data sharing and exchange of information.
- 8.1.2 Within one business day of receipt of a referral request of an SMI Eligibility determination, capture and report to AHCCCS via an AHCCCS-administered web portal, as directed by AHCCCS, the following SMI Identified Deliverable information:
  - 8.1.2..1 Referral Date,
  - 8.1.2..2 Referral Source,
  - 8.1.2..3 Pended Status (20 Day or 90 Day Pend Extension),
  - 8.1.2..4 Pended Status Date,
  - 8.1.2..5 Reason for Pended Status.
- 8.1.3 Upon successful submission of the information required in 8.1.2 AHCCCS will supply the Contractor with a unique record ID for each Applicant/Member referral. This case ID will remain open until the SMI eligibility determination process has been finalized and it is to be referred to when completing the requirements outlined in 8.1.4.
- 8.1.4 Upon completion of the SMI eligibility determination process for each case identified in Subsection 8.1.2, and in accordance with the timeliness requirements as applicable to Arizona Revised Statutes, or the Arizona Administrative Code, the Contractor shall supply the following information to AHCCCS via a secured FTP server, or an AHCCCS-administered web portal, as directed by AHCCCS, and input the final decision to the approved AHCCCS web portal for immediate notification of SMI Identified Deliverables to AHCCCS and the approved entity:
  - 8.1.4..1 Applicant/Member Name,
  - 8.1.4..2 Applicant/Member Date of Birth,
  - 8.1.4..3 Type of Case: Determination vs. Decertification,
  - 8.1.4..4 Reason for SMI Eligibility Denial (if applicable),
  - 8.1.4..5 SMI Eligibility Determination/Review Decision Date,
  - 8.1.4..6 SMI Check Box A or B (as a component of the Final Determination Form).
- 8.1.5 Upon completion of an SMI Determination, provide notification of determination result to the provider who completed the assessment. The notification includes:
  - 8.1.5.1 Applicant/Member Name,

## SCOPE OF WORK

8.1.5.2 Applicant/Member Date of Birth,

8.1.5.3 Type of Case: Determination vs. Decertification,

8.1.5.4 Reason for SMI Eligibility Denial (if applicable),

8.1.5.5 SMI Eligibility Determination/Review Decision Date,

8.1.5.6 SMI Check Box A or B.

8.1.7 Develop and maintain systematic processes that rely on data collected from areas such as: case file reviews, complaint data, utilization data and grievance and appeal data in order to identify providers who require training or technical assistance in completion of the SMI Eligibility Determination Evaluation assessment reports and inform AHCCCS of these findings, as requested and/or as deemed appropriate by the Contractor.

8.1.8 Utilize the DSM-V, AXIS Diagnoses; see also: "American Psychiatric Association: Diagnostic and Statistical Manual of Mental Disorders, Fifth Edition. Arlington, VA, American Psychiatric Association, 2013".

- Section I – DSM Basics
- Section II – Diagnostic Criteria and Codes
- Section III – Emerging Measures and Models

### 8.2 Appeals Data Submission Requirements

The Contractor shall:

8.2.1 Maintain an appeals database, approved by AHCCCS, and submit initial and updated entries into it within three working days of an event requiring entry.

## 9 ADMINISTRATIVE REQUIREMENTS

### 9.1 General Requirements

The Contractor shall:

9.1.1 Develop and maintain policies and procedures in accordance with Contractor's business practices that:

- 9.1.1.1 Comply with AHCCCS requirements,
- 9.1.1.2 Are written in a consistent format for each functional area,
- 9.1.1.3 Are reviewed and revised when necessary to reflect current practices,
- 9.1.1.4 Are dated and signed by the Contractor's key personnel.

9.1.2 Develop written protocols for the implementation of the Contract requirements.

9.1.3 Provide in writing to AHCCCS, 30 days prior to implementation, the notice of changes to

## SCOPE OF WORK

Contractor processes, plans, policies and procedure changes that are relevant to the scope of services and as specified in Exhibit 5, Deliverables.

- 9.1.4 Develop job descriptions in a consistent format for each of the Contractor's functional areas.
- 9.1.5 Hire additional staff members to correct non-compliance with the requirements of this Contract, as directed by AHCCCS.
- 9.1.6 Comply with the referral, reporting, monitoring, and other administrative requirements in accordance with the applicable requirements outlined in all AHCCCS guidelines, policies and manuals as specified in the section below on, AHCCCS guidelines, policies and manuals.
- 9.1.7 Give precedence to the requirements in this scope of work in the event of any discrepancy between AHCCCS guidelines, policies and manuals.
- 9.1.8 Make every effort to ensure that all information prepared for distribution to members is written using an easily understood language and format. Regardless of the format chosen by the Contractor, the member information must be printed in a type, style and size, which can easily be read by members with varying degrees of visual impairment. Member Materials shall be submitted to AHCCCS for approval as specified in Exhibit-5, Deliverables.
- 9.1.9 Establish collaborative working relationships with other entities involved in the SMI eligibility determination process.
- 9.1.10 Participate in face-to-face meetings with AHCCCS at least quarterly for purposes of assessing Contractor compliance and provide appropriate staff for attendance, and participate in meetings and events scheduled by AHCCCS. Contractor's attendance at all meetings and events scheduled by AHCCCS is mandatory unless otherwise indicated.
- 9.1.11 Submit Administrative Services Subcontracts to AHCCCS, Division of Health Care Management (DHCM) for prior approval as specified in Exhibit-5, Deliverables.

### 9.2 AHCCCS Guidelines, Policies and Manuals

Guidelines, policies and manuals are available on the AHCCCS website. The Contractor is responsible for ensuring that its subcontractors are notified when modifications are made to the AHCCCS guidelines, policies, and manuals. The Contractor is responsible for complying with all requirements set forth in these sources as well as with any updates. In addition, linkages to AHCCCS rules, statutes and other resources are available through the AHCCCS website. Upon adoption by AHCCCS, updates will be available on the AHCCCS website.

### 9.3 Organizational Structure

The Contractor shall:

- 9.3.1 Operate as a single entity responsible for rendering SMI eligibility determinations

## SCOPE OF WORK

decisions and SMI eligibility Grievance System appeals.

- 9.3.2 Not have any corporate subsidiary affiliation with any AHCCCS Contractor/Managed Care Organizations or Tribal Regional Behavioral Health Authority serving the State.
- 9.3.3 Have organizational, management, staffing and administrative systems capable of meeting all Contract requirements with clearly defined lines of responsibility, authority, communication and coordination within, between and among Contractor's departments, units or functional areas of operation.
- 9.3.4 Maintain a current personnel organizational chart that identifies key personnel and the organization's reporting structure. This organizational chart shall be updated and provided annually and upon request to AHCCCS, as specified in Exhibit-5, Deliverables.
- 9.3.5 Have the key personnel working full-time in locations necessary to meet the requirements of this Contract.

### 9.4 Key Personnel

The Contractor shall employ, at a minimum, the following key personnel who will work full time for the Contractor and ensure that all obligations set forth within this Contract are met:

- 9.4.1 Medical Director/Chief Medical Officer (CMO), who:
  - Resides in Arizona,
  - Is an Arizona-licensed physician, in good standing, board-certified in psychiatry;
  - Manages, and must directly oversee, implement, interpret and approve clinical-medical policies and procedures,
  - Is responsible for and oversees the SMI eligibility determination functions, including management of the clinical, quality management and medical management components of the program, and
  - Attends AHCCCS Medical Director meetings as scheduled.
- 9.4.2 Grievance and Appeal System Administrator, who:
  - Resides in Arizona,
  - Is a licensed attorney or who has a juris doctor degree from an accredited institution, and
  - Manages, oversees, implements and administers all Grievance System processes and requirements.
- 9.4.3 Program Director, who:
  - Resides in Arizona,
  - Reports to the Contractor's Vice President, Eligibility & Care Services, and
  - Is responsible for implementing and coordinating all operations and activities covered under this Contract.

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### 9.4.4 Tribal Liaison, who:

- Resides in Arizona,
- Acts as the liaison with Tribal Nations, Indian Health Services (IHS), and 638 facilities serving the tribes,
- Acts as the single point of contact regarding issues concerning American Indians,
- Is responsible for coordination of all operations and implementation involving the Tribes, TRBHA's, IHS and 638 facilities.
- Notifications Regarding Key Personnel

The Contractor shall:

9.4.5 Provide adequate experienced personnel, capable of and devoted to the successful accomplishment of work to be performed under this Contract. The Contractor must agree to assign specific individuals to the key positions.

9.4.5.1 The Contractor agrees that, once assigned to work under this Contract, key personnel shall not be removed or replaced without written notice to the State.

9.4.5.2 The Contractor shall have sufficient personnel in order to ensure the successful implementation of this Contract.

9.4.5.3 If key personnel are not available for work under this Contract for a continuous period exceeding 30 calendar days, or are expected to devote substantially less effort to the work than initially anticipated, the Contractor shall immediately notify the State, and shall, subject to the concurrence of the State, replace such personnel with personnel of substantially equal ability and qualifications.

9.4.6 Immediately inform AHCCCS verbally, and provide written notice to AHCCCS within seven days after the date of a change in key personnel, including hire, resignation, termination or when any of the following contact information for an individual holding a Key Staff position changes, as specified in Exhibit-5, Deliverables.

Notification must also include the following:

- a. Individual's name,
- b. Individual's title,
- c. Individual's telephone number,
- d. Individual's email address,
- e. Individual's location,
- f. Resume,
- g. Social Security Number,
- h. Date of Birth,
- i. The effective date of the vacancy or absence,

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- j. The effective date the newly hired person will start in the position,
  - k. Documentation confirming applicable key personnel functions are filled by individuals who are in good standing (for example, a printout from the Arizona Medical Board webpage showing the CMO's active license), and
  - l. Name and contact information of interim person that will be performing the duties of the key personnel position.
- 9.4.7 Provide an organization chart complete with the contractually required key personnel positions annually and upon request by AHCCCS as specified in Exhibit-5, Deliverables. The chart must include the person's name, title and location.
- 9.4.8 Upon AHCCCS request, submit a written plan for replacing a key personnel position.

