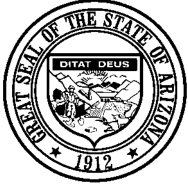

CONTRACT AMENDMENT

ARIZONA DEPARTMENT OF HEALTH SERVICES
1740 W. Adams, Room 303
Phoenix, Arizona 85007
(602) 542-1040

Contract No. #032033 **Amendment No: 20**

Contract Management Specialist/Buyer:
Hannah Wright Lucas

REGIONAL BEHAVIORAL HEALTH AUTHORITY SERVICES

1. Amendment Begin Date: July 01, 2004
2. Amendment End Date: June 30, 2005

It is mutually agreed that the Contract referenced is amended:

3. To incorporate new AHCCCS requirements
4. To make contract definitions consistent with the Provider Manual definitions
5. To delete references to specific and obsolete ADHS/DBHS policies and procedures and replace with references to specific and current ADHS/DBHS documents

ALL OTHER PROVISIONS SHALL REMAIN IN THEIR ENTIRETY.

Vendor hereby acknowledges receipt and acceptance of above amendment and that a signed copy must be filed with the Procurement Office before the effective date.	The above referenced Contract Amendment is hereby executed this _______ day of ________________________, 2004 at Phoenix, Arizona
Signature Date Authorized Signatory's Name and Title:	Procurement Officer
Contractor's Name:	

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SECTION B - DEFINITIONS

1. DEFINITIONS:

As used throughout this document, the following terms shall have the meanings set forth.

a. **Acronyms:**

"AAC" means the Arizona Administrative Code as filed with and maintained by the Office of the Secretary of State.

"ACT" means Assertive Community Treatment

"ACYF" means the Administration for Children, Youth and Families of the ADES.

"ADES" means the Arizona Department of Economic Security.

"ADOE" means the Arizona Department of Education.

"ADHS" means the Arizona Department of Health Services.

"ADJC" means the Arizona Department of Juvenile Corrections.

"ADC" means the Arizona Department of Corrections.

"AHCCCSA" means the Arizona Health Care Cost Containment System Administration.

"AHCCCS" means the Arizona Health Care Cost Containment System.

"ALTCS" means the Arizona Long Term Care System.

"APRC" means the Arizona Prevention Resource Center of the Arizona State University.

"AOC" means the Administrative Office of the Courts of the Arizona Supreme Court.

"ARS" means the Arizona Revised Statutes.

"BBA" means The Balanced Budget Act of 1997

"BCCTP" means Breast and Cervical Cancer Treatment Program, a Title XIX eligibility expansion program for women who are not otherwise Title XIX eligible and diagnosed as needing treatment for breast and/or cervical cancer or lesions

"CARF" means Commission on Accreditation of Rehabilitation Facilities.

"CIS" means the Client Information System.

"CLIA" means Clinical Laboratory Improvement Act.

"CMDP" means the Comprehensive Medical and Dental Plan

"CMHS" means the Community Mental Health Services Performance Partnership Program pursuant to Division B, Title XXXII, Section 3204 of The Children's Health Act of 2000.

"CMS" (formerly HCFA) means Center for Medicare and Medicaid Services.

"COA" means Council on Accreditation for Children and Family Services.

"DDD" means the Division of Development Disabilities within the ADES.

“DUI” means Driving while Under the Influence.

“EPSDT” means Early and Periodic Screening, Diagnosis and Treatment.

“GAAP” means Generally Accepted Accounting Principles.

“GSA” means Geographic Service Area of the Contractor.

“HB2003” means House Bill 2003

“HIPAA” means Health Information Portability and Accountability Act of 1996.

“HUD” means United States Department of Housing and Urban Development.

“IBNR” means “Incurred But Not Reported”.

“ICMP” means Interagency Case Management Project.

“IGA” means an intergovernmental agreement.

“ISA” means an interagency service agreement.

“JCAHO” means the Joint Commission on Accreditation of Health Care Organizations.

“MOU” means a Memorandum of Understanding.

“OBHL” means Office of Behavioral Health Licensure/Division of Assurance and Licensure/Arizona Department of Health Services.

“PCP” means Primary Care Provider.

“RFP” means a Request for Proposals as detailed in ARS Title 41, Chapter 23, Arizona Procurement Code.

”RSA” means the Rehabilitation Services Administration within the ADES.

”RTC” means Level 1 Residential Treatment Center.

"SAPT” means Substance Abuse Prevention and Treatment.

“SED” means Serious Emotional Disturbance.

“SMI” means Seriously Mentally Ill.

”SOBRA” means Sixth Omnibus Budget Reconciliation Act.

“TPL” means Third Party Liability.

“UFDS” means Uniform Facility Data Set.

“VR” means Vocational Rehabilitation.

b. Definitions:

“638 Tribal Facility” means a facility operated by a Native American Tribe authorized to provide services pursuant to Public Law 93-638, as amended.

SECTION B - DEFINITIONS

"Action" means the denial or limited authorization of a requested service including the type or level of service; the reduction, suspension, or termination of a previously authorized service; the denial in whole or in part of payment for service; the failure to provide services in a timely manner; the failure to act within established timeframes for resolving an appeal or grievance and providing notice to affected parties; or for an enrolled person in a rural area the denial of the enrolled person's request to obtain services outside the network**.**

"Active Treatment" means delivering and monitoring behavioral health services to ensure that they are effective in reducing behavioral health symptoms, improving functioning and/or maintaining symptom remission and optimum functioning.
"ADHS Covered Behavioral Health Services Guide" means the document, including appendices, that list all covered services and which may be amended or supplemented from time to time.

"ADHS Information System" means the ADHS Information Systems in place or any other data collection and information system as may from time to time be established by the ADHS.

"ADHS Service Matrix" means the document that lists all covered services and the rates to be paid in the absence of a subcontract for each covered service, as may be amended or supplemented from time to time.

"Administrative Appeal" means an appeal to the ADHS/DBHS of a decision made by the Arizona State Hospital or a T/RBHA as the result of a grievance.

"Administrative Services" means the services, (other than the direct provision of behavioral health services including case management) to eligible and enrolled persons, necessary to manage the behavioral health system, including, but not limited to: provider relations and contracting, provider billing, accounting, information technology services, processing and investigating grievances and appeals, legal services (including any legal representation of the Contractor at administrative hearings concerning the Contractor's decisions and actions), planning, program development, program evaluation, personnel management, staff development and training, provider auditing and monitoring, utilization review and quality assurance.

"Adult" means a person 18 years of age or older, unless the term is given a different definition by statute, rule, or policies adopted by the ADHS or AHCCCS.

"AHCCCS Acute Care Contractor" means an organization or entity agreeing through a direct contracting relationship with AHCCCSA to provide the goods and services specified by contract in conformance with the stated contract requirements, AHCCCS statute and rules and federal law and regulations.

"Appeal" means a request for review of an action, and, for a person determined to have a serious mental illness, an adverse decision by a T/RBHA or ADHS/DBHS.

"Arizona Administrative Code" means the State regulations established pursuant to relevant statutes.

"Arizona Long Term Care System (ALTCS)" means a program under AHCCCSA that delivers long term, acute and behavioral health care services to eligible members, as authorized by ARS §36-2931 et. sec.

"Arizona Revised Statute (ARS)" means the laws of the State of Arizona.

"Arnold v. ADHS Class Member" means an adult resident of Maricopa County who is indigent and who, pursuant to ADHS/DBHS policy, has been determined to have a Serious Mental Illness.

"Assertive Community Treatment" means a team, which offers an array of services that are provided by community-based, mobile behavioral health treatment teams to persons who are seriously mentally ill wherever they are found, 24 hours a day, 7 days per week. The team composition for the HB2003 project is: Team staff to client ratio of no more than 1 to 12; A minimum 8 hours a week for each 50 clients of psychiatrist time; One masters level team leader for every 120 clients; A minimum 8 hours a week for 50 clients of Team RN time; One team vocational (Rehabilitation) specialist for every 120 clients; and a minimum 50% team contact out of office.

"Bed Hold" means a twenty-four (24) hour per day unit of service that is authorized by the subcontracted RBHA, which may be billed despite the member's absence from the facility. Bed hold days may not exceed 21 total days per

contract year. Bed holds are applicable for members absent from a Residential Treatment Center licensed as a Level I Intensive behavioral health facility and accredited by JCAHO, COA or CARF for the following:

a) Short term hospitalization leave may be authorized as a part of discharge planning.

b) Therapeutic leave may be authorized to enhance psychosocial interaction or on a trial basis as part of discharge planning.

"Behavioral Health Disorder" means any behavioral or mental diagnosis and/or substance abuse/dependence.

"Behavioral Health Medical Practitioner" means an individual licensed and authorized by law to use and prescribe medication and devices, as defined in A.R.S. § 32-1901, and who is one of the following with at least one year of full-time behavioral health work experience: a. A physician; b. A physician assistant; or c. a nurse practitioner.

"Behavioral Health Paraprofessional" means a staff member of a licensed behavioral health service agency as specified in AAC Title 9, Chapter 20.

"Behavioral Health Professional" means a psychiatrist, behavioral health medical practitioner, psychologist, social worker, counselor, marriage and family therapist, substance abuse counselor or registered nurse with at least one year of full time behavioral health work experience and who meets the requirements of AAC Title 9, Chapter 20.

"Behavioral Health Services" means those services listed in the ADHS Behavioral Health Covered Services Guide.

"Behavioral Health Technician" means a staff member of a licensed behavioral health service agency as specified in AAC Title 9, Chapter 20.

"Board Eligible for Psychiatry" means 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 director including the exact dates of training.

"Breach" means a failure to perform by the Contractor or any Subcontractor hereunder or under any subcontract (including a breach that is of an inadvertent, technical or isolated nature and including a breach that is not capable of correction or that is capable of correction but in fact is not corrected), that is or represents an impediment to any service to be provided to eligible or enrolled persons hereunder or a threat with intrinsic economic or other consequences to AHCCCS, the ADHS, the Contractor, any Subcontractor or any eligible or enrolled person.

"Capitation" means a method by which the Contractor is paid to deliver covered services for the duration of a contract to eligible persons based on a fixed rate per member per month notwithstanding (a) the actual number of eligible persons who receive care from the Contractor and (b) the amount of services provided to any enrolled person: a cost containment alternative to fee-for-service.

"Categorically Linked TXIX Member" means an AHCCCS member eligible for Medicaid under TXIX of the Social Security Act including those eligible under 1931 provisions of the Social Security Act (previously AFDC), Sixth Omnibus Budget Reconciliation Act (SOBRA), Supplement Security Income (SSI), SSI-related groups. To be categorically linked, the member must be aged (65 or over), blind, disabled, a child under age 19, parent of a dependent child or pregnant.

"Certification of Need" means a specific federal requirement for treatment in inpatient hospitals (42 CFR 456.60); inpatient psychiatric facilities inclusive of residential treatment centers and sub-acute facilities (42 CFR 441.152); and mental hospitals (42 CFR 456.160).

"Certified Psychiatric Nurse Practitioner" means a registered nurse licensed according to ARS Title 32, Chapter 15 and certified under the American Nursing Association's Statement and Standards for Psychiatric-mental health Clinical Nursing Practice as specified in AAC Title 4, Chapter 19, Article 505.

"Child" means a person who is under the age of I8, unless the term is given a different definition by statute, rule or policies adopted by the ADHS/ or AHCCCS.

"Children with Special Health Care Needs (CSHCN)" means children under age 19 who are: Blind/Disabled Children and Related Populations (eligible for SSI under Title XVI); children eligible under section 1902(e)(3) of the Social Security Act (Katie Becket); in foster care or other out-of-home placement; receiving foster care or adoption

assistance; or receiving services through a family centered community-based coordinated care system that receives grant funds under section 501(a)(1)(D) of Title V (CRS).