### 9.5 Personnel Licensing and Verification Requirements

The Contractor shall:

- 9.5.1 Verify that all psychiatrists, psychologists and nurse practitioners conducting SMI eligibility determinations are currently licensed pursuant to A.R.S. Title 32, Chapter 13, Chapter 19.1, or Chapter 15.
- 9.5.2 Maintain appropriate confidential files, which include evidence of current licenses, certifications, education, training, work history, background and peer review for all professionals providing services under this Contract.
- 9.5.3 Require all staff members, whether employed or under Contract, to have the training, education, experience, orientation and license, as applicable to perform assigned job duties.
- 9.5.4 Ensure practices align with requirements as outlined in the Section on, Corporate Compliance.
- 9.5.5 Verify monthly whether any employees and Contractors have been excluded from participating in Federal health care programs utilizing the US Department of Health and Human Services ("HHS"), Office of Inspector General website, [www.oig.hhs.gov](http://www.oig.hhs.gov) and includes checks performed through the List of Excluded Individuals/entities (LEIE) and System for Award Management (SAM) databases and report on a quarterly basis to the AHCCCS Office of the Inspector General ("OIG") on the outcome of this HHS verification. The Contractor must also verify whether any employees and Contractors have been excluded from participation in AHCCCS by checking AHCCCS' website and report those findings to OIG on a quarterly basis, as specified in Exhibit-5, Deliverables.
- 9.5.6 Conduct background checks to avoid hiring or continuing employment for any individual, entity or affiliate that has been disbarred, suspended or 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 No. 12549.

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### 9.6 Competency/Training Requirements

The Contractor shall:

- 9.6.1 Ensure that staff members are knowledgeable and skilled to render an SMI eligibility determination decision and to administer related Grievance System requirements, state laws, and applicable AHCCCS policy and guidelines.
- 9.6.2 Develop a training program for staff members who are responsible for rendering SMI eligibility determination decisions and administering related grievance system requirements, state laws and AHCCCS policies. The training program will consist of the following components:
  - 9.6.2..1 Initial – Basic Skills Training – Curriculum. The Initial/Basic Skills Training Curriculum contains the information and skills that staff who are new to their positions require in order to satisfy the standard described above.
  - 9.6.2..2 Ongoing – Refresher and Advanced Skills Training Curriculum. The Ongoing/Refresher/Advanced Skills Training Curriculum contains the information and skills that in-service staff need to maintain the proficiency required to satisfy the standard described above.
  - 9.6.2..3 Both Initial and Ongoing Training Curricula will include instructional materials for trainers (lesson plans), reference workbooks for trainees, competency tests for evaluating pre-training and post-training knowledge and skill proficiency and supervisory coaching guides for on-the-job staff appraisal and development.
- 9.6.3 Include cultural competency training applicable to each training topic to ensure the SMI eligibility determination process is culturally sensitive and culturally relevant.
- 9.6.4 Work collaboratively with AHCCCS to deliver training as a result of AHCCCS identified Contractor issues or other identified needs.

### 9.7 SMI Eligibility Determination Record(s) and Supporting Documentation

The Contractor shall:

- 9.7.1 Establish and implement policies and procedures consistent with the confidentiality requirements in, 42 CFR 431.300 et. seq.; 45 CFR parts 160 and 164; 42 CFR part 2 and A.R.S. §36-509, for records and any other protected health information covered under HIPAA.
- 9.7.2 Safeguard confidential information in accordance with Federal and State laws and regulations, and comply with the records maintenance and privacy requirements consistent with: 42 CFR 431.300 et. seq.; 45 CFR parts 160 and 164; 42 CFR part 2 and A.R.S. §36-509 for all consents.
- 9.7.3 Develop business associate agreements with all AHCCCS Contractors and designated providers to facilitate efficient transfer of records to obtain or verify appropriate consents or releases, as necessary.

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- 9.7.4 Maintain copies, for AHCCCS review, of all consent and authorization documents obtained for purposes of rendering an SMI eligibility determination, including information received without written consent or authorization.
- 9.7.5 Maintain organized, legible, signed and dated records for each SMI eligibility determination that:
  - 9.7.5..1 Contain all information and records considered, reviewed and used in rendering the SMI eligibility determination,
  - 9.7.5..2 Contain the basis for making an SMI eligibility determination that is written in a detailed and comprehensive manner,
  - 9.7.5..3 Conform to good professional practice; and permits effective professional review and audit processes.
- 9.7.6 Provide access to all information and records, whether electronic or paper, within the time specified by AHCCCS.
- 9.7.7 Provide complete information to AHCCCS as requested, in a format approved by AHCCCS, no later than 20 days after the receipt of the request, unless otherwise specified in the request itself.
- 9.7.8 Be responsible for submission of late, inaccurate or otherwise incomplete reports which shall constitute a failure to report and may be subject to sanction or penalties as determined by AHCCCS.
- 9.7.9 Agree that all information, records and data relating to this Contract is the property of AHCCCS and must be surrendered upon request, in a specific format, electronic or otherwise, as requested.
- 9.7.10 In the event of expiration or termination or suspension of any contract awarded under this scope of work by AHCCCS, the Contractor shall transfer all information, records and data relating to this Contract as directed by AHCCCS within the time specified or be subject to sanctions or penalties.
- 9.7.11 Comply with AHCCCS SMI eligibility determination reporting requirements, as specified in Exhibit 5, Deliverables.

### 9.8 **Records Retention:**

The Contractor shall maintain records relating to covered services and expenditures including reports to AHCCCS and documentation used in the preparation of reports to AHCCCS. The Contractor shall comply with all specifications for record keeping established by AHCCCS. All records shall be maintained to the extent and in such detail as required by AHCCCS Rules and policies. Records shall include but not be limited to financial statements, records relating to the quality of care, medical records, prescription files and other records specified by AHCCCS.

The Contractor agrees to make available at all reasonable times during the term of this Contract any of its records for inspection, audit or reproduction by any authorized representative of AHCCCS, State or



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Federal government. The Contractor shall be responsible for any costs associated with the reproduction of requested information.

The Contractor Shall:

- 9.8.1 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.
- 9.8.2 Comply with record retention periods specified in HIPAA laws and regulations, including, but not limited to, 45 CFR 164.530(j)(2).
- 9.8.3 Comply with record keeping requirements and retain such records for a period of no less than 10 years.
- 9.8.4 For retention of patient medical records, the Contractor shall ensure compliance with A.R.S. §12-2297 which provides, in part, that a health care provider shall retain patient medical records according to the following:
  - 9.8.4..1 If the patient is an adult, the provider shall retain the patient medical records for at least six years after the last date the adult patient received medical or health care services from that provider.
  - 9.8.4..2 If the patient is under 18 years of age, the provider shall retain the patient medical records either for at least three years after the child's eighteenth birthday or for at least six years after the last date the child received medical or health care services from that provider, whichever date occurs later.
- 9.8.5 If this Contract is completely or partially terminated, records shall be retained as described in the Terms and Conditions.

### 9.9 Determination Report

The Contractor shall submit, on a quarterly basis as specified in Exhibit-5, Deliverables, a Determination Report broken out by Region, TRBHA, and from a combined statewide perspective. The Determination Report shall include a summary and analysis of notable trends and must include the following data elements:

- 9.9.1 Number of Clinical Decertification's requested,
- 9.9.2 Number of Applicant Referral Packets Received,
- 9.9.3 Applicant Referral Packet Methods,
- 9.9.4 Applicant Referral Packet – COE,
- 9.9.5 Eligibility Determination Received- Waiver Status Requested by Applicant,
- 9.9.6 Percentage of Determinations compliant with timeliness standards per 3/20/90 day timeframes,

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- 9.9.7 Initial Determination- Application Referral Packet Outcomes,
- 9.9.8 Appeals Received,
- 9.9.9 Appeals- Informal Conferences,
- 9.9.10 Appeal- Informal Conference Outcomes,
- 9.9.11 Appeals-Decisions,
- 9.9.12 SMI Rate after Appeal Process Completed,
- 9.9.13 Fair Hearings Scheduled, and
- 9.9.14 Fair Hearings Outcomes.

### 9.10 Continuity of Operations and Recovery Plan

The Contractor shall:

- 9.10.1 Develop, maintain and annually test a Continuity of Operations and Recovery Plan to manage unexpected events and the threat of such occurrences, that which may negatively and significantly impact business operations and the ability to deliver services to members. All staff shall be trained on, and be familiar with, the Plan.
- 9.10.2 Specify in the plan, at a minimum, strategies to address:
  - 9.10.2..1 Loss of power or telephonic failure or the loss of communication with designated intake providers that send referrals for SMI eligibility determinations,
  - 9.10.2..2 Complete loss of the use of the Contractor's main site, and any satellite offices in and out of State,
  - 9.10.2..3 Loss of primary electronic information systems, including computer systems and records,
  - 9.10.2..4 Strategies to communicate with referral sources and AHCCCS in the event of a business disruption,
  - 9.10.2..5 Specific timelines for resumption of services provided pursuant to this Contract. The timelines should note the percentage of recovered sections along the timelines and key actions required to meet those timelines,
  - 9.10.2..6 Extreme weather conditions,
  - 9.10.2..7 Periodic testing (at least annually) that assures tasks associated with this Contract are being completed within the required timeframes.
- 9.10.3 The Continuity of Operations and Recovery Plan shall be updated annually and submitted to AHCCCS as specified in Exhibit-5 Deliverables.

### 9.11 Legislative, Legal and Regulatory Issues

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AHCCCS shall:

- 9.11.1 Notify the Contractor of any program changes due to new or changing Federal or State requirements.
- 9.11.2 Amend the Contract to reflect these changes in Contract amendments.

The Contractor shall:

- 9.11.3 Immediately comply with program changes based on Federal or State requirements that are current, pending or which may be enacted after the Contract Award Date.
- 9.11.4 Immediately comply with legislative changes, directives, regulatory changes or court orders related to any term in this Contract.
- 9.11.5 Comply with requirements as directed by AHCCCS contained in the Arnold v. Sarn, Maricopa County Superior Court, No. C-432355.
- 9.11.6 Comply with requirements as directed by AHCCCS contained in the JK v. Humble, United States District Court, District of Arizona, No. CIV 91-261 TUC JMR.
- 9.11.7 Comply with Superior Court Administrative Order, Procedures to Share Identifying Information for Individuals with SMI.