"Claim" means a service billed under a fee-for-service arrangement.

"Clean Claim" means a claim that may be processed without obtaining additional data from the provider of service or from a third party but does not include claims under investigation for fraud and abuse or claims under the review for medical necessity.

"Clinical Liaison" means a behavioral health professional or a behavioral health technician who has been credentialed and privileged by the RBHA or their designee in accordance with the ADHS/DBHS requirements to perform this function. The clinical liaison: assumes the primary responsibility of clinical oversight of the person's care, ensures the clinical soundness of the assessment/treatment process, and serves as the point of contact, coordination and communication with the person's team and other systems where clinical knowledge of the case is important.

"Clinical Supervision" means the review of skills and knowledge and guidance in improving or developing skills and knowledge provided by an individual meeting the requirement of AAC Title 9, Chapter 20, Article 2.

"CMS" (formerly HCFA) means the Center for Medicare and Medicaid Services, an organization within the U.S. Department of Health and Human Services, which administers the Medicare and Medicaid programs and the State Children's Health Insurance Program.

"Collaborative Team" means a team of individuals whose primary function is to develop a comprehensive and unified service or treatment plan for an enrolled person. The team may include an enrolled person, members of the enrolled person's family, health mental health of social service providers including paraprofessionals representing disciplines related to the person's needs, or other persons that are not health, mental health or social service providers identified by the person or family. Collaborative teams include Child and Family Teams and adult treatment teams.

"Community Service Agency" means an agency that is contracted directly by the RBHA or a provider network and registered with AHCCCS to provide rehabilitation and support services consistent with the staff qualifications and training. Community Service Agencies are not required to be licensed through the Office of Behavioral Health Licensure. Refer to the ADHS Covered Behavioral Health Services Guide for details.

"Continued Stay Review" means the process required for Title XIX funding by which stays in inpatient hospitals (42 CFR 456.128 to 132), inpatient psychiatric facilities inclusive of residential treatment centers and sub-acute facilities (42 CFR 441.155(c), and mental hospitals (42 CFR 456.233 to 238) are reviewed to determine the necessity and appropriateness of continuation of the member's stay at an inpatient level of care.

"Contract" means the combination of the Solicitation, including the Uniform and Special Instructions to Offerors, the Uniform and Special Terms and Conditions, the Program Requirements and any attachments or exhibits; the Offer and any Best and Final Offers; any amendments to the Solicitation or the Contract; and any terms applied by law.

"Contractor" means the entity executing this Contract with the ADHS.

"Contract Year" means a period from July I of a calendar year through and including June 30 of the following year.

"Copayment" is an amount that the enrolled person pays directly to the Contractor or the subcontracted provider at the time covered services are rendered.

"Covered Services" means those services listed in the ADHS Covered Behavioral Health Services Guide.

"Days" refers to calendar days unless otherwise specified.

"Denial" means the decision to deny an enrolled person's request, through a behavioral health provider, for a Title XIX or Title XXI covered behavioral health service that requires prior authorization.

"Department" means the Arizona Department of Health Services.
"Deputy Director" means the Deputy director for the ADHS or his or her duly authorized representative.

"Director" means the Director of the Arizona Department of Health Services or his or her duly authorized representative.

"Early and Periodic Screening, Diagnosis and Treatment (EPSDT)", means a Medicaid program for Title XIX individuals under the age of 21. This mandatory program for Title XIX children requires that any medically necessary covered behavioral health care service identified in a screening be provided to an EPSDT recipient. The behavioral health components of the EPSDT diagnostic and treatment services for Title XIX members under age 21 years are covered by this contract.

"Eligible Person" means an individual who needs or is at risk of needing ADHS covered services.

"Emergency Medical Condition" means a medical condition, including a behavioral health condition, manifesting itself by acute symptoms of sufficient severity (including severe pain) such that a prudent layperson, who possesses an average knowledge of health and medicine, could reasonably expect the absence of immediate medical attention to result in: a) placing the patient's health (or, with respect to a pregnant woman, the health of the woman or her unborn child) in serious jeopardy; b) serious impairment to bodily functions; or c) serious dysfunction of any bodily organ or part.

"Emergency Medical Services" means covered inpatient and outpatient services provided after the sudden onset of an emergency medical condition. These services must be furnished by a qualified provider, and must be necessary to evaluate or stabilize the emergency medical condition

"Encounter" means a record of a covered service rendered by the Contractor or subcontracted provider registered with ADHS/ to an enrolled person.

"Enrolled Person" means a Title XIX or Title XXI or Non-Title XIX/XXI eligible person recorded in the ADHS Information System as specified by the ADHS.

"**Enrollee**" means a Medicaid recipient who is currently enrolled with an acute care contractor. For purposes of this contract, see definition of Member.

"Enrollment" is the process by which a person who has been determined eligible becomes a member with ADHS.

"Enrollment Date" means the earliest of the date of initial assessment or other service provision to an unenrolled eligible person, the date the eligible person is recorded in Contractor s information system or the date the eligible person is recorded in the ADHS/ Information System.

"Face-to-face" means in person or via telemedicine.

"Fee For Service" means a method of payment to registered providers on an amount per service basis.

"Financial Reporting Guide for Regional Behavioral Health Authorities" means the reporting guide, published by the ADHS/, currently in effect, which shall be utilized by the Contractor for the periodic reporting of financial information, as may be amended or supplemented from time to time.

"Freedom to Work" means a federal program that expands Title XIX eligibility to individuals, 16 through 64 years old, who are disabled and whose earned income, after allowable deductions, is at or below 250% of the Federal Poverty Level.

"General Mental Health" means behavioral health diagnoses and level of functional impairment that is moderate to severe but does not meet diagnostic and functional requirements for serious mental illness.

"Geographic Service Area" means a specific county or defined grouping of counties that are available for contract award. The Contractor is responsible to provide covered services to eligible residents of their contracted GSA(s) except as otherwise stated in this Contract.

"Gratuity" means a payment, loan, subscription, advance, deposit of money, services, or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value is received.

"Health Information Portability and Accountability Act of 1996" means Title II Subtitle F published by the United States Department of Health Human Services, the administrative simplification provisions and modifications thereof, and the Administrative Simplification Compliance Act of 2001.

"House Bill 2003 (HB2003"means House Bill 2003, which is an appropriation of $70 million dollars from the Tobacco Litigation Settlement. $50 million of this funding is dedicated to persons with serious mental illness and $20 million of this funding is dedicated to behavioral health services to families whose children are involved in the Arizona Department of Health Services and at least one other child-serving state agency.

"Incurred But Not Reported (IBNR)" means liability for services rendered for which claims have not been received.

"Independent Biller" means a provider who is registered with AHCCCS and may bill services independent of a licensed behavioral health facility.

"Indian Health Services (IHS)" means the bureau of the United States Department of Health and Human Services that is responsible for delivering public health and medical services to American Indians throughout the country. The federal government has direct and permanent legal obligation to provide health services to most American Indians according to treaties with Tribal Governments.

"Individualized Education Program (IEP)" means a written statement for providing special education services to a child with a disability that includes the pupil's present levels of educational performance, the annual goals and the short-term measurable objectives for evaluating progress toward those goals and the specific special education and related services to be provided. (Per ARS §15-761.10).

"Inmate" means an individual who is serving time for a criminal offense or confined involuntarily in state, federal, county or municipal prisons, jails, detention facilities or other penal facilities. Federal Financial Participation is excluded for an inmate of a public institution, except when the inmate is a patient in a medical institution.

"Institution for Mental Disease (IMD)" means a hospital, nursing facility, or other institution of more than 16 beds that is primarily engaged in providing diagnosis, treatment, or care of persons with mental diseases, including medical attention, nursing care, and related services. An institution is an IMD if its overall character is that of a facility established and maintained primarily for the care and treatment of individuals with mental diseases (42 CFR 435.1009). In the State of Arizona Level 1 facilities with more than 16 beds are IMDs (except when connected with a General Medical Hospital).

"Interagency Service Agreement" means an agreement between two or more agencies of the State wherein an agency is reimbursed for services provided to another agency or is advanced funds for services provided to another agency.

"Intergovernmental Agreement" means an agreement conforming to the requirements of ARS Title 11, Chapter 7, Article 3 (ARS § 11-951 et. seq.).

"Intergovernmental Procurement" means procurement conducted by or on behalf of, more than one public procurement unit and conforming to the requirements of ARS Title 41, Chapter 23, Article 10 (ARS § 41-2631 *et. seq.*).

"**KidsCare**" the Arizona version implementing the Title XXI of the Social Security Act, referred to in federal legislation as the "State Children's Health Insurance Program" (SCHIP).

"Laboratory" means a CLIA (Clinical Laboratory Improvement Act) approved hospital, clinic, physician office or other health care facility laboratory.

"Level I Behavioral Health Facility" means a behavioral health agency as defined in AAC Title 9, Chapter 20.

"Level II Behavioral Health Facility" means a behavioral health agency as defined in AAC Title 9, Chapter 20.
"Level III Behavioral Health Facility" means a behavioral health agency as defined in AAC Title 9, Chapter 20.

"Licensed Nurse Practitioner" means an individual certified and licensed as a registered nurse.

"Masters Level Independent Therapist" means a Masters level behavioral health professionals who are certified by the Arizona Board of Behavioral Health Examiners as a Certified Independent Social Worker (CISW); Certified Professional Counselor (CPC); or Certified Marriage and Family Therapist (CMFT).

"Material Change" means an alteration or development that may reasonably be foreseen to affect the quality or delivery of covered services provided under this Contract.

"Medical Expense Deduction (MED)" means a Title XIX Waiver member whose family income is more than 100% of the Federal Poverty Level, and has family medical expenses that reduce income to or below 40% of the Federal Poverty Level. The 40% Federal Poverty Level will be adjusted annually to reflect annual Federal Poverty Level adjustments. MEDs may have a categorical link to a Title XIX program; however, their income exceeds the limits of the Title XIX program.

"Medically Necessary Covered Behavioral Health Services" means those covered services provided by qualified service providers within the scope of their practice to prevent disease, disability and other adverse health conditions or their progression or to prolong life.

"Member" means a person eligible for AHCCCS who is enrolled with an acute contractor or Indian Health Services for whom ADHS has responsibility to provide behavioral health services.

"Member Information Materials" means any materials given to enrolled persons. This includes, but is not limited to: member handbooks, member newsletters, surveys, and health related brochures and videos. It includes the templates of form letters and website content as well.

"Metropolitan Tucson" means, for purposes of this Contract, Tucson, Green Valley, San Xavier, South Tucson and Marana.

"Multi Agency Team" means a team that serves children/adolescents and includes all individuals involved providing or potentially providing services to a client/family. The team will consist of the enrolled individual, family members and representatives from agencies appropriate to the child's and family's needs, including mental health, health, substance abuse treatment, educations, child welfare, juvenile justice, vocational counseling and rehabilitation.

"Non Title XIX/XXI Eligible Person" means an individual who needs or may be at risk of needing covered services, but does not meet Federal and State requirements for Title XIX or Title XXI eligibility.

"Non Title XIX/XXI Funding (also may be called 'Subvention Funding')" means fixed, non-capitated funds, including funds from CMHS and SAPT, State appropriations (other than state appropriations to support the Title XIX and Title XXI programs), counties and other funds, which are used for services to Non Title XIX/XXI eligible persons and for services not covered by Title XIX or Title XXI provided to Title XIX and Title XXI eligible persons.

"Offer" means a bid, proposal or quotation.

"Offeror" means a vendor who responds to a Solicitation as defined in Section B, paragraph 1.h.

"Outreach" means programs and activities to identify and encourage enrollment of individuals in need of behavioral health services.