***Administrative Simplification:*** Arizona Laws 2015, Chapter 19, Section 9 (SB 1480) enacts that from and after June 30, 2016, the provision of behavioral health services under the Division of Behavioral Health Services (DBHS) in the Department of Health Services is transferred to and shall be administered by the Arizona Health Care Cost Containment System (AHCCCS). From and after June 30, 2016, the AHCCCS administration succeeds to the authority, powers, duties and responsibilities of DBHS with the exception of the Arizona State Hospital. This act does not alter the effect of any actions or impair the valid obligations of DBHS taken before July 1, 2016. Administrative rules and orders that were adopted by DBHS continue in effect until superseded by administrative action by AHCCCS. Until administrative action is taken by AHCCCS, any reference to DBHS in rules and orders is considered to refer to AHCCCS. All administrative matters, contracts and judicial and quasi-judicial actions, whether completed, pending or in process, of DBHS on July 1, 2016 are transferred to and retain the same status with AHCCCS. AHCCCS and DBHS will work to administratively streamline contractual oversight and monitoring of the Tribal and Regional Behavioral Health Authorities (T/RBHAs) throughout Arizona, pursue continuous quality improvement, and reduce fragmentation in healthcare delivery to develop an integrated system of healthcare. This merger will not impact what services are offered to members or how services are delivered.

As policies, guides, and other documents are transitioned to AHCCCS, publishing of AHCCCS final integrated policies and other guidance documents may be delayed. In the interim, should the Contractor require clarification regarding Contract provisions and associated policies, guides or manuals incorporated by reference, the Contractor may contact AHCCCS, DHCM for further instruction. To the extent there is a DBHS policy

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which provides directive and it does not conflict with existing Contract provisions, the Contractor should consult those documents until such time that AHCCCS provides updates. DBHS Policies, Guides and Manuals are available on the AHCCCS website for reference.

### 9.12 Corporate Compliance

The Contractor shall:

- 9.12.1 Have a mandatory Corporate Compliance Program designed to prevent, deter, detect and report fraud, waste and abuse which shall include the following:
  - 9.12.1.1 Written policies, procedures and standards of conduct that articulate the Contractor's commitment to and processes for complying with all applicable Federal and State rules, regulations, guidelines and standards.
  - 9.12.1.2 A system for an effective education and training program for all employees on detecting and reporting, fraud waste and abuse. All Trainings must be conducted in such a manner that can be verified by AHCCCS-OIG.
  - 9.12.1.3 A mechanism for enforcement of standards through well-publicized disciplinary guidelines.
  - 9.12.1.4 Establishment and implementation of procedures that include provision for the prompt referral of any potential fraud, waste, or abuse to AHCCCS-OIG.
  - 9.12.1.5 Cooperate with AHCCCS-OIG in any audit, review, investigation and/or request for information of the Contractor.

The Contractor agrees to permit and cooperate with any onsite review. A review by AHCCCS may be conducted without notice and for the purpose of ensuring program compliance. The Contractor also agrees to respond to electronic, telephonic or written requests for information within the timeframe specified by AHCCCS. The Contractor agrees to provide documents, including original documents, to representatives of AHCCCS-OIG upon request and at no cost. The AHCCCS-OIG shall allow a reasonable time for the Contractor to copy the requested documents, not to exceed 20 business days from the date of the AHCCCS-OIG request.

- 9.12.2 The Contractor shall report a description of transactions between the Contractor and a party in interest (as defined in section 1318(b) of such Social Security Act), including the following transactions [Section 1903(m)(4)(B) of the Social Security Act] as specified in Exhibit-5, Deliverables:
  - 9.12.2.1 Any sale or exchange, or leasing of any property between the organization and such a party.
  - 9.12.2.2 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.
  - 9.12.2.3 Any lending of money or other extension of credit between the

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organization and such a party.

- 9.12.2.4 The State or Secretary may require that information reported respecting an organization which controls, or is controlled by, or is under common control with, another entity be in the form of a consolidated financial statement for the organization and such entity.

### 9.13 Reporting Suspected Fraud, Waste and Abuse of the AHCCCS Program

The Contractor Shall:

- 9.13.1 Immediately upon identification, report all instances of suspected fraud, waste and abuse involving AHCCCS programs, AHCCCS providers or AHCCCS members to AHCCCS-OIG as specified in Exhibit-5, Deliverables.
- 9.13.2 In accordance with A.R.S. §36-2918.01, §36-2932, §36-2905.04 the Contractor, its subcontractors and providers are required to immediately notify the AHCCCS Office of Inspector General (AHCCCS-OIG) regarding all allegations of fraud, waste, or abuse involving the AHCCCS Program.

### 9.14 Deficit Reduction Act Requirements

If the Contractor receives annual Medicaid payments of at least \$5 million dollars, the Contractor must establish written policies that provide detailed information and ongoing training and education regarding the provisions under the Federal False Claims Acts and FERA to their employees to certify its compliance with the Public Law (PL) 109-171 Section 6032 of the 2005 Deficit Reduction Act (DRA) [42 U.S.C. §1396a (a) (68)].

- 9.14.1 Pursuant to the Deficit Reduction Act of 2005 (DRA), Contractors, as a condition for receiving payments shall establish written policies for employees detailing:
- a. The Federal False Claims Act provisions,
  - b. The administrative remedies for false claims and statements,
  - c. Any State laws relating to civil or criminal penalties for false claims and statements, and
  - d. The whistleblower protections under such laws.
- 9.14.2 The Contractor must require, through documented policies and subsequent Contract amendments, that subcontractors and providers train their staff on the following aspects of the Federal False Claims Act provisions:
- a. The administrative remedies for false claims and statements,
  - b. Any State laws relating to civil or criminal penalties for false claims and statements, and
  - c. The whistleblower protections under such laws.

### 9.15 Disclosure of Information by Disclosing Entities

- 9.15.1 The Contractor must furnish to AHCCCS-OIG the disclosures of information required of disclosing entities by [42 C.F.R. Part 455, Subpart B] (42 C.F.R. 455.100 - 455.106) within the timeframes described in [42 C.F.R. 455.104(c)] or upon request by AHCCCS and as specified in Exhibit-5, Deliverables.

### 9.16 Corporate Compliance Reporting Requirements

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- 9.16.1 The Contractor shall submit all Corporate Compliance deliverables related to Corporate Compliance as specified in Exhibit-5, Deliverables.
- 9.16.2 All deliverables that contain protected health information (PHI) and/or other confidential or other sensitive content must be in compliance with all applicable HIPAA provisions and uploaded to the secure *designated FTP Server site*.

### 10 MONITORING REQUIREMENTS

#### 10.1 Reporting Requirements

The Contractor shall:

- 10.1.1 Submit timely, accurate and complete reports or other information to AHCCCS as required in this Contract.
- 10.1.2 Be subject to corrective action or sanctions if a report or other information is submitted as untimely, inaccurate or incomplete.
- 10.1.3 Comply with the following submission standards:
  - 10.1.3.1 *Timeliness*: Reports or other required data shall be received no later than 5:00 pm Arizona Time, on the scheduled due dates, as specified in Exhibit 5, Deliverables. 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, or as otherwise noted.
  - 10.1.3.2 *Accuracy*: Reports or other information is prepared and submitted in strict conformity with appropriate authoritative sources and/or AHCCCS defined standards.
  - 10.1.3.3 *Completeness*: Reports or other information is disclosed in a manner that is both responsive and relevant to the report's purpose with no material omissions.
- 10.1.4 Comply with the data collection requirements specified in Section 8, and all reporting requirements contained in this Contract. AHCCCS requirements regarding reports, report content, frequency, and submission of reports are subject to change at any time during the term of the Contract. The Contractor shall comply with all changes specified by AHCCCS. The Contractor shall be responsible for continued reporting beyond the term of the Contract.

#### 10.2 Requests for Information

AHCCCS may, at any time during the term of this Contract, request financial, clinical or other information from the Contractor. Responses shall fully disclose all financial, clinical or other information requested. Information may be designated as confidential but may not be withheld from AHCCCS as proprietary. Information designated as confidential may not be disclosed by AHCCCS without the prior written consent of the Contractor except as required by law. Upon receipt of such requests for information from AHCCCS, the Contractor shall provide complete information to AHCCCS as requested no later than 10 days after the receipt of the request unless otherwise specified in the request itself.

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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.

### 10.3 Contractor Performance Monitoring and Oversight

The Contractor shall:

- 10.3.1 Achieve the desired outcomes and maintain compliance with Contract obligations.
- 10.3.2 Cooperate with any review or oversight activity conducted by AHCCCS. AHCCCS reserves the right to conduct reviews, without notice, to monitor Contractual requirements and performance as needed.
- 10.3.3 Submit to AHCCCS, in advance, or as otherwise directed, all documents and information related to Contractor's policies, procedures, job descriptions, logs, clinical and business practices, financial reporting systems, quality indicators, timeliness, and any other information requested by AHCCCS.
- 10.3.4 Make available on-site, or through other methods as directed by AHCCCS, all requested eligibility, complaint and grievance and appeal records selected for review.
- 10.3.5 During an Operational Review and when requested by AHCCCS, produce, as soon as possible, any documents not requested in advance by AHCCCS.
- 10.3.6 Allow AHCCCS to have access to the Contractor's staff, as identified in advance, and at all times during a review.
- 10.3.7 Provide AHCCCS with workspace, access to a telephone, electrical outlets, internet access and privacy for conferences while on-site.
- 10.3.8 Implement a corrective action plan (CAP) if an AHCCCS operational review or audit identifies deficiencies in performance.

The corrective action plans and any modifications must be approved by AHCCCS:

- 10.3.8..1 Cooperate with AHCCCS' follow-up reviews, monitoring or audits at any time after the completion of the initial review to determine the Contractor's progress in implementing a corrective action plan.
- 10.3.8..2 Accept AHCCCS technical assistance, when offered.
- 10.3.8..3 Submit requested documents related to an audit or review, as directed by AHCCCS.
- 10.3.8..4 Be on notice that review findings may be used in the scoring of subsequent bid Proposals submitted by the Contractor.

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### 10.4 Administrative Actions

10.4.1 AHCCCS may issue one of the following Administrative Actions if it is determined that the Contractor is non-compliant with any provisions in this Contract . The type of remedy utilized by AHCCCS is at its sole discretion.

10.4.2 **Corrective Action:** The Contractor shall develop and implement an AHCCCS-approved corrective action plan when AHCCCS determines and notifies the Contractor of non-compliance with any term of this Contract.

10.4.3 **Notice to Cure:** AHCCCS may provide a written Notice to Cure to the Contractor outlining the details of the non-compliance and timeframe to remedy the Contractor's performance. If, at the end of the specified time period, the Contractor has complied with the Notice to Cure requirements, AHCCCS may choose not to impose a sanction.

The Contractor may be subject to financial sanction(s) or any other available remedy under this Contract if at the end of the specified cure period the Contractor has not complied with the cure notice requirements.