"Physician Assistant" means a person licensed under ARS Title 32, Chapter 25. In addition, physician assistants providing a behavioral health service shall either work under the supervision of an AHCCCS registered psychiatrist or meet the licensure requirements of a behavioral health medical practitioner.

"**Post Stabilization Services"** means medically necessary covered behavioral health services, related to an emergency medical condition, provided after the member's condition is sufficiently stabilized so that the member could alternatively be safely discharged or transferred to another location.
"Potential Enrollee" means a Medicaid eligible recipient who is not yet enrolled with an acute care contractor. See definition of Member.

"Primary Care Provider/Practitioner (PCP)" is an individual who meets the requirements of ARS 36-2901, and who is responsible for the management of a member's health care. A PCP may be a physician defined as a person

licensed as an allopathic or osteopathic physician according to ARS Title 32, Chapter 13 or Chapter 17, or a practitioner defined as physician assistant licensed under ARS Title 32, Chapter 25, or a certified nurse practitioner licensed under ARS Title 32, Chapter 15.

“Prior Authorization” means an action taken by ADHS/DBHS, a T/RBHA or a subcontracted provider that approves the provision of a covered behavioral health service prior to the service being provided.

“Privileging” means methodology and criteria used to deem clinicians competent to perform their assigned responsibilities, based on experience, training, supervised practice and/or competency testing.

“Procurement Officer” means the person duly authorized to enter into and administer Contracts and make written determinations with respect to the Contract or his or her designee.

“Profit” means the excess of revenues over expenditures, in accordance with Generally Accepted Accounting Principles, regardless of whether the Contractor is a for-profit or a not-for-profit entity.

“Provider” means an organization and/or behavioral health professional that meets the criteria established in this contract and is under contract with ADHS or one of its subcontractors to provide behavioral health services to eligible and enrolled persons.

“Provider Network” means the agencies, facilities, professional groups or professionals under subcontract to the Contractor to provide covered services to eligible and enrolled persons and includes the Contractor to the extent the Contractor directly provides covered services to eligible and enrolled persons.

“Psychiatrist” means a person who is a licensed physician as defined in ARS Title 32, Chapter 13, Chapter 17 and who holds psychiatric board certification from the American Board of Psychiatry and Neurology; the American College of Osteopathic Neurologist and Psychiatrists; or the American Osteopathic Board of Neurology and Psychiatry; or is board eligible.

“Psychologist” means a person licensed under ARS Title 32, Chapter 19.1.

“Public Institution (as referenced in 42 CFR 435.1009)” means a facility which is under the responsibility of a governmental unit, or over which a governmental unit exercises administrative control. This control can exist when a facility is actually an organizational part of a governmental unit, or when a governmental unit exercises final administrative control, including ownership and control of the physical facilities and grounds used to house inmates. Administrative control can also exist when a governmental unit is responsible for the ongoing daily activities of a facility, for example when facility staff members are governmental employees, or when a governmental unit, board or officer has final authority to hire and fire employees.

“Qualified Medicare Beneficiary (QMB)” means a person eligible under A.R.S. ' 36-2971(4), who is entitled to Medicare Part A insurance and meets certain income and residency requirements of the Qualified Medicare Beneficiary program. A QMB who is also eligible for Medicaid is commonly referred to as a QMB dual eligible. On 4/01/01 most QMBs became SSI-MAO/QMB duals.

“Reduction of Service” occurs when a decision is made to reduce the frequency or duration of an ongoing service and does not include a planned change in service frequency or duration that is initially identified in the person’s service plan and agreed to in writing by the person receiving services or his/her legal guardian.

“Referral” means any oral, faxed, or electronic request for behavioral 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 state or community agency.

“Regional Behavioral Health Authority (RBHA)” means an organization under Contract with the ADHS to coordinate the delivery of behavioral health services to eligible and/or enrolled persons in a specific geographic service area(s) of the State.

“Registered Nurse” means a person who is licensed by the Arizona Board of Nursing as specified in A.R.S. Title 32, Chapter 15. In addition, a registered nurse providing a behavioral health service to a member must have a minimum of one (1) year of experience in a behavioral health-related field as specified in 9 AAC, Chapter 20.

"Rehabilitative Services" means covered services provided to remediate disability that is related to, caused by, or associated with a behavioral health disorder.

"Related Party" means a party that has or may have, the ability to control or significantly influence a Contractor, or a party that is, or may be, controlled or significantly influenced by a Contractor. Related parties include, but are not limited to, agents, managing employees, r persons with an ownership or controlling interest in the disclosing entity and their immediate families, subcontractors, wholly-owned subsidiaries or suppliers, parent companies, sister companies, holding companies, and other entities controlled or managed by any such entities or persons.

"Request for Hearing" means a request for an expedited hearing with AHCCCS.

"Request for Investigation" means a request for a formal investigation pursuant to AAC R9-21-401.

"Request for Proposal" means a request for a proposal as detailed in ARS Title 41, Chapter 23, Arizona Procurement Code and includes any amendments to the request for proposals.

"Residential Treatment Center (RTC)" means an inpatient psychiatric facility for persons under the age of 21, accredited by JCAHO, COA, or CARF and licensed by ADHS as a Level I pursuant to AAC 9, Chapter 20.

"Second-Level Review" means an evaluation of an enrolled person or their medical record to assess the adequacy and clinical soundness of their assessment and treatment plan, to verify determination of serious mental illness, and/or to deny admission or continued stay to a Hospital, Psychiatric Hospital, Sub-Acute Facility or RTC.

"Senate Bill 1280 (SB1280)" means Senate Bill 1280 pursuant to laws 2000 regarding the ADHS and Arizona Department of Economic Security IGA for the provision of joint substance abuse treatment.

"Seriously Emotionally Disturbed" means those children from birth up to age 18 who meet diagnostic requirements as set forth by the ADHS.

"Seriously Mentally Ill" means a condition of persons who are eighteen years of age or older and who, as a result of a mental disorder as defined in A.R.S. § 36-501, exhibit emotional or behavioral functioning which is so impaired as to interfere substantially with their capacity to remain in the community without supportive treatment or services of a long-term or indefinite duration. In these persons mental disability is severe and persistent, resulting in a long-term limitation of their functional capacities for primary activities of daily living such as interpersonal relationships, homemaking, self-care, employment and recreation.

"Service Authorization Request" means the enrolled person's request, through a behavioral health provider, for the provision of a covered service that requires prior authorization.

"Service Plan" means a written description of the covered behavioral health services and other informal supports that have been identified through the assessment process that will assist the person to meet his/her specified goals.

"Shall" means what is mandatory.
"Solicitation" means an Invitation for Bids (IFB), a Request for Proposals (RFP), or a Request for Quotations (RFQ).

"SMI Grievance" means a written complaint regarding an act, omission, condition or violation of a right of an individual with a serious mental illness.

"Special Healthcare Needs" means members who have serious and chronic, physical, developmental, or behavioral conditions, and who also require medically necessary behavioral health and related services of a type or amount beyond that required by members generally.

"State" means the State of Arizona.

"State Plan" means the written agreements between the State of Arizona and the CMS which describe how the AHCCCS programs meet all the CMS requirements for participation in the Medicaid program and the Children's Health Insurance Program.

"Subcontract" means any contract between the Contractor and a third party for the performance of all or a specified part of this Contract.

"Subcontracted Provider" means any third party with a subcontract with the Contractor for the provision of all or a specified part of covered services under this Contract.

"Subcontractor" means any third party, other than a subcontracted provider, engaged by the Contractor, in a manner conforming to the ADHS requirements.

"Substance" means any chemical matter that, when introduced into the body in any way, is capable of causing altered human behavior or altered mental functioning.

"Substance Abuse" means a maladaptive pattern of substance use manifested by recurrent and significant adverse consequences related to the repeated use of substances.

"Substance Dependence" means a cluster of cognitive, behavioral and physiological symptoms indicating that the individual continues use of the substance despite significant substance-related problems.

"Subvention" means fixed, non-capitated sources of funds, including CMHS and SAPT funding, State appropriations, county and other funds, which are used for non-entitled populations.

" Support Services means covered services provided to facilitate the delivery of or enhance the benefit received from other behavioral health services. Refer to the ADHS Covered Behavioral Health Services Guide for additional information.

"Third Party Liability" means the responsibility or obligation of a Third Party Payer to pay for all or part of the fees for covered services provided to an eligible or enrolled person, including an AHCCCS applicant or member as defined in R9-22-1001, by the Contractor or their subcontracted provider.

"Third Party Payer" means any entity, municipality, county, program or insurer that is, or may be liable to pay all, or part of, the fees for covered services provided to an eligible or enrolled person, including an AHCCCS applicant or member as defined in R9-22-1001. State agencies that provide services that are funded by State tax revenues are not considered Third Party Payers.

"Third Party Revenue" means revenue collected from Third Party Payers for reimbursement of all or part of fees for covered services provided to an eligible or enrolled person, including an AHCCCS applicant or member as defined in R9-22-1001.

"Title XIX" means Title XIX of the Social Security Act, as amended. This is the Federal statute authorizing Medicaid that is administered by the AHCCCSA.

"Title XIX Covered Services" means those covered services identified in the ADHS Covered Behavioral Health Services Guide as being Title XIX reimbursable.

"Title XIX Eligible Person" means an individual who meets Federal and State requirements for Title XIX eligibility.

"Title XIX Member" means an AHCCCS member eligible for Federally funded Medicaid programs under Title XIX of the Social Security Act including those eligible under section 1931 provisions of the Social Security Act (previously AFDC), Sixth Omnibus Budget Reconciliation Act (SOBRA), Supplemental Security Income (SSI), SSI-related groups, Title XIX Waiver Groups, Medicare Cost Sharing groups, Breast and Cervical Cancer Treatment program and Freedom to Work.

"Title XIX Waiver Member" means all AHCCCS Medical Expense Deduction (MED) members, and adults or childless couples at or below 100% of the Federal Poverty Level who are not categorically linked to another Title XIX program. This would also include Title XIX linked individuals whose income exceeds the limits of the categorical program.

"Title XXI" means Title XXI of the Social Security Act, referred to in federal legislation as the Children's Health Insurance Program (CHIP) and the Arizona implementation of which is referred to as "KidsCare".

"Title XXI Covered Services" means those covered services identified in the ADHS Covered Behavioral Health Services Guide as being Title XIX reimbursable.

"Title XXI Eligible Person" means an individual who meets Federal and State requirements for Title XXI eligibility.

"Title XXI Member" means a member eligible for acute care services under Title XXI of the Social Security Act, referred to in federal legislation as the "State Children's Health Insurance Program (SCHIP). The Arizona version of SCHIP is referred to as "KidsCare".

"Title XXI Waiver Member" means parents/stepparents of KidsCare or SOBRA children whose family income is up to two hundred percent (200%) of the Federal Poverty Level, have no other health insurance and meet other eligibility requirements.

"Transition Period" means the time period beginning on the award date of the contract, necessary, in the sole discretion of the ADHS, to convert from the current entity under contract with the ADHS to serve as the Regional Behavioral Health Authority in the Geographical Service Area awarded to the Contractor.

"Treatment" means the range of behavioral health care received by a member that is consistent with the therapeutic goals.

"Treatment Services" means covered services provided to identify, prevent, eliminate, ameliorate, improve or stabilize specific symptoms, signs and behaviors related to, caused by, or associated with a behavioral health disorder.

"Tribal RBHA" means a Native American Indian tribe under Contract with the ADHS to coordinate the delivery of behavioral health services to eligible and enrolled persons who are residents of the Federally recognized Tribal Nation.

SECTION C – PROGRAM REQUIREMENTS

1. INTRODUCTION:

The Arizona Department of Health Services, Division of Behavioral Health Services (ADHS) serves as the single state authority to provide coordination, planning, administration, regulation and monitoring of the state public behavioral health system. In this solicitation, the ADHS is seeking qualified organizations to operate as Regional Behavioral Health Authorities (RBHA) for fourteen counties across the State assigned to five of the six designated geographic service areas (GSAs). The fourteen counties and respective GSAs are as follows:

GSA*	Counties**
1.	Mohave, Coconino, Apache, Navajo and Yavapai
2.	Yuma and La Paz
3.	Graham, Greenlee, Santa Cruz, Cochise
4.	Pinal and Gila
5.	Pima
6.	Maricopa County*]

*Maricopa County is not included in this RFP.

RBHAs are responsible for the operation and coordination of the behavioral health service delivery network, including contracting and payment for a full range of behavioral health care and prevention services to children, adults with serious mental illness, adults with substance abuse/dependence and general mental health disorders and monitoring and improving the effectiveness of services. RBHAs are also required to assess the service needs in their GSAs and develop a plan for filling existing service gaps.

The RBHAs receive capitation payments from the ADHS to deliver Title XIX and Title XXI services and are allocated a fixed monthly non Title XIX/XXI payment for services to persons who are not Title XIX or Title XXI eligible. Each Contractor shall be required to establish a separate corporate entity for its Arizona line of business. This corporate entity shall be limited to providing behavioral health services within the state of Arizona.

The ADHS determined that it is in the best interest of the state of Arizona to limit the number of GSAs for which an Offeror is awarded a contract under this RFP. The Contractor awarded GSA 6 (Maricopa County) is precluded from receiving a contract for any additional GSA(s).

The Offeror awarded GSA 5 will not be awarded more than one other GSA regardless of the number of GSAs requested in the Offeror's proposal response. If the Offeror awarded GSA 5 submits proposals for more than one other GSA, the award of another GSA to that Offeror will be determined by the highest score for another GSA. Assuming the Offeror is awarded GSA 5 and one other GSA, any proposals by that Offeror for other GSAs will not be considered susceptible of award.

2. BEHAVIORAL HEALTH SYSTEM GUIDING PRINCIPLES:

The Contractor's System of Care shall be consistent with the achievement of the following goals:

a. Easy Access:

i. Information and education about behavioral health disorders and how to access service is readily available to the general public.

ii. Outreach and prevention is provided to vulnerable and at-risk populations.

iii. Title XIX and Title XXI eligible and other at risk populations are routinely screened for common behavioral health disorders such as depression, substance abuse and attention deficit disorder.

iv. Eligible persons identified as needing behavioral health services are assessed and served promptly.

v. Support and self-help is available to people before, during and after disenrollment in the behavioral health system.

b. Consumer and Family Involvement:

i. Enrolled persons and their families are active participants in planning for and evaluating the services provided to them.

ii. Service strategies routinely include instruction and support in self-management of behavioral health disorders, relapse-prevention and recovery.

iii. Consumer-run services are effectively integrated into the service delivery system.

iv. Enrolled persons and their families have an active role in program design, program evaluation, policy development and prioritization of behavioral health resources.

c. Collaboration with the Greater Community:

i. Behavioral health providers actively engage general medical, child welfare, criminal justice, education and other social service providers in the planning and delivery of integrated services to enrolled persons and their families.

ii. Prevention, early intervention, crisis response, treatment, rehabilitation, recovery and community integration services are designed to meet the culturally diverse needs of local communities.

iii. Resources are flexibly aligned with identified community need. Changes to the behavioral health service system are planned and evaluated with participation by consumers, families, other service agencies and key community leaders.

iv. Access to housing, employment, medical and dental care, and other community services needed by enrolled persons are maximized through strategic partnerships.

v. Coordination with a variety of professional, technical and para-professional staff who can support the goals and treatment strategies, which support growth and recovery.

d. Effective Innovation:

i. Services are delivered and providers are continuously educated in accordance with evidence-based “best practices and empirical evaluation of provider results.

ii. The service system recognizes that substance abuse/dependence and other mental health disorders are inextricably intertwined and integrated approaches to substance abuse/dependence and mental health evaluation and treatment are the community standard.

iii. Service delivery models shown to be effective in other parts of the country are evaluated and, where appropriate, applied locally.

e. Expectation of Improvement:

i. Services are delivered with the explicit goal of assisting people to achieve or maintain recovery, gainful employment, success in age-appropriate education, return to or preservation of adults, children and families in their own homes, avoidance of delinquency and criminality, self-sufficiency and meaningful community participation.

ii. Services are continuously evaluated and modified if they are ineffective in helping to meet these goals.

iii. Behavioral health practitioners instill hope in even the most disabled that achievement of these goals is a desirable and realistic possibility.

f. Cultural Competency

i. Service providers are recruited, trained and evaluated based on competence in linguistically and culturally appropriate assessment, location of service sites, outreach strategies and outcomes.

ii. Corporate management reflects cultural diversity in values and policies.

iii. The Contractor and subcontracted service providers strive to improve through periodic cultural self-assessment and program modification.

3. ELIGIBILITY AND SCOPE OF SERVICES:

The Contractor shall develop, maintain and monitor a continuum of covered services for its contracted Geographic Service Area(s).

a. The Contractor, either directly or through subcontractors, shall be responsible for the provision of all medically necessary covered behavioral health services to all AHCCCS Title XIX and Title XXI eligible/enrolled children and adults and non-Title XIX individuals with a serious mental illness, in accordance with applicable Federal, State and local laws, rules, regulations and policies, including services described in this document and those incorporated by reference throughout this document. The Contractor may delegate responsibility for services and related activities under this contract, but remains ultimately responsible for compliance with terms of this contract. The Contractor shall ensure that its Provider Manual is made available to all contracted service providers. The Contractor shall provide technical assistance to providers regarding covered services, encounter submission and documentation requirements on an as needed basis. The services are described in detail in AHCCCS Rules R9-22, Article 12 and R9-31, Article 12, the AHCCCS Medical Policy Manual, Arizona Administrative Code R9-21 and the ADHS Covered Behavioral Health Services Guide.

b. For populations other than individuals with a serious mental illness, the Contractor shall prioritize the delivery of non-Title XIX covered services based on the availability of Non-Title XIX funding and consistent with ADHS Policy.

c. The Contractor may not arbitrarily deny or reduce the amount, duration, or scope of a required service solely because of the behavioral health diagnosis, type of illness, or condition of the eligible or enrolled person. The Contractor may place appropriate limits on a service on the basis of criteria, or for utilization control, provided the services furnished can reasonably be expected to achieve their purpose.

d. Except as specified below, the Contractor is responsible to ensure that all Title XIX and Title XXI eligible persons, including DDD/ALTCS, receive all Title XIX or Title XXI medically necessary covered behavioral health services. The Contractor is not responsible for the provision of Title XIX or Title XXI covered services to:

i. Title XIX eligible persons in the Arizona Long Term Care System (ALTCS) for the elderly and physically disabled;

ii. Title XIX eligible persons who are eligible for only family planning services under the SOBRA requirements.

e. The Contractor shall use non Title XIX/XXI funding to provide covered services, subject to available funding, consistent with other requirements of this Contract and ADHS Policy, on a continuous basis throughout the contract year.

f. Medically necessary covered behavioral health services shall be provided in accordance with ADHS/DBHS Provider Manual and the ADHS/DBHS Covered Behavioral Health Services Guide. The Contractor must ensure that the services are sufficient in amount or scope to reasonably be expected to achieve the purpose for which the services are furnished. Medically necessary covered behavioral health services must be related to the member's ability to achieve age-appropriate growth and development, and to attain, maintain, or regain functional status.

g. Eligible persons currently enrolled with a Contractor shall remain enrolled with that Contractor regardless of a subsequent move out of that Contractor's GSA unless and until the enrolled person is transitioned to an ALTCS Contractor, other Contractor or service provider, as applicable, and such transfer occurs in accordance with the ADHS Provider Manual prior to disenrollment.

h. AHCCCS will provide ADHS and the subcontracted RBHAs with security access to automated Title XIX and Title XXI eligibility information. AHCCCS will provide ADHS appropriate technical assistance in interpreting the on-line systems. ADHS will provide appropriate technical assistance to the RBHAs in interpreting the on-line system. Computer

terminals shall provide ADHS and subcontracted RBHAs with on-line read-only access to AHCCCS member information.

i. The Contractor shall be responsible for verifying the Title XIX and Title XXI eligibility status of members who require behavioral health services. The Contractor shall also respond to inquiries from AHCCCS acute care contractors, their PCPs, ALTCS Program Contractors, service providers and eligible persons regarding specific information about eligibility for Title XIX and Title XXI and behavioral health coverage. Contractors and Providers may use AHCCCS' web-based verification and/or AHCCCSA's contracted Medicaid Eligibility Verification Services (MEVS) to verify Title XIX and Title XXI eligibility 24 hours a day, 7 days a week. Also available is the Interactive Voice Response (IVR) system, 24 hours a day, 7 days a week. Providers making inquiries outside regular business hours may use the AHCCCS Communications Center, which is available until midnight for eligibility verifications

j. The Contractor shall notify AHCCCS Division of Member Services when the Contractor becomes aware of a member's death or out-of-state move that may impact a member's eligibility status.

k. The Contractor shall provide pre-petition and court-ordered evaluation services in accordance with Arizona Revised Statutes, Title 36, Chapter 5, Article 4 provided the County either enters into an Intergovernmental Agreement with ADHS to provide funds to pay for pre-petition and court-ordered evaluation services or the Contractor contracts directly with the County to provide pre-petition and court-ordered evaluation services on the County's behalf.

4. COVERED SERVICES:

The Contractor shall ensure that a continuum of services consistent with ADHS/DBHS Covered Behavioral Health Services Guide is available to meet the needs of eligible and enrolled persons. A comprehensive listing of service codes, including limitations, such as Title XIX or Title XXI reimbursability and allowed provider types, can be found in the ADHS Service Matrix and ADHS Covered Behavioral Health Services Guide. All service codes, unless explicitly stated otherwise, refer to both substance abuse/dependence and mental health services and populations. A listing of covered services under this Contract is provided below (further detailed information regarding each individual service can be found in the ADHS Covered Behavioral Health Services Guide, which is incorporated by reference into this Contract):

a. Treatment Services
   i. Counseling
   ii. Consultation, Evaluation & Specialized Testing
   iii. Other Professional

b. Rehabilitation Services
   i. Living Skills Training
   ii. Cognitive Rehabilitation
   iii. Health Promotion
   iv. Supported Employment

c. Medical Services
   i. Medication
   ii. Laboratory, Radiology and Medical Imaging
   iii. Medical Management
   iv. Electro-Convulsive Therapy

d. Support Services
   i. Case Management
   ii. Personal Assistance
   iii. Family Support
   iv. Peer Support
   v. Therapeutic Foster Care
   vi. Respite Care
   vii. Housing Support
   viii. Interpreter
   ix. Flex Fund Services
   x. Transportation

e. Crisis Intervention Services
   i. Mobile

ii. Telephone
iii. Crisis Services

f. Inpatient Services (Level I Behavioral Health Facility)
i. Hospital
ii. Subacute
iii. Residential Treatment Center

g. Residential Services
i. Level II Therapeutic Behavioral Health Residential
ii. Level III Supervised Behavioral Health Residential
iii. Room and Board

h. Behavioral Health Day Program
i. Supervised Day Program
ii. Therapeutic Day Program
iii. Medical Day Program

i. Prevention Services

5. REFERRAL:

Except as specified in Section C, paragraph 3, Eligibility and Scope of Services, the Contractor shall accept and act upon referrals and requests for covered services from eligible persons or their guardians, family members, AHCCCS acute care contractors, PCPs, hospitals, courts, tribal governments, Indian Health Services, schools or other state or community agencies.