10.4.4 AHCCCS may impose financial sanctions for failure to comply with any term of this Contract, including, but not limited to:

10.4.4..1 Misrepresentation or falsification of information provided to AHCCCS,

10.4.4..2 Non-compliance with financial requirements,

10.4.4..3 Non-compliance with applicable State or Federal laws or regulations,

10.4.4..4 Loss of any information contained in reports, deliverables and records, and

10.4.4..5 Untimely, incomplete or inaccurate submission of reports, deliverables or other information requested by AHCCCS.

10.4.5 In the event of a sanction:

AHCCCS shall:

10.4.5..1 Consider the severity of the violation, at its sole discretion, to determine the amount of the sanction.

10.4.5..2 Provide written notice to the Contractor specifying the amount of the sanction, the grounds for the sanction, the amount of funds to be withheld from the Contractor's administrative revenue payments, the steps necessary to avoid future sanctions and the Contractor's right to file a claims dispute with AHCCCS to challenge the sanction.

AHCCCS may:

10.4.5..3 Offset against any payments due to the Contractor until the full sanction amount is paid.

10.4.5..4 Impose additional sanctions, which may be equal to or greater than the sanction imposed for the unresolved violation, in the event the Contractor fails to adequately correct the violation within established timeframes.



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- 10.4.5.5 Reserve the right to implement a sanction if the fund accumulated deficit is not resolved timely, in the event of non-compliance by the Contractor.

For Technical Assistance the Contractor shall note the following Technical Assistance Provisions:

- 10.4.6 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.
- 10.4.7 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.
- 10.4.8 Recognize that AHCCCS is 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.
- 10.4.9 Recognize that a Contractor's subcontractor participation in a technical assistance matter, in full or in part, does not relieve the Contractor of its Contractual duties nor modify the Contractor's Contractual obligations.

### **11 GRIEVANCE SYSTEM REQUIREMENTS**

For all persons referred for an SMI eligibility determination, the Contractor shall:

- 11.1 Implement and administer a Grievance System, which include processes for the following:
  - 11.1.1 Provision of required notice to applicants or members,
  - 11.1.2 Complaint resolution, and
  - 11.1.3 SMI eligibility determination appeals.
- 11.2 Establish and maintain a Grievance System that complies with all applicable requirements in the Federal and State laws and regulations, the AHCCCS Contractor Operations Manual (ACOM), the AHCCCS Medical Policy Manual (AMPM) and the requirements of this Contract.
- 11.3 Notify AHCCCS of any decision or subsequent appeal of the decision within prescribed timeframes.
- 11.4 Submit all deliverables related to the Grievance System as directed by AHCCCS and as specified in, Exhibit-5, Deliverables.
- 11.5 Not delegate the administration or performance of the notice, complaint, or grievance and appeal processes.
- 11.6 Administer all Grievance System processes competently, expeditiously, and equitably for all applicants and members to ensure that complaints and appeals are effectively and efficiently adjudicated and/or resolved.

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- 11.7 Continuously review Grievance System data to identify trends and opportunities for system improvement; take action to correct identified deficiencies; and otherwise implement modifications which improve the SMI eligibility determination and Grievance System processes.
- 11.8 Provide AHCCCS with any Grievance System information, report or document within the time specified by the AHCCCS request.
- 11.9 Fully cooperate with AHCCCS in the event it decides to intervene in, participate in, audit or review any notice, complaint, or SMI eligibility determination appeal.
- 11.10 Comply with or implement any AHCCCS directive within the time specified pending formal resolution of the issue.
- 11.11 Designate a qualified individual staff person who will collaborate with AHCCCS to address Grievance System-related concerns or problems.

### 11.12 **Complaints**

The Contractor shall:

- 11.12.1 Develop and maintain a complaint process easily accessible to applicants, members, the AHCCCS Contractor, providers and other stakeholders in a manner that offers appellants an opportunity to present a complaint in person at a convenient time and location for the member, and provide the privacy required by law, and that complies with all requirements stated herein.
- 11.12.2 Respond to and resolve complaints in a courteous, responsive, effective, and timely manner.
- 11.12.3 Maintain complaint records that describe the complaint, efforts taken to resolve the complaint, and the resolution of the complaint.
- 11.12.4 Provide a bi-annual report as specified in Exhibit-5, Deliverables of all complaints including a brief description sufficient to describe the nature of the complaint.
- 11.12.5 Not engage in conduct to prohibit, discourage or interfere with an applicant's or member's right to assert a complaint or appeal.
- 11.12.6 Submit responses to the resolution of complaints as directed by AHCCCS.

### 11.13 **Appeals**

The Contractor shall:

- 11.13.1 Implement the SMI eligibility appeals process in a manner that offers appellants an opportunity to present an appeal in person at a convenient time and location for the applicant / member, and provide the privacy required by law, and that complies with all requirements in Arizona Administrative Code (A.A.C.) R9-21-401, and the AHCCCS Contractor Operations Manual (ACOM) Policy 444.

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11.13.2 Require all staff facilitating appeal conferences to have training in mediation, conflict resolution or problem solving techniques.

### **12 FINANCIAL MANAGEMENT**

The Contractor shall:

- 12.1 Be responsible for the cost for the SMI eligibility determination and grievance and appeal processes.
- 12.2 Be responsible for the costs associated with conducting follow-up evaluations in the event of a dispute between the applicant's treating behavioral health provider and the Contractor's SMI eligibility determination professional.
- 12.3 Develop and maintain internal controls and systems to separately account for AHCCCS related revenue and expenses and non-AHCCCS related revenue and expenses by type and program and manage record and report funds in accordance with the practices, procedures and standards in the State of Arizona Accounting Manual.
- 12.4 Submit the quarterly Statement of Financial Position and Statement of Activities in a format approved by AHCCCS to AHCCCS/DHCM Finance 45 days after quarter end. Financial Statements shall be prepared in accordance with the Generally Accepted Accounting Principles (GAAP) and shall separately report Title XIX/XXI and Non-Title XIX/XXI revenue and expenditures, as specified in, Exhibit-5, Deliverables.
- 12.5 Provide clarification of accounting issues found in financial reports identified by AHCCCS upon request.
- 12.6 Provide annual financial statements by Title XIX/XXI and Non-Title XIX/XXI audited by an independent Certified Public Accountant and prepared in accordance with the Generally Accepted Auditing Standards (GAAS) 120 days after Contractor's year end. The Title XIX/XXI and Non-Title XIX/XXI audit may be reported in a supplemental schedule as part of the Contractor's annual audit, as specified in, Exhibit-5, Deliverables.
- 12.7 Notify and reimburse AHCCCS within 30 days of when the Contractor identifies an overpayment by AHCCCS.
- 12.8 Be responsible for any charges or expenses imposed for transfers or related actions.
- 12.9 Submit the monthly invoice or Contractor Expenditure Report (CER) as specified in Exhibit-5, Deliverables for monthly Title XIX/XXI and Non-Title XIX/XXI payments based on 1/12th of the Contracted amount.
- 12.10 Submit for AHCCCS' approval an Administrative Cost Allocation Plan in conformance with, 2 CFR Part 200 Subpart E., Cost Principles for Federal Awards and as specified in Exhibit-5, Deliverables. The Cost Allocation Plan should separately identify items of cost and its allocation base.

## SCOPE OF WORK

### 12.11 Capitalization Requirements

The Contractor shall:

- 12.11.1 On a quarterly basis, demonstrate that the maintenance of minimum capitalization (net assets/equity) requirement is equal to 90% of the combined monthly Title XIX/XXI payment and Non-title XIX/XXI payment to the Contractor through the Contract term in accordance with Exhibit-5, Deliverables. This requirement may be met using the Statement of Financial Position.

AHCCCS shall:

- 12.11.2 Have the right, at any time during the term of this Contract, to request financial or other information from the Contractor.
- 12.11.3 Provide funds that are subject to availability and the terms and conditions of this Contract.
- 12.11.4 Pay the Contractor, provided that the Contractor's performance is in compliance with the terms and conditions of this Contract.
- 12.11.5 Not be responsible for payment to Contractor for any purchases, expenditures or subcontracts made by the Contractor in anticipation of funding.
- 12.11.6 Have the option to make payments to the Contractor by wire or National Automated Clearing House Association (NACHA) transfer and shall provide the Contractor at least 30 days' notice prior to the effective date of any such change.
- 12.11.7 Not be liable for any error or delay in transfer or indirect or consequential damages arising from the use of the electronic funds transfer process where payments are made by electronic funds transfer.
- 12.11.8 Adjust payments when an error is discovered and may make a payment adjustment through a corresponding decrease in a current Contractor's payment or by processing an additional payment to the Contractor.
- 12.11.9 Limit the Contractor's profits to 10% of total revenue per Contract year.
- 12.11.10 Require the Contractor to not include imposed sanctions as an expense for the purpose of calculating profit.
- 12.11.11 Notify the Contractor of AHCCCS' draft determination of the Contractor's profit analysis in writing after receiving the Contractor's Audited Financial Statements. The Contractor will have 20 days to comment on the determination prior to a final determination being made by AHCCCS.
- 12.11.12 Require the Contractor to return excess profits to AHCCCS upon final calculation by AHCCCS. If profit is determined to exceed the permissible amount, AHCCCS shall reduce payment to the Contractor.

## SCOPE OF WORK

### 12.12 Performance Bond

The Contractor shall:

- 12.12.1 Purchase and maintain a performance bond or bond substitute to guarantee performance and to satisfy its obligations under this Contract.
- 12.12.2 Acceptable Performance bond forms include: Cash Deposits, Surety Bonds issued by a surety company approved by AHCCCS/DHCM, Substitute security, as agreed to by AHCCCS/DHCM, and Irrevocable Stand-by Letter of credit issued by any of the below named institutions:
  - 12.12.2..1 A Bank insured by the Federal Deposit Insurance Corporation.
  - 12.12.2..2 A Savings and Loan association insured by the Federal Savings and Loan Insurance Corporation. A Credit Union insured by the National Credit Union Administration.
- 12.12.3 Obtain and maintain a Performance Bond that during the final Contract Year has an expiration date of at the least six months after the Contract expiration date. If the Contractor has additional liabilities outstanding six months after the termination of the Contract, the Contractor may request a reduction in the Performance Bond sufficient to cover all outstanding liabilities, subject to AHCCCS' approval, until all liabilities have been paid. If all liabilities are extinguished prior to six months after the termination of the Contract, the Contractor may request a return of the Performance Bond prior to six months after the termination of the Contract.
- 12.12.4 Not leverage the performance bond as collateral for debt or use the bond as security to creditors. The Contractor shall be in material breach of this Contract if it fails to maintain or renew the performance bond as required by this Contract.
- 12.12.5 Maintain a performance bond in an amount equal to or greater than 110% of the first monthly combined Title XIX payment and Non-Title XIX payment made to the Contractor.
- 12.12.6 Contractors shall self-monitor the amount of the Performance Bond on a monthly basis.
- 12.12.7 AHCCCS shall review the adequacy of the Performance Bond on a monthly basis to determine if the Performance Bond must be increased.
- 12.12.8 The Contractor may adjust the performance bond amount if notified by AHCCCS when the monthly Title XIX and Non-Title XIX/XXI payment are adjusted by plus or minus 10% to an amount equal to or greater than 110% of the adjusted combined monthly Title XIX payment and Non-Title XIX payment.
- 12.12.9 The Contractor shall obtain a performance bond with the adjusted amount no later than 30 days after notification by AHCCCS of the amount required.
- 12.12.10 Not change the amount, duration, type or scope of the Performance Bond without prior written approval from AHCCCS, DHCM.