Upon a member's request, the Contractor must provide for a second opinion from a qualified health care professional within the network, or arrange for a member to obtain one outside the network at no cost to the member. For purposes of this paragraph, a qualified health care professional is a provider who meets the qualifications to be an AHCCCS registered provider of behavioral health services, and who is a physician, a physician assistant, a nurse practitioner, a psychologist or an independent Master's level therapist.

The Contractor or subcontracted provider shall follow all referral procedures outlined in the ADHS Provider Manual. The Contractor shall ensure that the final disposition of all referrals from PCPs, AHCCCS Health Plans, Department of Education/School Districts and state social service agencies is communicated to the referral source within 30 days of the member receiving an initial assessment. If a member declines behavioral health services, the final disposition must be communicated within 30 days of referral. The final disposition shall include, at a minimum, the date when the member was seen for an initial assessment and the name and contact information of the provider that will be assuming primary responsibility for the member's behavioral health care or that a follow-up to the referral was conducted but no services will be provided and the reason.

The Contractor shall accept and respond to emergency referrals twenty-four (24) hours a day, seven (7) days a week. Upon receipt of an emergency referral the Contractor must respond within 24 hours and must enroll the eligible person effective the date of the Contractor's response. Following a referral for a hospitalized Title XIX/XXI eligible person who is not enrolled with the Contractor, the Contractor must respond to the referral and must assume financial responsibility for the eligible person's continued medically necessary inpatient days by enrolling the eligible person. The Contractor must notify the inpatient facility in writing of the date on which the Contractor is assuming financial responsibility for the provision of all medically necessary covered behavioral health services for the enrolled person. The Contractor must also notify the inpatient facility in writing to submit any requests for prior authorization and payment to the Contractor.

6. ASSESSMENT:

The Contractor shall implement uniform assessment protocols, subject to ADHS approval, to ensure that eligible persons who need or request covered services receive timely and appropriate service, based on the need identified in the assessment. The protocols shall include a risk assessment of sufficient detail to determine need for immediate, urgent or routine services and shall include the following criteria:

a. presenting problem(s);
b. behavioral health treatment history;
c. current medical conditions;
d. mental status exam;

e. substance abuse
f. availability of family or environmental support; or
g. involvement with other agencies.

The Contractor shall ensure that eligible and enrolled individuals who are assessed receive services in accordance with required service delivery and appointment standards. (See Section C, Paragraph 10, Service Delivery, Paragraph 11, Appointment Standards, and Paragraph 9 Initial Assessments).

7. ENROLLMENT PROCEDURES:

The Contractor shall ensure that all eligible persons who receive covered services are enrolled in the ADHS Information System in a timely manner.

a. An eligible person shall be immediately enrolled when a provider delivers a covered behavioral health service, including emergency or crisis services. The effective date of enrolling an eligible person shall be no later than the date on which the first behavioral health service was delivered.

b. The Contractor shall ensure that complete, timely and accurate enrollment and assessment data is entered into the ADHS Information Systems in accordance with the ADHS Policy.. The Contractor may be sanctioned for untimely, missing, incomplete, inconsistent or inaccurate data, in accordance with the ADHS Financial Reporting Guide for Regional Behavioral Health Authorities and Tribal Regional Behavioral Health Authorities and Section C, paragraph 51, *Sanctions*.

c. The Contractor shall be responsible for verification of Title XIX and Title XXI eligibility and for notifying the ADHS about changes in status of Title XIX and Title XXI eligible persons. Loss of Title XIX or Title XXI eligibility is effective immediately upon death of the person, voluntary withdrawal from the program, or upon determination that the person is an inmate of a public institution.

d. The Contractor is responsible for determining potential eligibility for entitlements and for referring eligible and enrolled persons to the appropriate resource. The Contractor shall comply with ADHS Provider Manual including submitting monthly Title XIX and Title XXI Screening and Referral Report. The contractor shall utilize various data sources to ensure that providers are complying with the ADHS Provider Manual . These requirements are to be in conformity with ARS § 36-3408.

e. The Contractor may not refuse to enroll an eligible person who is a Native American Indian and who resides within the Geographic Service Area solely because the eligible person is also eligible for enrollment in a Tribal RBHA. However, the Contractor may refuse to enroll a Native American Indian who the Contractor has verified is already enrolled with a Tribal RBHA. Should an enrolled person choose to transfer covered services from the Tribal RBHA to the Contractor, the ADHS Provider Manual requirements shall be followed.

f. The Contractor shall implement protocols to ensure the accuracy, completeness and timeliness of all required data submissions (see Section C, paragraph 8, Disenrollment Procedures).

8. DISENROLLMENT PROCEDURES:

The Contractor and its subcontracted providers shall comply with all ADHS policies related to disenrollment.

a. For enrolled persons who, based on the judgment of the clinical liaison are at risk of relapse, impending or continuing decompensation, deterioration, or potential harm to self or others, the Contractor or subcontracted providers shall make repeated attempts, including follow-up telephone calls and home visits, to re-engage enrolled persons who refuse services or who fail to appear for appointments.

   i. There shall be documented attempts to contact the person by phone or face-to-face, in accordance with the ADHS Provider Manual.

   ii. For enrolled persons who meet the applicable criteria and cannot be re-engaged in service the Contractor shall ensure that court ordered evaluation and treatment procedures are appropriately utilized.

b. For persons who are not at risk of relapse, decompensation, deterioration, or potential harm to self or others, documented attempts shall be made to re-engage the person, in accordance with the ADHS Provider Manual and requirements.

c. If an enrolled person who is still in need of covered services must be disenrolled as a result of a change in age, a move out of area, Title XIX/XXI eligibility, or change in who is responsible to provide the covered services, the Contractor or subcontracted provider shall assist the enrolled person to transition to another Contractor or service provider prior to disenrollment. If the enrolled person is receiving psychotropic medications, the Contractor or subcontracted provider shall ensure that an appropriate medical professional gradually decreases the medications in a medically safe manner, or continues to prescribe psychotropic medications until an alternate provider has assumed responsibility for care of the enrolled person.

The RBHA shall cooperate when an enrolled person is to be transitioned between contractors. This shall include identification of transitioning members, provision of appropriate referrals, forwarding of the medical record as allowed under federal law and transferring responsibility for court orders, as applicable.

d. The Contractor shall describe in its Annual Provider Network Evaluation and Provider Sufficiency Plan how priority will be given to enrolled persons who have lost Title XIX or Title XXI eligibility or who require ongoing psychotropic medication, including Methadone or other long-acting opiates for continued stability and/or community safety.

e. When a person no longer requires covered services, or when repeated attempts to re-engage the person in accordance with 8.a. above are unsuccessful, the person shall be disenrolled.

f. Required disenrollment and final assessment data must be submitted to the ADHS Information System within 14 days of the disenrollment date.

9. INITIAL ASSESSMENTS:

a. All initial assessments shall be performed by a clinician who is credentialed and privileged and who is either a behavioral health professional or a behavioral health technician under the supervision of a behavioral health professional.

b. For members referred for or identified as needing on going psychotropic medications for a behavioral health condition, the Contractor will ensure the review of the initial assessment and treatment recommendations by a licensed medical professional with prescribing privileges;

c. The Contractor shall implement privileging criteria, subject to ADHS approval, for the performance of initial assessments.

10. SERVICE DELIVERY

a. The Contractor's responsibility under this contract is limited to coverage and payment of medically necessary covered behavioral health services as described in Paragraph 4 Covered Services, provided to members with behavioral health (mental health and substance abuse) conditions.

b. Authorization of Services: For the processing of requests for initial and continuing authorization of services, the Contractor shall implement ADHS policy, have mechanisms in place to ensure consistent application of review criteria for authorization decisions, and consult with requesting providers as necessary. Any decision to deny a service authorization request or to authorize a service in an amount, duration, or scope that is less than requested, shall be made by a health care professional who has clinical expertise in treating the enrolled person's condition or disease. For purposes of this paragraph, a health care professional is a provider who meets the qualifications to be an AHCCCS registered provider of behavioral health services and who is a physician or a nurse practitioner.

c. Notice of Adverse Action: The Contractor shall ensure notification to requesting providers and give the enrolled person written notice of any decision to deny a service authorization request or to authorize a service in an amount, duration or scope that is less than requested. The notice shall meet the requirements of 42 CFR Section 438.404, except for the requirement that the notice to the provider be in writing.

d. The Contractor shall implement ADHS policy as set forth in ADHS/DBHS documents, manuals, plans or performance standards and monitoring processes to ensure active treatment for all enrolled persons and continuity of care between providers, settings and treatment episodes, including:

i. Provision of emergency appointments within 24 hours of referral or request for services, including but not limited to, responding to hospitalized persons not yet evaluated nor enrolled, dispositioning the case and enrolling the person in the behavioral health system within 24 hours of notification;

ii. Provision of routine appointments for initial assessment within 7 days of the referral date;

iii. Provision of routine appointments for ongoing covered services within 23 days of the initial assessment date; and;

iv. Assignment to a clinical liaison who is credentialed and privileged by the RBHA to serve as a fixed point of accountability

e. The clinical liaison is responsible for providing clinical oversight, working in collaboration with the enrolled person and his/her family or significant others to implement an effective treatment plan, and serves as the point of contact, coordination and communication with other systems where clinical knowledge of the case is important. The clinical liaison is responsible for facilitating decision-making regarding the enrolled person's behavioral health care, including:

i. Assessments and treatment recommendations are completed in collaboration with member/family and with clinical input from a clinician who is credentialed and privileged and who is either a behavioral health professional or a behavioral health technician under the supervision of a behavioral health professional.

ii. Responsibility is defined or assigned to ensure the following activities are performed as part of the service delivery process:

(1) Ongoing engagement of the member, family and others who are significant in meeting the behavioral health needs of the member, including active participation in decision-making process.

(2) Assessments are performed to elicit strengths, needs and goals of the member and his/her family, identify the need for further or specialty evaluations that lead to a treatment plan which will effectively meet the member's needs and result in improved health outcomes.

(3) For members referred for or identified as needing ongoing psychotropic medications for a behavioral health condition, ensure the review of the initial assessment and treatment recommendations by a licensed medical practitioner with prescribing privileges.

(4) Provision of all covered services as identified on the treatment plan that are clinically sound, necessary, including referral to community resources as appropriate and for children, services are provided consistent with the Arizona Vision and Principles.

(5) Continuous evaluation of the effectiveness of treatment through the ongoing assessment of the member and input from the member and other relevant persons resulting in modification to the treatment plan, if necessary.

(6) Ongoing collaboration, including the communication of appropriate clinical information, with other individuals and/or entities with whom delivery and coordination of covered services is important to achieving positive outcomes, e.g., primary care providers, school, child welfare, juvenile or adult probations, other involved service providers.

(7) As applicable, clinical oversight to ensure continuity of care between inpatient and outpatient settings, services and supports.

iii. Transfers out-of-area, out-of-state, or to an ALTCS Contractor, as applicable.

iv. Development and implementation of transition, discharge, and aftercare plans prior to discontinuation of behavioral health services.

v. Documentation of the above is maintained in the enrolled person's behavioral health record by the point of contact as identified in (e.) above.

11. APPOINTMENT STANDARDS:

The Contractor shall ensure, and require all subcontracted providers to ensure, that eligible and enrolled persons receive covered services in accordance with the ADHS Provider Manual and the ADHS/DBHS Covered Behavioral Health Services Guide.

12. BEHAVIORAL HEALTH RECORDS:

The Contractor shall ensure, and through the terms of each subcontract require all subcontracted providers to ensure, that the behavioral health records of enrolled persons created or maintained by the Contractor and subcontracted providers are maintained in a detailed, comprehensive and timely manner which conforms to good professional practice, permits effective professional review and audit and facilitates prompt and systematic retrieval of information and follow-up treatment. The Contractor or subcontracted provider shall follow all requirements and procedures outlined in the ADHS Provider Manual.

13. CRISIS SERVICES:

The Contractor shall maintain a 24-hour, seven day a week crisis response service for eligible and enrolled persons that meets all the timeline requirements and has an adequate array of providers to provide all services identified in the ADHS Provider Manual and Paragraph 3, Covered Services of this contract.

Emergency medical services (e.g. crisis services) do not require prior authorization but shall be delivered in compliance with R9-22-210, R9-31-210, R9-22-1205 and R9-31-1205 and the ADHS/DBHS Provider Manual.

a. Coverage and Payment for Emergency Behavioral Health Services:

i. The Contractor must ensure coverage and payment for emergency medical services for Title XIX/Title XXI eligible and enrolled persons regardless of whether the provider that furnishes the service has a contract with the Contractor or a subcontracted provider.

ii. The Contractor must cover and pay for post-stabilization care services without an authorization, regardless of whether the provider that furnishes the service has a contract with the Contractor or a subcontracted provider for the following situations;

(1) Post-stabilization care services that were pre-authorized by the Contractor or subcontracted provider; or

(2) Post-stabilization care services that were not pre-approved by the Contractor or subcontracted provider because the Contractor or the subcontracted provider did not respond to the treating provider's request for pre-approval; or

(3) The Contractor's or subcontracted provider's representative and the treating physician cannot reach agreement concerning the member's care and the Contractor's or subcontracted provider's physician is not available for consultation. In this situation, the Contractor or subcontracted provider must give the treating physician the opportunity to consult with a contracted physician and the treating physician may continue with care of the member until a contracted physician is reached or one of the criteria in 42 CFR 422.113 Section (c) (3) is met.

(4) Pursuant to 42 CFR 422.113 (c) (3), the Contractor's or subcontracted provider's financial responsibility for post-stabilization services that have not been pre-approved ends when:

(a) The Contractor's or subcontracted provider's physician with privileges at the treating hospital assumes responsibility for the member's care;

(b) The Contractor's or subcontracted provider's physician assumes responsibility for the member's care through transfer;

(c) A representative of the Contractor or the subcontracted provider reach an agreement concerning the member's care; or

(d) The member is discharged

iii. The Contractor cannot deny payment for treatment obtained under either of the following circumstances:

(1) An eligible or enrolled person had an emergency medical condition, including cases in which the absence of medical attention would not have resulted in the outcomes identified in the definition of emergency medical condition found in 42 CFR 438.114; or

(2) A representative of the Contractor or a subcontracted provider instructs the eligible or enrolled person to seek emergency medical services.

iv. The Contractor or its subcontracted provider may not:

(1) Limit what constitutes an emergency medical condition as defined in 42 CFR 438.114, on the basis of lists of diagnoses or symptoms;

(2) Refuse to cover emergency medical services based on the failure of the subcontracted provider, other provider, hospital or fiscal agent to notify the Contractor or its subcontracted providers of the eligible or enrolled person's screening and treatment within 10 calendar days of presentation for emergency services. This notification stipulation is only related to the provision of emergency services in an inpatient hospital emergency room.

v. An eligible or enrolled person who has an emergency medical condition may not be held liable for payment of subsequent screening and treatment needed to diagnose the specific condition or stabilize the patient.

vi. The attending emergency physician, or the provider actually treating the eligible or enrolled person, is responsible for determining when the person is sufficiently stabilized for transfer or discharge, and such determination is binding on the Contractor and its subcontractors.

vii. When Title XIX and Title XXI members present in an emergency room setting, the member's AHCCCS acute care health plan is responsible for all emergency medical services including triage, physician assessment and diagnostic tests. The Contractor is responsible for psychiatric and/or psychological consultations provided to Title XIX and Title XXI ADHS enrolled members in emergency room settings.

viii. The Contractor is responsible for payment for the transportation of Title XIX/XI eligible or enrolled persons with an emergency medical condition to the emergency room including situations where the person is directed by a representative of the Contractor or its subcontractors to present to this setting to resolve a behavioral health crisis.

b. General requirements

i. Crisis services shall be designed for crisis prevention, intervention and resolution, not merely triage and transfer, and shall be provided in the least restrictive setting possible, consistent with individual and family need and community safety.

ii. The Contractor and subcontracted provider(s) of crisis services shall initiate a collaborative effort with fire, police, EMS, hospital emergency departments and other providers of public health and safety services to:

(1) coordinate dispatch, assessment, transportation and crisis interventions with local community crisis providers (police, fire, ambulance, county health departments, hospitals);

(2) develop protocols for and education on the appropriate use of the Contractor's crisis services vs. hospital emergency departments; and

(3) meet regularly with representatives of fire, police, EMS and hospital emergency departments to coordinate services and to assess and improve the Contractor's crisis response services.

iii. The Contractor shall have a protocol for access to medical services for medical emergencies and for determination of medical stability prior to admission to any psychiatric facility without on site medical services.

iv. If crisis staff determine that the person receiving crisis services may need court-ordered evaluation pursuant to ARS §36-520 et seq, a referral shall be made to the agency under contract with the county to provide pre-petition screening, if other than the Contractor.

c. Phone Response

A telephone number shall be available in all areas on a 24-hour, seven day a week basis, and shall be publicized to the community (ies) served by the number. Crisis phone response shall include triage, referral and dispatch services and patch capabilities to and from 911and other crisis providers as applicable. Additionally:

i. Reception staff answering crisis phones must be trained by the contractor in identification and triage of individuals in distress.

ii. If the crisis phone response includes 911 or other community emergency personnel to provide initial identification and triage, the contractor shall ensure that such personnel:

(1) are trained to respond to and manage behavioral health crises;

(2) are familiar with resources available form the contractor and its subcontracted providers; and

(3) have a protocol for rapid access to inpatient or other emergency facilities funded by the contractor.

d. Walk-in and Drop-Off Services

The Contractor shall ensure sufficient availability of walk-in and/or drop-off crisis and detoxification capacity to meet the needs of eligible and enrolled individuals. Walk-in and drop-off capability shall be available 24 hours a day, seven days a week and include nursing or other medical staff capable of recording and evaluating vital signs and assessing emergent medical needs, and professional staff for preparation of petitions for court-ordered evaluations.

Walk-in and drop-off services shall be available, at a minimum:

i. Metropolitan Tucson: a minimum of one site;

ii. In all other areas, consistent with Appointment Standards for Crisis and Urgent Services.

e. Authorization of inpatient and subacute services:

i. The Contractor's crisis response function must render prior authorization decisions for non-emergency inpatient hospital admissions and subacute facility admissions within one hour of request. The Contractor shall monitor its performance against this standard and take appropriate action if it is determined that the standard is not being met.

ii. The Contractor shall ensure 24-hour access to a psychiatrist for any denials of inpatient admission.

f. Transportation

i. The Contractor shall provide covered emergency transportation of Title XIX/XXI eligible or enrolled persons to the emergency room in situations where the person is directed by a representative of the Contractor or its subcontractors to present to this setting to resolve a behavioral health crisis.

ii. Unless located in a general medical facility, the Contractor shall provide non-emergency transportation to a general medical facility for persons identified as requiring medical clearance prior to further behavioral health evaluation and treatment.

14. JOINT SUBSTANCE ABUSE TREATMENT FUND (SB1280)

The Contractor shall comply with programmatic guidelines established for the ADES/ADHS Intergovernmental Agreement for the Joint Substance Abuse Treatment Fund (Laws 2000, SB1280). The Contractor shall:

a. Accept referrals for Title XIX and Title XXI eligible and enrolled persons and families referred through local ADES Joint Fund contractors in accordance with ADHS Appointment Standards;

b. Provide medically necessary covered behavioral health services to referred Title XIX/XXI individuals and their family members;

c. Incorporate information and recommendations of the child welfare case plan and employability plan in the individual treatment plan;

d. Collaborate and coordinate with local ADES Joint Fund contractors to:

   i. Provide supplementary services to Title XIX/XXI individuals and families;

   ii. Minimize duplication of assessments;

   iii. Develop procedures for sharing information on clients receiving services in both systems.

e. Submit enrollment, assessment and disenrollment data using the SB 1280 Special Populations identifier in accordance with ADHS Provider Manual.

15. OUTREACH:

The Contractor shall provide outreach activities designed to inform eligible and enrolled persons of the availability of behavioral health services in accordance with ADHS Provider Manual.

Upon request, the RBHA shall conduct outreach and disseminate information to the general public, other human service providers, school administrators and teachers and other interested parties regarding behavioral health services available to Title XIX and Title XXI eligible or enrolled persons. The RBHA shall utilize penetration rates and other quality management measures to assess the effectiveness of RBHA outreach efforts.

16. COORDINATION OF CARE:

The Contractor shall collaborate with community and government agencies and individuals to coordinate the delivery of covered services with other services and supports needed by enrolled persons and their families, including but not limited to: general medical care; education, probation, parole, court services, services to the homeless, services for persons with developmental disabilities, the elderly, emergency medical services, child welfare, parks and recreation, religious institutions, housing and urban development, public health and safety services (including Emergency Medical Services, domestic violence services, fire, police and sheriff) and vocational services.

The Contractor shall support the participation of parents/primary caregivers, adolescents and children in the assessment and service planning process. A unified process of assessment, planning, service delivery and support among multiple agencies represents the preferred practice.

In addition to complying with Section C, paragraph 36, Intergovernmental and Interagency Service Agreements, the Contractor shall comply, and require subcontracted providers to comply, with all coordination requirements as established by the ADHS, in addition to the specific requirements referenced below.

a. Schools/Local Educational Authorities:

   The Contractor shall ensure that:

   i. prevention, screening and early identification programs are delivered in or near school settings, and are provided in collaboration with local educational authorities;

   ii. information and recommendations contained in the individual education plan (IEP) are considered in the development of the service plan for the enrolled person;

iii. the clinical liaison or designee participates with the school in development of the IEP to ensure that the most appropriate, least restrictive behavioral health services are recommended in the IEP; and

iv. transitional planning with the school occurs prior to and after discharge of an enrolled person from any out of home placement, including a residential treatment center to a local school authority.

b. Child Protective Services (ADES/ACYF):

The Contractor shall ensure that:

i. information and recommendations in the child welfare case plan are considered in the development of the service plan for the enrolled child, and that the ADES/ACYF case manager is invited to participate in the development of the service plan and all subsequent planning meetings;

ii. subcontracted providers coordinate, communicate and expedite behavioral health services to assist ADES in reducing the amount of time children spend in the custody of the state, improving stability of placements and in finding permanent placement for children, according to requirements addressing pertinent legal mandates.

c. Developmental Disabilities (ADES/DDD):

The Contractor shall ensure that:

i. information and recommendations in the Individual Program Plan developed by ADES, Division of Developmental Disabilities (DDD) staff are considered in the development of the service plan for the enrolled person and that the ADES/DDD staff involved with the enrolled person/child are invited to participate in the development of the service plan and all subsequent planning meetings; and

ii. persons with developmental disabilities who require psychotropic medication for the purpose of controlling, decreasing, or eliminating undesirable behaviors have service delivery plans for active treatment intended to produce remission of behavioral health signs and symptoms and achievement of optimal functioning, not merely management and control of unwanted behavior.

d. Arizona Department of Corrections (ADC), Arizona Department of Juvenile Corrections (ADJC), Administrative Offices of the Court (AOC), Juvenile and Superior Courts:

The Contractor shall ensure that:

i. information and recommendations contained in the probation or parole case plan are considered in the development of service plans for enrolled persons, and that probation or parole personnel involved with enrolled persons are invited to participate in development of the behavioral health service plan and all subsequent planning meetings;

ii. detention centers are informed of the availability of behavioral health services and of procedures to refer enrolled or eligible persons for services; and

iii. upon referral or request, the Contractor or its subcontracted providers evaluate and participate in transition planning prior to the release of eligible children and adolescents from public institutions back into the community.

e. Jails:

The Contractor shall ensure:

i. screening and assessment services to individuals who are in jail and are suspected to have a serious mental illness; and

ii. continuity of care, discharge planning and timely sharing of information for enrolled persons with a serious mental illness who are in or are leaving the jail.

f. AHCCCS Health Plans

i. The Contractor is responsible for coordination of care with the AHCCCS Health Plans and Primary Care Providers (PCPs) in accordance with the ADHS Provider Manual. The Contractor shall forward behavioral health records (copies or summaries of relevant information) of each Title XIX and Title XXI enrolled person to the PCP as needed to support quality medical management and prevent duplication of services. At a minimum, for all enrolled persons who are referred by the PCP or are determined by the Contractor to have a serious mental illness, the enrolled person's diagnosis and prescribed medications must be provided to the PCP. In addition, upon request by the PCP, information for any enrolled member must be provided to the PCP.