## SCOPE OF WORK

12.12.11 Reimburse AHCCCS for expenses exceeding the performance bond amount.

12.12.12 Submit the Performance Bond within 30 days notification by AHCCCS to adjust the amount as specified in Exhibit-5, Deliverables.

AHCCCS shall:

12.12.13 When Contractor is in breach of any material term of this Contract, in addition to any other remedies it may have herein, obtain payment under the performance bond or performance bond substitute for the following:

12.12.13..1 Paying damages sustained by subcontractors as a result of a breach of Contractor's obligations under this Contract,

12.12.13..2 Reimbursing AHCCCS for any payments made on behalf of the Contractor,

12.12.13..3 Reimbursing AHCCCS for any extraordinary administrative expenses incurred by a Contractor's breach including, expenses incurred after termination of this Contract, and

12.12.13..4 Making any payments or expenditures deemed necessary to AHCCCS, in its sole discretion, incurred by AHCCCS in the direct operation of the Contractor.

### 13 IMPLEMENTATION-RESERVED

### 14 PENDING ISSUES

The following constitute pending items that may be resolved after the issuance of this Contract or any Contract amendment. Any program changes due to the resolution of the issues will be reflected in amendments to the Contract.

AHCCCS and its Contractors are subject to legislative mandates, directives, regulatory changes, executive and court orders related to any term in this Contract that may result in changes to the program. AHCCCS will either amend the Contract or incorporate changes in policies incorporated in the Contract by reference.

**Section 1115 Waiver Demonstration:** As the Section 1115 Waiver Demonstration for the period October 1, 2016 through September 30, 2021, has recently been approved by CMS, the Waiver approval may necessitate changes to the terms of this Contract which will be executed through a Contract amendment if necessary.

## EXHIBIT-1 DEFINITIONS

638 TRIBAL FACILITY	A facility that is owned and/or operated by a Federally recognized American Indian/Alaskan Native Tribe and that is authorized to provide services pursuant to Public Law 93-638, as amended. Also referred to as: tribally owned and/or operated 638 facility, tribally owned and/or operated facility, 638 tribal facility, and tribally-operated 638 health program.
ABUSE (OF MEMBER)	Intentional infliction of physical, emotional or mental harm, caused by negligent acts or omissions, unreasonable confinement, sexual abuse or sexual assault as defined by A.R.S. §46-451 and A.R.S. §13-3623.
ABUSE (BY PROVIDER)	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. It also includes recipient practices that result in unnecessary cost to the AHCCCS program as defined by 42 CFR 455.2.
ADMINISTRATIVE SERVICES SUBCONTRACT	An agreement that delegates any of the requirements of the Contract with AHCCCS, including, but not limited to the following: <ul style="list-style-type: none"><li>a) Claims processing, including pharmacy claims,</li><li>b) Credentialing, including those for only primary source verification (i.e. Credential Verification Organization),</li><li>c) Management Service Agreements,</li><li>d) Service Level Agreements with any Division or Subsidiary of a corporate parent owner,</li><li>e) DDD acute care subcontractors.</li><li>f) Providers are not Administrative Services Subcontractors.</li></ul>
ADJUDICATED CLAIM	A claim that has been received and processed by the Contractor which resulted in a payment or denial of payment.
AGENT	Any person who has been delegated the authority to obligate or act on behalf of a provider [42 CFR 455.101].
AHCCCS CONTRACTOR OPERATIONS MANUAL (ACOM)	The ACOM provides information related to AHCCCS Contractor operations and is available on the AHCCCS website at <a href="http://www.azahcccs.gov">www.azahcccs.gov</a> .

## EXHIBIT-1 DEFINITIONS

AHCCCS MANAGED CARE ORGANIZATION	An organization or entity that has a prepaid capitated Contract with AHCCCS pursuant to A.R.S. §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 Statute and Rules, and Federal law and regulations.
AHCCCS MEDICAL POLICY MANUAL (AMPM)	The AMPM provides information regarding covered health care services and is available on the AHCCCS website at <a href="http://www.azahcccs.gov">www.azahcccs.gov</a> .
APPEAL	The request for review of an adverse benefit determination.
ARIZONA DEPARTMENT OF HEALTH SERVICES (ADHS)	The state agency that has the powers and duties set forth in A.R.S. §36-104 and A.R.S. Title 36, Chapters 5 and 34.
ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM (AHCCCS)	Arizona's Medicaid Program, approved by the Centers for Medicare and Medicaid Services as a Section 1115 Waiver Demonstration Program and described in A.R.S. Title 36, Chapter 29.
ARIZONA LONG TERM CARE SYSTEM (ALTCS)	An AHCCCS program which delivers long-term, acute, behavioral health and case management services as authorized by A.R.S. §36-2931 et seq., to eligible members who are either elderly and/or have physical disabilities, and to members with developmental disabilities, through Contractual agreements and other arrangements.
ARIZONA REVISED STATUTES (A.R.S.)	Laws of the State of Arizona.
ASSESSMENT; EVALUATION ASSESSMENT	The initial and ongoing collection and strengths-based analysis of a person's current and historical medical, psychological, psychiatric, developmental, and social conditions in order to determine if a behavioral health disorder exists, if there is a need for behavioral health services, and to ensure that the person's service plan is designed to meet the person's (and family's) current needs and long-term recovery goals.
AUTHORIZED REPRESENTATIVE	Authorized representative means a person who is authorized to apply for medical assistance or act on behalf of another person (A.A.C. R9-22-101).



## EXHIBIT-1 DEFINITIONS

AXIS V; DIAGNOSTIC AND  
STATISTICAL MANUAL OF  
MENTAL DISORDERS  
(DSM V-TR)

See: "American Psychiatric Association: Diagnostic and Statistical Manual of Mental Disorders, Fifth Edition. Arlington, VA, American Psychiatric Association, 2013."

- Section I – DSM Basics
- Section II – Diagnostic Criteria and Codes
- Section III – Emerging Measures and Models

BEHAVIORAL HEALTH (BH)

Mental health and substance use collectively.

BEHAVIORAL HEALTH  
PROFESSIONAL

- a. An individual licensed under A.R.S. Title 32, Chapter 33, whose scope of practice allows the individual to (R9-10-101):
  - i. Independently engage in the practice of behavioral health as defined in A.R.S. §32-3251; or
  - ii. Except for a licensed substance abuse technician, engage in the practice of behavioral health as defined in A.R.S. §32-3251 under direct supervision as defined in A.A.C. R4-6-101:
- b. A psychiatrist as defined in A.R.S. §36-501;
- c. A psychologist as defined in A.R.S. §32-2061;
- d. A physician;
- e. A behavior analyst as defined in A.R.S. §32-2091;
- f. A registered nurse practitioner licensed as an adult psychiatric and mental health nurse; or
- g. A registered nurse.

BEHAVIORAL HEALTH SERVICES

Physician or practitioner services, nursing services, health-related services, or ancillary services provided to an individual to address the individual's behavioral health issue. See also "COVERED SERVICES."

BOARD CERTIFIED

An individual who has successfully completed all prerequisites of the respective specialty board and successfully passed the required examination for certification and when applicable, requirements for maintenance of certification.

BOARD ELIGIBLE FOR  
PSYCHIATRY

Means a physician with documentation of completion of an accredited psychiatry residency program approved by the American College of Graduate Medical Education, or the American Osteopathic Association. Documentation would include either a certificate of residency training including exact dates, or a letter of verification of residency training from the training direction including the exact dates of training.

## EXHIBIT-1 DEFINITIONS

BUSINESS ASSOCIATE AGREEMENTS	Agreements developed between the Contractor and business partners, AHCCCS Contractors, providers and others to comply with the Privacy Standards; the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C (“Security Standards”); HIPAA; and other applicable Federal and State laws, in order to protect the privacy of PHI in any form and to safeguard the confidentiality, integrity, and availability of Electronic PHI (“ePHI”) related to this rendering SMI eligibility determinations.
CASE MANAGEMENT	A collaborative process which assess, 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.
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.
CODE OF FEDERAL REGULATIONS (CFR)	The general and permanent rules published in the Federal Register by the departments and agencies of the Federal Government.
CONTRACT PERFORMANCE START DATE	The date the Contractor is required to render SMI eligibility determination decisions. This date may be specified on the Offer and Acceptance executed by the State or by notice to the Contractor.
CONTRACTOR	A person, organization or entity agreeing through a direct Contracting relationship with AHCCCS to provide the goods and services specified by Contract in conformance with the stated Contract requirements, the Medicaid program statute and rules and Federal law and regulations.
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.

## EXHIBIT-1 DEFINITIONS

CULTURALLY AND  
LINGUISTICALLY APPROPRIATE  
SERVICES (CLAS) STANDARDS

The collective set of culturally and linguistically appropriate services (CLAS) mandates, guidelines, and recommendations issued by the United States Department of Health and Human Services Office of Minority Health intended to inform, guide, and facilitate required and recommended practices related to culturally and linguistically appropriate health services (National Standards for Culturally and Linguistically Appropriate Services in Health Care Final Report, OMH, 2001).

CULTURAL COMPETENCE

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 with the context of the cultural beliefs, behaviors and needs presented by consumers and their communities.

DESIGNATED ENTITY

Any AHCCCS-approved agency or organization authorized to submit oral, written, faxed, or electronic referral requests for SMI eligibility determinations.

DIVISION OF HEALTH CARE  
MANAGEMENT (DHCM)

The division responsible for Contractor oversight regarding AHCCCS Contractor operations, quality, maternal and child health, behavioral health, medical management, case management, rate setting, encounters, and financial/operational oversight.