ADHS must approve any standardized forms developed by the Contractor and its subcontractors that may be utilized to meet these requirements. The Contractor shall monitor to ensure adherence with these coordination of care requirements through periodic review, trends in grievance and appeal and complaint data and other quality management activities.

In order to ensure effective coordination of care, proper consent and authorization to release information to Health Plans should be obtained. For medical records and any other health and member information that identifies a particular enrolled person, the Contractor must implement procedures consistent with confidentiality requirements in 45 CFR Parts 160 and 164, and ARS 36-509. Unless prescribed otherwise in federal regulations or statute, it is not necessary for the Contractors or its subcontracted providers to obtain a signed release form in order to share behavioral health related information with the PCP or the enrolled person's Health Plan Behavioral Health Coordinator acting on behalf of the PCP.

The Contractor will ensure that consultation services are available to health plan PCPs and have materials available for Acute Health Plans and PCPs describing how to access consultation, including methods to initiate a referral for ongoing behavioral health services. Enrolled persons being treated by the Contractor for mild depression, anxiety or attention deficit hyperactivity disorder may be referred back to the PCP for ongoing care only after consultation with and acceptance by the enrolled person and the enrolled person's PCP. Upon request, the Contractor or its subcontracted provider shall inform PCPs about the availability of resource information regarding the diagnosis and treatment of behavioral health disorders. The Contractor will systematically review the appropriateness of decisions to refer members to PCPs for ongoing care under the psychotropic medication initiative.

ii. The Contractor shall ensure physician-to-physician interaction when necessary between the prescribing physician, nurse practitioner or physician assistant and the primary care provider in cases involving medical conditions and/or medication interactions that pose a risk of harm to the enrolled person.

iii. The Contractor shall ensure that regular meetings are conducted with AHCCCS Health Plans to address any changes or problems with referral, coordination of care and any other relevant operational procedures.

iv. The Contractor and subcontracted providers shall inform all enrolled persons of the nature and extent of the treatment information that will be shared with the primary care physician to coordinate care.

v. The Contractor and subcontracted providers shall provide psychiatric consultation services for AHCCCS primary care providers who wish to prescribe psychotropic medications within their scope of practice. These services shall include:

(1) Upon request of the primary care provider, direct access to psychiatrists (or other behavioral health providers, if applicable);

(2) Provision of recommendations to the primary care provider by the psychiatrist:

(a) regarding the primary care provider's management of the eligible person's behavioral health condition; and

(b) regarding behavioral health services that should be performed through the Contractor or subcontracted provider in addition to psychotropic medication management by the primary care provider; or

(c) that ongoing management should be performed through the Contractor or subcontracted provider, based on the severity or complexity of the eligible persons' behavioral health condition; and

(3) Provision of information to AHCCCS Health Plans about how to access these services.

vi. The Contractor and subcontracted providers shall cooperate with ADHS and AHCCCS in implementing and complying with any additional policies and procedures established for monitoring and improving communication between acute care and behavioral health contractors and Subcontractors.

g. Other General Medical and Dental Providers:

i. The Contractor and subcontracted providers shall also ensure coordination of covered services with general medical care for non Title XIX/XXI enrolled persons.

ii. The Contractor shall ensure physician-to-physician interaction when necessary between the prescribing physician, nurse practitioner or physician assistant and the primary care provider in cases involving medical conditions and/or medication interactions that pose a risk of harm.

iii. The Contractor and subcontracted providers are encouraged to develop collaborative relationships with other medical and dental providers, including Federally Qualified Health Centers, to facilitate referrals and to coordinate provision of general medical, dental and behavioral health care.

h. Arizona State Hospital

See Section C, paragraph 57, Arizona State Hospital/Inpatient Facilities, for further coordination of care requirements.

i. Arizona Department of Economic Security/Disability Determination Services Administration (ADES/DDSA)

The Contractor shall coordinate sharing of information between the Contractor and AHCCCS/SSI-MAO to assist in an applicant's eligibility determination. Information will include the applicant's behavioral health history including the SMI status, as needed. The Contractor shall cooperate with ADHS and ADES/DDSA in its review and sampling of applicants' determinations of SMI status, in compliance with AHCCCS' state plan amendment.

17. VOCATIONAL SERVICES:

a. The Contractor shall comply with the Interagency Service Agreement (ISA) between the ADHS and the Arizona Department of Economic Security, Rehabilitation Services Administration (ADES/RSA), which applies to individuals with a serious mental illness. The Contractor shall:

i. collaborate and require its subcontracted providers to collaborate with Vocational Rehabilitation (VR) counselors and/or employment specialists in the development and monitoring of employment goals, and ensure that all related vocational activities are documented in the primary behavioral health record;

ii. involve the ADES/RSA staff in planning/contracting for day programming to ensure coordination and consistency with the ADES/RSA for delivery of vocational services;

iii. participate and cooperate with RSA in the development and implementation of a Regional Vocational Service Plan for the targeted population. The Regional Vocational Service Plan shall be developed in accordance with the ADHS/ADES ISA; and

iv. allocate and ensure its subcontracted providers allocate space and other resources for VR counselors/employment specialists working with enrolled persons who are seriously mentally ill.

v. the RBHA shall be responsible for providing covered vocational services as defined in the Covered Services Guide for Title XIX/XXI individuals for whom ADES/RSA services are not available.

vi. RBHAs will provide reports upon request that show the status of individuals who are receiving extended support services including whether or not extended support services are being delivered.

b. In addition, for all other populations, the Contractor shall:

   i. develop and implement programs to increase the number of enrolled persons who are successfully employed and satisfied with their vocational roles and environments using the combined resources of the Contractor, ADES/RSA, the ADHS/, the ADES/Jobs program and community rehabilitation programs;

   ii. ensure that enrolled persons are made aware of vocational options and how they access vocational programs; and

   iii. for Title XIX or Title XXI individuals, have an array of vocational services available to provide services if the individual is not eligible or available to receive services from DES/RSA.

18. HOUSING

Up to the level of funding from all sources that are available for housing, the Contractor shall be responsible for the development and management of a comprehensive housing program. The housing program shall include a range of housing options, from independent living to more restrictive settings.

The Contractor shall:

a. manage existing and pursue additional funding for housing;

b. have professional staff designated to coordinate the housing function, with technical knowledge of housing and established relationships between behavioral health and housing providers;

c. provide a unified mechanism for advocacy, networking and resource development related to housing issues;

d. accept any assignment of grant-funded contracts for housing programs, if directed to do so by the State:

   i. The Contractor shall assume, if so directed, management of all program activities and accountability to funding agencies as required under the assigned contract(s).

   ii. The Contractor, its subsidiary, or Subcontractor(s), shall be a non-profit entity that is capable and eligible to administer a variety of low-income housing grant programs as need and funding availability dictate, including rental assistance and real property-based housing programs requiring development, ownership and/or property management.

e. demonstrate and maintain the capacity to meet all requirements of existing housing grant programs;

f. have a housing function that pursues renewal funding for existing housing grant programs and develops new funding resources for housing, as need and available resources allow; and

g. if the contractor or subcontracted providers have developed housing based on HB2003 funding, additional monitoring and reporting requirements that are listed in the HB2003 section of this document also apply.

h. With respect to any new residential programs, which serve Arnold v ADHS class members, the Contractor shall not place class members in any new residential or housing program where more than eight persons reside at the same address. The Contractor shall have a preference for housing and residential programs of four persons or less. In addition, the Contractor shall not place a class member in any residential program in an apartment setting where more than 25% of the apartment units are occupied by class members placed in such a setting by the Contractor. The Contractor may request a waiver of this requirement from ADHS. This restriction does not apply to hospital or sub-acute settings.

19. RESERVED

20. PREVENTION PROGRAMS:

The Contractor shall develop and implement primary prevention programs in accordance with ADHS Covered Services Guide. Prevention services shall be provided for eligible non-enrolled persons, their families and communities to reduce the risk of

development or emergence of behavioral health disorders and to improve overall behavioral health status in targeted families and communities. The Contractor shall provide services through SAPT funded programs in accordance with Section C, Paragraph 38, provision of Services Support by the SAPT Performance Partnership Program.

The Contractor shall target prevention strategies and programs based on the following

a. provide services, based on identified risk factors,

b. communities and neighborhoods with high proportion of AHCCCS eligible/enrolled persons.

c. child and family serving organizations including local schools,

d. provide services through SAPT funded programs in accordance with Section C, paragraph 38, Provision of Services Supported by the SAPT Performance Partnership Program; and

e. Submit a report describing the Contractor's prevention system in a format prescribed by ADHS.

21. RESERVED:

22. COMMUNITY ADVISORY BOARD:

The Contractor shall develop and maintain an advisory board, based in each GSA, comprised of a balanced membership of enrolled persons, family members, other community representatives and advocates representing adults and children with behavioral health needs.

a. The Community Advisory Board shall provide recommendations to the Contractor for improvement in areas including but not limited to: program, network, operations and policy.

b. The Contractor shall provide an orientation, ongoing training, meeting schedules, functional role descriptions, and/or other information needed to ensure that the Community Advisory Board has sufficient information and understanding to fulfill their responsibilities.

c. This requirement shall not preclude the Contractor from maintaining a governing board whose composition includes community members at large. However, the Community Advisory Board shall have a direct reporting relationship to the Contractor's governing board if one exists.

d. At a minimum, the Community Advisory Board shall be consulted prior to:

  i. material changes in the provider network; and

  ii. changes in services and service priority to unentitled eligible and enrolled persons.