ENROLLED PERSON; ENROLLEE

A Title XIX/XXI or Non-Title XIX/XXI eligible person who is enrolled in an AHCCCS program or AHCCCS, as defined in A.R.S. § 36-2901; 36-2981; 36-2901.10 and [42 CFR §438.2] and recorded in the AHCCCS Information System as specified by AHCCCS

EXHIBITS

All items attached as part of the original Solicitation.

## EXHIBIT-1 DEFINITIONS

EXCLUDED	Services not covered under the State Plan or the 1115 Waiver, including but not limited to, services that are above a prescribed limit, experimental services, or services that are not medically necessary.
FRAUD	An intentional deception or misrepresentation made by a person with the knowledge that the deception could result in some unauthorized benefit to himself or some other person. It includes any act that constitutes fraud under applicable State or Federal law, as defined in 42 CFR 455.2.
GEOGRAPHIC SERVICE AREA (GSA)	An area designated by AHCCCS within which a Contractor of record provides, directly or through subcontract, covered health care service to a member enrolled with that Contractor of record, as defined in 9 A.A.C. 22, Article 1.
GRIEVANCE	A member's expression of dissatisfaction with any matter, other than an adverse benefit determination.
GRIEVANCE AND APPEAL SYSTEM	A system that includes a process for member grievances and appeals including SMI grievances and appeals, provider claim disputes. The Grievance and Appeal system provides access to the State fair hearing process.
HEALTH CARE PROFESSIONAL	A physician, podiatrist, optometrist, chiropractor, psychologist, dentist, physician assistant, physical or occupational therapist, therapist assistant, speech language pathologist, audiologist, registered or practical nurse (including nurse practitioner, clinical nurse specialist, certified registered nurse anesthetist and certified nurse midwife), licensed social worker, registered respiratory therapist, licensed marriage and family therapist and licensed professional counselor.
HEALTH INFORMATION TECHNOLOGY FOR ECONOMIC AND CLINICAL HEALTH ACT (HITECH ACT)	Health Information Technology for Economic and Clinical Health Act (Title XIII, Subsection D of the American Recovery and Reinvestment Act of 2009 (ARRA). Expands the HIPAA Privacy and Security Rules and increases the penalties for HIPAA violations.
HEALTH INSURANCE	Coverage against expenses incurred through illness or injury of the person whose life or physical well-being is the subject of coverage.

## EXHIBIT-1 DEFINITIONS

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.
INDIAN HEALTH SERVICES (IHS)	The operating division within the U.S. Department of Health and Human Services, responsible for providing medical and public health services to members of Federally recognized Tribes and Alaska Natives as outlined in 25 U.S.C. 1661.
INFORMATION SYSTEMS	The component of the Contractor's organization which supports the Information Systems, whether the systems themselves are internal to the organization (full spectrum of systems staffing), or externally contracted (internal oversight and support).
IN-NETWORK PROVIDER	A person or entity which has signed a provider agreement as specified in ARS §36-2904 and that has a subcontract with an AHCCCS Contractor to provide services prescribed in A.R.S. §36-2901 et seq.
KEY PERSONNEL	The minimum required key positions required under this Contract.
LONG TERM SERVICES AND SUPPORTS (LTSS)	Means services and supports provided to members of all ages who have functional limitations and/or chronic illnesses that have the primary purpose of supporting the ability of the member to live or work in the setting of their choice, which may include the individual's home, a provider-owned or controlled residential setting, a nursing facility, or other institutional setting.
MATERIAL CHANGE TO PROVIDER NETWORK	Any change that affects, or can reasonably be foreseen to affect, the Contractor's ability to meet the performance and/or provider network standards as described in Contract including, but not limited to, any change that would cause or is likely to cause more than 5% of the members in a GSA to change the location where services are received or rendered.
MATERIAL OMISSION	A fact, data or other information excluded from a report, Contract, etc., the absence of which could lead to erroneous conclusions following reasonable review of such report, Contract, etc.
MEDICAID	A Federal/State program authorized by Title XIX of the Social Security Act, as amended.
MEDICARE	A Federal program authorized by Title XVIII of the Social Security Act, as amended.

## EXHIBIT-1 DEFINITIONS

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 (A.R.S. §12-22991).
MEMBER	An eligible person who is enrolled in AHCCCS, as defined in A.R.S. §36-2931, §36-2901, §36-2901.01 and A.R.S. §36-2981.
NON-TITLE XIX/XXI FUNDING	Fixed, non-capitated funds, including but not limited to funds from MHBG, SABG, County, other funds and State appropriations (excluding State appropriations for State match to support Title XIX and Title XXI programs), which are used to fund services to Non-Title XIX/XXI eligible persons and for medically necessary services not covered by Title XIX or Title XXI programs.
NON-TITLE XIX/XXI MEMBER OR NON-TITLE XIX/XXI PERSON	An individual who needs or may be at risk of needing covered health-related services, but does not meet Federal and State requirements for Title XIX or Title XXI eligibility.
NON-TITLE XIX/XXI SMI MEMBER	A Non-Title XIX/XXI member who has met the criteria to be designated as Seriously Mentally Ill.
NOTICE TO CURE	A Notice to Cure (NTC) is a formal written notice to a Contractor regarding specific non-compliance. The NTC contains specific timelines for meeting performance standards and possible penalties for continued non-compliance. A NTC may contain specific activities or reporting requirements that must be adhered to as the Contractor works toward compliance. Failure to achieve compliance as the result of a Notice to Cure may result in the imposition of a Sanction.

## EXHIBIT-1 DEFINITIONS

OPERATIONAL REVIEW	Is the process in which AHCCCS ensures the Contractor's compliance with State and Federal requirements, program operations, fiscal operations and financial status and all terms and conditions in this Contract.
PERFORMANCE STANDARDS	A set of standardized measures designed to assist AHCCCS in evaluating, comparing and improving the performance of its Contractors.
PHYSICIAN SERVICES	Medical assessment, treatments and surgical services provided by licensed allopathic or osteopathic physicians within the scope of practice.
PROVIDER	Any person or entity that Contracts with AHCCCS or a Contractor for the provision of covered services to members according to the provisions A.R.S. §36-2901 or any subcontractor of a provider delivering services pursuant to A.R.S. §36-2901.
PSYCHIATRIST	A psychiatrist as defined in A.R.S. §36-501.
REFERRAL	A verbal, written, telephonic, electronic or in-person request for health services made by any person, or person's legal guardian, family member, an AHCCCS health plan, primary care provider, hospital, jail, court, probation and parole officer, tribal government, Indian Health Services, school, or other governmental or community agency
REGIONAL BEHAVIORAL HEALTH AUTHORITY (RBHA)	A Managed Care Organization that has a Contract with the administration, the primary purpose of which is to coordinate the delivery of comprehensive mental health services to all eligible persons assigned by the administration to the managed care organization. Additionally the Managed Care Organization shall coordinate the delivery of comprehensive physical health services to all eligible persons with a serious mental illness enrolled by the administration to the managed care organization.
SANCTION	A Sanction is a penalty assessed or applied for failure to demonstrate compliance in one or more areas of Contractual responsibility. A sanction may take the form of a monetary penalty; an enrollment cap; or other actions as deemed appropriate by AHCCCS.
SERIOUS MENTAL ILLNESS (SMI)	A condition as defined in A.R.S. §36-550 and determined in a person 18 years of age or older.

## EXHIBIT-1 DEFINITIONS

SHALL	Denotes something that is mandatory.
SHOULD	Denotes a preference.
SMI ELIGIBILITY DETERMINATION	An SMI eligibility determination means the process, after assessment and submission of required documentation to determine whether a member meets the criteria for Serious Mental Illness. It is an Operational Review process in which the standardized SMI eligibility criteria is applied to the information obtained through the intake and the behavioral health assessment, the evaluation and all the relevant treatment records to determine SMI eligibility. The SMI Eligibility Determination Contractor (“Contractor”) will be responsible for decisions regarding SMI eligibility determination including all the administrative responsibilities related thereto, and the completion of grievance and appeals matters.
SPECIALIST	A Board-eligible or certified physician who declares himself or herself as a specialist and practices a specific medical specialty. For the purposes of this definition, Board-eligible means a physician who meets all the requirements for certification but has not tested for or has not been issued certification.
STATE	The State of Arizona.
STATE FISCAL YEAR	The budget year-State fiscal year: July 1 through June 30.
STATEWIDE	Of sufficient scope and breadth to address the health care service needs of members throughout the State of Arizona.
SUBCONTRACTOR	<ol style="list-style-type: none"><li>1. A provider of health care who agrees to furnish covered services to members.</li><li>2. A person, agency or organization with which the Contractor has contracted or delegated some of its management/administrative functions or responsibilities.</li><li>3. A person, 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.</li></ol>



## EXHIBIT-1 DEFINITIONS

SUPPLEMENTAL SECURITY INCOME (SSI) AND SSI RELATED GROUPS	Eligible individuals receiving income through Federal cash assistance programs under Title XVI of the Social Security Act who are aged, blind or have a disability and have household income levels at or below 100% of the FPL.
SSL (SECURED SOCKET LAYER)	A protocol that uses encryption to ensure the secure transfer of data over the Internet.
SYSTEM UPGRADE	Any upgrade or changes to a data collection or information system that may result in disruption to Contractor services.
T1	A high-speed data connection capable of transferring signals at up to 1.544 Mbps (megabits per second).
TITLE XIX	Known as Medicaid, Title XIX of the Social Security Act provides for Federal grants to the states for medical assistance programs. Title XIX enables states to furnish medical assistance to those who have insufficient income and resources to meet the costs of necessary medical services, rehabilitation and other services, to help those families and individuals become or remain independent and able to care for themselves. Title XIX members include but are not limited to those eligible under Section 1931 of the Social Security Act, Supplemental Security Income (SSI), SSI-related groups, Medicare cost sharing groups, Breast and Cervical Cancer Treatment Program and Freedom to Work Program. Which includes those populations described in 42 U.S.C. 1396 a (a)(10)(A).
TITLE XXI	Title XXI of the Social Security Act provides funds to states to enable them to initiate and expand the provision of child health assistance to uninsured, low income children in an effective and efficient manner that is coordinated with other sources of child health benefits coverage.
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 persons assigned by the administration to the tribal entity. Tribal governments, through an agreement with the State, may operate a Tribal Regional Behavioral Health Authority for the provision of behavioral health services to American Indian members. Refer to A.R.S. §36-3401, §36-3407.

## EXHIBIT-1 DEFINITIONS

### WASTE

Per the Centers for Medicare & Medicaid Services (CMS), Waste is defined as follows:

“...overutilization of services, or other practices that, directly or indirectly, result in unnecessary costs to the Medicare Program. Waste is generally not considered to be caused by criminally negligent actions but rather the misuse of resources.”

EXHIBIT-2

EXHIBIT-2 RESERVED

EXHIBIT-3

EXHIBIT-3 RESERVED

**EXHIBIT-4**

**EXHIBIT- 4 PLEDGE TO PROTECT CONFIDENTIAL INFORMATION**

The Contractor and its employees shall establish and maintain procedures and controls that are in compliance with the Healthcare Insurance Portability and Accountability Act for the purpose of assuring that no information contained in the Department's records or obtained from the Department or from others in carrying out its functions under the contract shall be used or disclosed by it, its agents, officers, or employees. Contractor and its employees understand that the Department's records are declared confidential and privileged by law and they are precluded from disclosing any information from such records to anyone. Any requests for records or record information shall be made in writing to the Department's Manager of Health Registries. Signature of the Contractor and its employees affirms agreement and assures compliance with the confidentiality requirements stated above.

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Company Representative, Name, Title, Signature	Date
Company Representative, Name, Title, Signature	Date
Employee Printed Name, Title Signature	Date
Employee Printed Name, Title Signature	Date
Employee Printed Name, Title Signature	Date

**CONFIDENTIALITY OF RECORDS:**

The Contractor and its employees shall establish and maintain procedures and controls that are in compliance with the Healthcare Insurance Portability and Accountability Act for the purpose of assuring that no information contained in the Department's records or obtained from the Department or from others in carrying out its functions under the contract shall be used or disclosed by it, its agents, officers, or employees. Contractor and its employees understand that the Department's records are declared confidential and privileged by law and they are precluded from disclosing any information from such records to anyone. Any requests for records or record information shall be made in writing to the Department's Manager of Health Registries. Signature of the Contractor and its employees affirms agreement and assures compliance with the confidentiality requirements stated above.

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Employee Printed Name, Title Signature Date

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Employee Printed Name, Title Signature Date

## EXHIBIT-5 DELIVERABLES

All deliverables which are noted to be submitted via SharePoint are to be submitted to the SharePoint Contract Compliance site at: <https://compliance.azahcccs.gov> Should AHCCCS modify the submission process for deliverables AHCCCS shall provide a letter of instruction to the Contractor outlining changes to the deliverable submission process.

Area	Time frame	Report	When Due	Contract Section	Sent To	Submitted Via
CUSTOMER SERVICE	Bi-Annually	Complaint Report	June 1 <sup>st</sup> December 1 <sup>st</sup>	Grievance System Requirements	Customer Service Unit	SharePoint
DBF CONTRACTS & PURCHASING	Ad Hoc	Complete and Valid Certification of Insurance (ACORD form or approved equivalent)	Prior to Contract execution and when certificate is renewed	Terms and Conditions- Insurance Requirements	AHCCCS Procurement Office	Email notification to AHCCCS Procurement
DHCM QUALITY MANAGEMENT	Annually	Quality Assessment/ Performance Improvement Plan and Evaluation	December 15 <sup>th</sup> of each Contract Year	Quality Management	DHCM Quality Management Manager	SharePoint
DHCM FINANCE	Ad Hoc	Performance Bond or Bond Substitute	30 days after notification from AHCCCS of the amount required	Financial Management	DHCM Program Compliance Auditor	SharePoint (mail or hand deliver sealed originals)

**EXHIBIT-5  
DELIVERABLES**

<b>Area</b>	<b>Time frame</b>	<b>Report</b>	<b>When Due</b>	<b>Contract Section</b>	<b>Sent To</b>	<b>Submitted Via</b>
DHCM FINANCE	Annually	Administrative Cost Allocation Plan	August 1 <sup>st</sup>	Financial Management	DHCM Financial Consultant	SharePoint
DHCM FINANCE	Annually	Contractor Audited Financial Statements	120 days after the Contractors year end	Financial Management	DHCM Financial Consultant	SharePoint
DHCM FINANCE	Monthly	Monthly Invoice for Title XIX and Non-Title XIX/XXI payments	Within 5 days at the beginning of each month	Financial Management	DHCM Finance	SharePoint
DHCM FINANCE	Quarterly	Maintenance of Minimum Capitalization	45 days after quarter end	Financial Management	DHCM Finance	SharePoint
DHCM FINANCE	Quarterly	Financial Statement Reporting Package (Statement of Financial Position and Statement of Activities)	45 days after quarter end	Financial Management	DHCM Financial Consultant	SharePoint

**EXHIBIT-5  
DELIVERABLES**

<b>Area</b>	<b>Time frame</b>	<b>Report</b>	<b>When Due</b>	<b>Contract Section</b>	<b>Sent To</b>	<b>Submitted Via</b>
DHCM MEDICAL MANAGEMENT	Ad Hoc	Inter-Rater Reliability Testing Report	Within 90 days of hire and annually thereafter	Quality Management	DHCM Medical Management Unit	SharePoint
DHCM OPERATIONS	Ad Hoc	Administrative Services Subcontracts	60 days prior to the beginning date of the subcontract	Administrative Requirements	DHCM Operations and Compliance Officer	SharePoint
DHCM OPERATIONS	Ad Hoc	Changes in Key Personnel	Within 7 days of notification of intended resignation or change	Administrative Requirements	DHCM Operations and Compliance Officer	SharePoint
DHCM OPERATIONS	Ad Hoc	Current Contractually required Personnel Organizational Chart	Upon request	Administrative Requirements	DHCM Operations and Compliance Officer	SharePoint
DHCM OPERATIONS	Ad Hoc	Key Staff: Contact Information Change	Within one business day of the change	Administrative Requirements	DHCM Operations and Compliance Officer	SharePoint



**EXHIBIT-5  
DELIVERABLES**

<b>Area</b>	<b>Time frame</b>	<b>Report</b>	<b>When Due</b>	<b>Contract Section</b>	<b>Sent To</b>	<b>Submitted Via</b>
DHCM OPERATIONS	Ad Hoc	Member Information Materials	15 days prior to release	Administrative Requirements	DHCM Operations and Compliance Officer	SharePoint
DHCM OPERATIONS	Ad Hoc	Substantial Changes to Operations i.e. Process, plan, policy and procedure changes	30 days prior to implementation of change	Administrative Requirements	DHCM Operations and Compliance Officer	SharePoint
DHCM OPERATIONS	Annually	Continuity of Operations and Recovery Plan	February 15 <sup>th</sup>	Administrative Requirements	DHCM Operations and Compliance Officer	SharePoint
DHCM OPERATIONS	Annually	Current Contractually required Personnel Organizational Chart	15 days after the start of the Contract	Administrative Requirements	DHCM Operations and Compliance Officer	SharePoint

**EXHIBIT-5  
DELIVERABLES**

<b>Area</b>	<b>Time frame</b>	<b>Report</b>	<b>When Due</b>	<b>Contract Section</b>	<b>Sent To</b>	<b>Submitted Via</b>
DHCM OPERATIONS	Quarterly	Determination Report	15 days after quarter end	Administrative Requirements	DHCM Operations and Compliance Officer	SharePoint
OFFICE OF INSPECTOR GENERAL	Ad Hoc	Disclosure of Information by Disclosing Entities	Upon Request and as required by 42 CFR 455.104(c)	Corporate Compliance	Office of Inspector General	SharePoint
OFFICE OF INSPECTOR GENERAL	Ad Hoc	Report of suspected Fraud/ Waste/Abuse of the AHCCCS Program	Immediately upon identification	Corporate Compliance	Office of Inspector General	AHCCCS Website: <a href="https://www.azahcccs.gov/Fraud/ReportFraud/">https://www.azahcccs.gov/Fraud/ReportFraud/</a>
OFFICE OF INSPECTOR GENERAL	Ad Hoc	Transactions between the Contractor and a Party in Interest	Within seven business days	Corporate Compliance	Office of Inspector General	SharePoint

**EXHIBIT-5  
DELIVERABLES**

Area	Time frame	Report	When Due	Contract Section	Sent To	Submitted Via
OFFICE OF INSPECTOR GENERAL	Quarterly	Year to date List of employees & Subcontractors names that have been checked monthly utilizing the US Department of Health and Human Services (HHS), Office of Inspector General (OIG) website, <a href="http://www.oig.hhs.gov">www.oig.hhs.gov</a> and includes checks performed through the List of Excluded Individuals/entities (LEIE) and System for Award Management (SAM) databases.	15 days after quarter end	Corporate Compliance	Office of Inspector General	SharePoint

EXHIBIT-6

EXHIBIT-6 RESERVED

EXHIBIT-7

EXHIBIT-7 RESERVED

EXHIBIT-8

EXHIBIT-8 RESERVED

EXHIBIT-9

EXHIBIT-9 RESERVED

EXHIBIT-10

EXHIBIT-10 RESERVED



**EXHIBIT-11**  
**A.R.S. §35-393.01**

**EXHIBIT-11 A.R.S §35-393.01-**

Recognizing legislation has been enacted to prohibit the State from contracting with companies currently engaged in a boycott of Israel, to ensure compliance with A.R.S. §35-393.01, this form must be completed and returned with the response to the solicitation and any supporting information to assist the State in making its determination of compliance.

As defined by A.R.S. §35-393.01:

1. "Boycott" means engaging in a refusal to deal, terminating business activities or performing other actions that are intended to limit commercial relations with Israel or with persons or entities doing business in Israel or in territories controlled by Israel, if those actions are taken either:
  - (a) In compliance with or adherence to calls for a boycott of Israel other than those boycotts to which 50 United States Code section 4607(c) applies.
  - (b) In a manner that discriminates on the basis of nationality, national origin or religion and that is not based on a valid business reason.
2. "Company" means a sole proprietorship, organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, limited liability company or other entity or business association, and includes a wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate.
3. "Direct holdings" means all publicly traded securities of a company that are held directly by the state treasurer or a retirement system in an actively managed account or fund in which the retirement system owns all shares or interests.
4. "Indirect holdings" means all securities of a company that are held in an account or fund, including a mutual fund, that is managed by one or more persons who are not employed by the state treasurer or a retirement system, if the state treasurer or retirement system owns shares or interests either:
  - (a) together with other investors that are not subject to this section.
  - (b) that are held in an index fund.
5. "Public entity" means this State, a political subdivision of this State or an agency, board, commission or department of this state or a political subdivision of this State.
6. "Public fund" means the state treasurer or a retirement system.
7. "Restricted companies" means companies that boycott Israel.
8. "Retirement system" means a retirement plan or system that is established by or pursuant to title 38.

**All Offerors must select one of the following:**

\_\_\_\_\_ My company **does not** participate in, and agrees not to participate in during the term of the Contract a boycott of Israel in accordance with A.R.S. §35-393.01.

\_\_\_\_\_ My company **does** participate in a boycott of Israel as defined by A.R.S. §35-393.01.

By submitting this response, proposer agrees to indemnify and hold the State, its agents and employees, harmless from any claims or causes of action relating to the State's action based upon reliance on the above representations, including the payment of all costs and attorney fees incurred by the State in defending such an action.

EXHIBIT-11  
A.R.S. §35-393.01

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Company Name

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Address

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City State Zip

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Signature of Person Authorized to Sign

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Printed Name

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Title

**EXHIBIT-12  
SERVICE/FUNDING**

**Contracted amount effective Dates: 01/01/2018 – 12/31/2018**

<b>Service/Funding</b>	<b>Annual Amount</b>	<b>Monthly Amount</b>
SMI Determinations: Non-Title XIX/XXI	\$1,603,409.52	\$133,617.46
SMI Determinations: Title XIX/XXI	\$3,828,831.48	\$319,069.29
Total SMI Determinations	\$5,432,241.00	\$452,686.75

# EXHIBIT-13

## BUSINESS ASSOCIATE AGREEMENT

### BUSINESS ASSOCIATE ADDENDUM

Amended 2016

This Addendum is made part of this Contract between the Arizona Health Care Cost Containment System ("AHCCCS") and the Contractor, referred to as "Business Associate" in this Addendum.

AHCCCS and Business Associate agree that the underlying Contract shall comply with the Administrative Simplification requirements of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), as set forth in Title 45, Parts 160 and 164 of the Code of Federal Regulations (the "CFR"), as amended. In the event of conflicting terms or conditions, this Addendum shall supersede the underlying Contract.

#### 1. DEFINITIONS

The following terms used in this Addendum shall have the same meaning as those terms in the HIPAA rules set forth in Title 45, Parts 160 and 164 of the CFR: Breach, Data Aggregation, Designated Record Set, Disclosure, Health Care Operations, Individual, Minimum Necessary, Notice of Privacy Practices, Protected Health Information, Required by Law, Secretary, Security Incident, Subcontractor, Unsecured Protected Health Information, and Use.

#### 2. OBLIGATIONS AND ACTIVITIES OF BUSINESS ASSOCIATE

Business Associate agrees to:

- 2.1. Not use or disclose protected health information ("PHI") other than as permitted or required by this Addendum or as required by law;
- 2.2. Use appropriate safeguards, and comply with Subpart C of 45 CFR Part 164 with respect to electronic PHI, to prevent use or disclosure of protected health information other than as provided for by this Addendum;
- 2.3. Report to AHCCCS any use or disclosure of PHI not provided for by this Addendum of which it becomes aware, including breaches of unsecured protected health information as required at 45 CFR §164.410, and any security incident of which it becomes aware in the following manner;
  - 2.3.1. Reporting. Business Associate shall report to AHCCCS any use or disclosure of PHI that is not authorized by the Contract, by law, or in writing by AHCCCS. Business Associate shall make an initial report to the AHCCCS Privacy Official not more than twenty-four (24) hours after Business Associate learns of such unauthorized use or disclosure. The initial report shall include all of the following information to the extent known to the Business Associate at the time of the initial report:
    - A. A description of the nature of the unauthorized use or disclosure, including the number of individuals affected by the unauthorized use or disclosure;
    - B. A description of the PHI used or disclosed;
    - C. The date(s) on which the unauthorized use or disclosure occurred;
    - D. The date(s) on which the unauthorized use or disclosure was discovered;

## EXHIBIT-13 BUSINESS ASSOCIATE AGREEMENT

- E. Identify the person(s) who used or disclosed the PHI in an unauthorized manner;
- F. Identify the person(s) who received PHI disclosed in an unauthorized manner;
- G. A description of actions, efforts, or plans undertaken by the Business associate to mitigate the harm of the unauthorized disclosure;
- H. A description of corrective actions undertaken or planned to prevent future similar unauthorized use or disclosure;
- I. An assessment of whether a breach, as defined in 45 CFR 164.402, including, if necessary, an assessment of the probability of harm, and
- J. Such other information, as may be reasonably requested by the AHCCCS Privacy Official.

Business Associate shall provide AHCCCS with supplemental reports promptly as new information becomes available, as assessments and action plans are developed, and as action plans are implemented. In any event, Business Associate shall provide a comprehensive written report including all of the information listed above no later than twenty (20) days after discovery of the unauthorized use or disclosure.

- 2.3.2. Mitigation. Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of PHI by Business Associate in violation of the requirements of the Contract.
- 2.3.3. Sanctions. Business Associate shall have and apply appropriate sanctions against any employee, subcontractor or agent who uses or discloses AHCCCS PHI in violation of this Addendum or applicable law.
- 2.4. In accordance with [45 CFR §164.502(e)(1)(ii) and §164.308(b)(2)], if applicable, ensure that any subcontractors that create, receive, maintain or transmit PHI on behalf of the Business Associate agree to the same restrictions, conditions and requirements that apply to the Business Associate with respect to such information;
- 2.5. Make available PHI in a designated record set to AHCCCS as necessary to satisfy AHCCCS' obligations under [45 CFR §164.524];
- 2.6. Make any amendment(s) to PHI in a designated record set as directed or agreed to by AHCCCS pursuant to [45 CFR §164.526], or take other measures as necessary to satisfy AHCCCS' obligations under [45 CFR §164.526];
- 2.7. Maintain and make available the information required to provide an Accounting of Disclosures to AHCCCS as necessary to satisfy AHCCCS' obligations under 45 CFR §164.528;
- 2.8. To the extent Business Associate is to carry out one or more of AHCCCS' obligations under Subpart E of 45 CFR Part 164, comply with the requirements of Subpart E that apply to AHCCCS in the performance of such obligation(s); and

**EXHIBIT-13**  
**BUSINESS ASSOCIATE AGREEMENT**

- 2.9. Make its internal practices, books and records available to AHCCCS and the Secretary for purposes of determining compliance with the HIPAA rules.

**3. PERMITTED USES AND DISCLOSURES BY BUSINESS ASSOCIATE**

- 3.1. Business Associate may only use or disclosure PHI as necessary to perform the services and obligations set forth in the underlying Contract,
- 3.2. Business Associate may use or disclose protected health information as required by law,
- 3.3. Business Associate agrees to make uses and disclosures and requests for protected health information consistent with AHCCCS' Minimum Necessary Policy, located at [www.azahcccs.gov](http://www.azahcccs.gov),
- 3.4. Business Associate may not use or disclose protected health information in a manner that would violate Subpart E of 45 CFR Part 164 if done by AHCCCS, except for the specific uses and disclosures set forth below in (3.5 and 3.6),
- 3.5. Business Associate may use protected health information for the proper management and administration of the Business Associate or to carry out the legal responsibilities of the Business Associate, and
- 3.6. Business Associate may provide data aggregation services relating to the health care operations of AHCCCS.

**4. PROVISIONS FOR AHCCCS TO INFORM BUSINESS ASSOCIATE OF PRIVACY PRACTICES AND RESTRICTIONS**

- 4.1. AHCCCS shall notify Business Associate of any limitation(s) in the AHCCCS Notice of Privacy Practices (found at [www.azahcccs.gov](http://www.azahcccs.gov)) under [45 CFR §164.520], to the extent that such limitation may affect Business Associate's use or disclosure of PHI,
- 4.2. AHCCCS shall notify Business Associate of any changes in, or revocation of, the permission by an individual to use or disclose his or her PHI, to the extent that such changes may affect Business Associate's use or disclosure of PHI, and
- 4.3. AHCCCS shall notify Business Associate of any restriction on the use or disclosure of PHI that AHCCCS has agreed to or is required to abide by under 45 CFR 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

**5. TERM AND TERMINATION**

- 5.1. Term: This Addendum is effective upon the effective date of the underlying Contract and shall terminate on the date AHCCCS terminates the Contract for cause as authorized in paragraph (b) of this Section, or for any other reason permitted under the Contract, whichever is sooner.

**EXHIBIT-13**  
**BUSINESS ASSOCIATE AGREEMENT**

- 5.2. Termination for Cause: Business Associate authorizes termination of the Contract by AHCCCS if AHCCCS determines that Business Associate has breached a material term of this Addendum and Business Associate has not cured the breach or ended the violation within the time specified by AHCCCS.
- 5.3. Obligations of Business Associate Upon Termination: Upon termination, cancellation, expiration or other conclusion of the Contract, Business Associate, with respect to PHI received from AHCCCS, or created, maintained, or received by Business Associate on behalf of AHCCCS, shall:
- 5.3.1. Retain only that PHI which is necessary for Business Associate to continue its proper management and administration or to carry out its legal responsibilities,
  - 5.3.2. Destroy or return to AHCCCS all remaining PHI that the Business Associate still maintains in any form,
  - 5.3.3. Continue to use appropriate safeguards and comply with Subpart C of 45 CFR Part 164 with respect to electronic PHI to prevent use or disclosure of the PHI, other than as provided for in this Section, for as long as Business Associate retains the PHI,
  - 5.3.4. Not use or disclose the PHI retained by Business Associate other than for the purposes for which such protected health information was retained and subject to the same conditions set out in this Addendum that applied prior to termination, and
  - 5.3.5. Destroy or return to AHCCCS the PHI retained by Business Associate when it is no longer needed by Business Associate for its proper management and administration or to carry out its legal and Contractual responsibilities.
- 5.4. Survival: The obligations of Business Associate under this Section shall survive the termination of the Contract.

**6. INDEMNIFICATION AND MISCELLANEOUS**

- 6.1. Indemnification: Business Associate shall indemnify, hold harmless and defend AHCCCS from and against any and all claims, losses, liabilities, costs, civil and criminal penalties, and other expenses resulting from, or relating to, the acts or omissions of Business Associate, its employees, agents, and sub-contractors in connection with the representations, duties and obligations of Business Associate under this Addendum. The parties' respective rights and obligations under this Section shall survive termination of the Contract.
- 6.2. Regulatory References: A reference in this Addendum to a section in the HIPAA rules means the section as in effect or as amended.

**EXHIBIT-13**  
**BUSINESS ASSOCIATE AGREEMENT**

- 6.3. Amendment: The parties agree to take such action as is necessary to amend this Addendum from time to time as is necessary for compliance with the requirements of the HIPAA rules or any other applicable law.
  
- 6.4. Interpretation: Any ambiguity in this Addendum shall be interpreted to permit compliance with the HIPAA rules.