23. QUALITY MANAGEMENT AND IMPROVEMENT PROGRAM:

a. The Contractor shall institute processes to assess, plan, implement and evaluate the quality of care provided by to enrolled members.

b. The Contractor shall actively participate in data collection and analysis. The Contractor shall actively participate in the monitoring and tracking of quality improvement findings and shall take such actions as determined necessary to improve the quality of care to members. The Contractor shall undertake quality management activities to ensure compliance with federal regulations, AHCCCS and ADHS requirements, and adherence with its quality management plan.

c. The Contractor shall assess the subcontracted providers' quality management plan and program to measure compliance with federal regulations and AHCCCS and ADHS requirements.

d. The Contractor must provide their providers with technical assistance regarding quality management as needed and shall impose sanctions, including financial sanctions, for providers who consistently fail to meet quality management objectives, including, but not limited to, the submission of complete, timely and accurate quality data.

e. The Contractor shall comply with Chapter 900 of the AHCCCS Medical Policy Manual (AMPM) and with the following requirements related to quality management:

i. Annual Quality Management Performance Improvement (QM/PI) Plan: The Contractor shall submit a written QM/PI Plan by November 30th of each contract year that conforms with the requirements of Chapter 900 of the AHCCCS Medical Policy Manual and the ADHS Quality Management/Performance Improvement Plan. The Annual QM/PI Plan shall include an annual appraisal that assesses progress made by the Contractor in achieving the goals and objectives identified in the previous year's QM/PI Plan. The plan must be submitted to ADHS 30 days prior to planned implementation and must include a change matrix that identifies proposed changes in those sections required by ADHS contract.

ii. The Contractor shall track and resolve member problems. The Contractor shall trend member issue referrals by problem type, by program and by subcontractor and compare trends with other available data to detect correlations.

iii. The Contractor shall communicate the status of quality management activities required by this contract to ADHS.

iv. The Contractor shall ensure the consistent analysis of grievance, appeal, fair hearings and expedited hearings, mortality, and incident/accident data as part of the QM/PI process. The Contractor shall provide ADHS with timely notification and periodic status reports regarding significant incidents/accidents involving members. The Contractor must inform ADHS within one working day of its knowledge of significant incidents/accidents involving Title XIX or Title XXI members and provide a summary of findings and corrective actions required, if any, following investigation of the incident/accident.

v. The Contractor shall ensure the completeness, timeliness and accuracy of quality management data reported to ADHS.

vi. The Contractor shall participate in Performance Improvement Projects.

vii. The Contractor shall participate in the planning and administration of the Biennial Consumer Satisfaction Surveys.

viii. The Contractor makes available records and other documentation, ensures subcontracted provider participation in, and cooperation with ADHS and its subcontracted External Quality Review Organization during the conduct of the Annual Independent Case Review (ICR).

vix. The Contractor shall report seclusions and restraints in accordance with ADHS Policy.

x. The Contractor shall report mortalities for person with serious mental illness in accordance with ADHS Policy .

xi. The Contractor shall perform monitoring of subcontracted providers to ensure compliance with all ADHS requirements including:

(1) Title XIX and Title XXI person receive all necessary covered services;

(2) Profiling of providers using performance measures;

(3) Active tracking of quality management findings of subcontracted providers;

(4) Data Validation;

(5) Compliance and subcontract provisions;

(6) Provider retention is based on performance and outcome;

(7) Performance of delegated functions;

(8) Documentation that its providers are credentialed and privileged; and

(9) Corrective and/or improvement actions are taken as determined necessary to improve the quality of care for enrolled members.

xii. The Contractor shall review and utilize reports and other data from ADHS to inform the Contractor's subcontracted provider network development, performance improvement activities, and assessment of unmet system or member needs, and other activities.

xiii. The Contractor shall perform other quality management and improvement program activities that may be required from time to time by the Department.

xiv. The Contractor shall maintain Health Information Systems that collect, integrate, analyze and report data necessary to implement the QM/PI Program. Data elements must, at a minimum, include:

(1) All CIS data elements and valid values.

(2) Member demographics

(3) Provider characteristics

(4) Services provided to members

(5) Other information needed to guide selection of and meet data collection requirements for Performance Improvement Projects.

xv. The Contractor must meet ADHS Minimum Performance Standards for Title XIX and Title XXI members. All performance standards described below apply to all Title XIX and Title XXI members and services. It is equally important that the Contractor continually improve performance indicator outcomes from year to year, as defined by ADHS. The Contractor shall strive to meet the ultimate standard, or Benchmark, established or approved by ADHS. Any statistically significant drop in the Contractor's performance level for any indicator must be explained by the Contractor in its Annual Quality Management/Performance Improvement Plan Evaluation. If the Contractor has a statistically significant drop in any indicator without a justifiable explanation, the Contractor will be required to submit a corrective action plan to ADHS, and may be subject to sanctions until an adequate level of performance is achieved. ADHS has established three levels of performance:

(1) **Minimum Performance Standard** – A Minimum Performance Standard is the minimally expected level of performance by the Contractor. If the Contractor does not achieve this standard for two consecutive years, the Contractor will be required to submit a corrective action plan and may be subject to sanctions. If the rate for the Contractor's performance on any indicator declines to a level below the ADHS established or approved Minimum Performance Standard, the Contractor will be required to submit to ADHS a corrective action plan and may be subject to sanctions.

(2) **Goal** – A Goal is a reachable standard for a given performance indicator for the Contract Year. If the Contractor has already met or exceeded the ADHS established or approved Minimum Performance Standard for any indicator, the Contractor must strive to meet the CYE 2003 Goal for the indicator.

(3) **Benchmark** – A Benchmark is the ultimate standard to be achieved. If the Contractor has already achieved or exceeded the Goal for any performance indicator, the Contractor must strive to meet the Benchmark for the indicator. If the Contractor has achieved the Benchmark, the Contractor is expected to maintain this level of performance for future years.

(4) Should the Contractor not show demonstrable and sustained improvement toward meeting ADHS established or approved Performance Standards, the Contractor shall develop a corrective action plan. The corrective action plan must be received by ADHS within 30 days of receipt of notification from ADHS. This plan must be approved by ADHS prior to implementation. ADHS may conduct one or more follow-up onsite reviews or other audit processes to verify compliance with a corrective action plan. Failure to achieve adequate improvement may result in sanction imposed by ADHS.

(5) The Contractor shall require a corrective action from any subcontractor not showing demonstrable and sustained Improvement toward meeting ADHS established or approved Minimum Performance Standards.

(6) The Contractor shall require a corrective action plan from, and may impose sanctions on, any subcontractor when:

(a) The subcontractor does not achieve the minimum standard for any indicator for two consecutive years;

(b) The subcontractor's performance for any indicator declines to a level below the ADHS established or approved Minimum Performance Standard

(c) There is a statistically significant drop in the subcontractor's performance on any indicator without a justifiable explanation.

(d) Performance Indicators: For CYE 2004, the Contractor shall comply with ADHS quality management requirements to improve performance for all established performance indicators/aspects of care. Specifically, the Contractor shall take affirmative steps to attain and sustain performance at, or above, the minimum performance standard established for each of the following aspects of care:

(7) **Access to care / appointment availability**

Appointments are available to individuals referred for/requesting services within the contractually required timelines (emergency within 24 hours of referral; routine assessments within 7 days of referral; and routine appointments for ongoing services within 23 days of the initial assessment).

(8) **Referral from and coordination of care with AHCCCS acute contractor primary care providers**

A disposition is sent to the PCP within 30 days of the initial assessment. If a member declines behavioral health services, The Contractor shall ensure communication of the final disposition to the referral source within 30 days of referral.

Behavioral health service providers communicate with and attempt to coordinate care with the member's PCP. The providers forward records (copies of summaries of relevant information) of each Title XIX and Title XIX member to the member's PCP as needed to support quality medical management and prevent duplication of services. At a minimum, for all enrolled persons who are referred by the PCP or are determined by the Contractor to have a serious mental illness, the enrolled person's diagnosis and prescribed medications must be provided to the PCP. In addition, upon request by the PCP, information for any enrolled member must be provided to the PCP.

(9) Sufficiency of assessments
Assessments are sufficiently comprehensive for the development of functional treatment recommendations.

(10) Member/family involvement in developing treatment recommendations
Staff actively engage members/families in the treatment planning process.

(11) Cultural competency
Members'/families' cultural preferences are assessed and included in the development of treatment plans.

(12) Appropriateness of services
The types and intensity of services, including case management, are provided based on the member's assessment and treatment recommendations.

(13) Informed consent:
Members and/or parents/guardians are informed about and give consent for prescribed medications.

(14) Quality clinical outcomes
There is evidence of positive clinical outcomes for members receiving behavioral health services.

(15) The following table identifies the Minimum Performance Standards, Goals and Benchmarks for each required aspect of performance:

Aspect of Performance	How Measured	CYE 2005 Minimum Performance Standard	CYE 2005 Goal	CYE 2005 Benchmark
QUARTERLY				
Access to care / Appointment Availability for emergency, routine assessments, & routine appointments (medication and other): Appointments are available to individuals referred for/requesting services within the contractually required timelines (emergency within 24 hours of referral; routine assessments within 7 days of referral; and routine appointments for ongoing services within 23 days of initial assessment).	Review of subcontractors and/or provider logs for emergency and referral to routine assessments; encounter reports for initial assessment to first service	85 %	90 %	95 %
ANNUALLY				
Coordination of care with acute contractors /PCPs: The disposition of the referral is communicated to the PCP/Health Plan, within 30 days of initial assessment. If a member declines behavioral health services, ADHS shall ensure communication of the final disposition to the referral source within 30 days of referral.	ICR	60 %	75 %	90 %
Behavioral health service providers communicate with and attempt to coordinate care with the member's acute health plan's PCP in compliance with ADHS contract requirements.	ICR	60 %	75 %	90 %
Sufficiency of assessments: Assessments are sufficiently comprehensive for the development of functional treatment recommendations	ICR	85 %	90 %	95 %
Member/family involvement Staff actively engage members/families in the treatment planning process	ICR	85 %	90 %	95 %
Cultural competency: Members'/families' cultural preferences are assessed and included in the development of treatment plans.	ICR	70%	80%	95%
Appropriateness of services: The types and intensity of services, including case management, are provided based on the member's assessment and treatment recommendations	ICR	85 %	90 %	95 %
Informed consent: Members and/or parents/guardians are informed about and give consent for prescribed medications	ICR	80 %	90 %	95 %
Quality clinical outcomes There is evidence of positive clinical outcomes for	ICR	80 %	82 %	85%

Aspect of Performance	How Measured	CYE 2005 Minimum Performance Standard	CYE 2005 Goal	CYE 2005 Benchmark
members receiving behavioral health services.				

(16) Data Quality Indices – Standards

(a) Standard – The Contractor will submit CIS 834 Enrollment Transactions and Demographic data files to the Department for 97% of its enrolled member within 14 days of the member's enrollment date.
Minimum Performance Standard – 90% of CIS 834 Enrollment Transactions and Demographic data files will be submitted electronically to the Department within 14 days of the member's enrollment date.

24. UTILIZATION MANAGEMENT:

a. The Contractor shall comply with Chapter 1000 of the AHCCCS Medical Policy Manual (AMPM). The Contractor shall comply with federal utilization control requirements, including the certification of need and recertification of need for continued stay in inpatient settings. The Contractor shall also ensure that hospitals, mental hospitals and inpatient psychiatric facilities (residential treatment centers and sub-acute facilities) comply with federal requirements regarding utilization review plans, Utilization Review committees, plan of care and medical care evaluation studies as prescribed in 42 CFR, parts 441 and 456. The Contractor shall actively monitor subcontractors' utilization management activities to ensure compliance with federal regulations, AHCCCS and ADHS requirements, and adherence to its utilization management plan.

b. The Contractor shall ensure that compensation to entities that conduct utilization management activities is not structured so as to provide incentives for the subcontracted provider or management services provider to deny, limit, or discontinue medically necessary covered behavioral health services to any enrolled person.

c. The Contractor must adopt and disseminate practice guidelines that consider the needs of enrolled members and are:
   i. Based on valid and reliable medical evidence or a consensus of health care professionals in the field;
   ii. Developed and/or adopted in consultation with the subcontractors and their contracting health care professionals, and
   iii. Reviewed and updated periodically within timeframes as appropriate and determined by the contractor.

d. Guidelines, including any admission, continued stay and discharge criteria used by the Contractor, must be communicated to all affected providers and, upon request, appropriate, and to potential or current behavioral health enrollees. Decisions regarding utilization management, behavioral health enrollees and provider education, coverage of services, provision of services, and other areas to which guidelines are applicable must be consistent with the guidelines.

e. The Contractor shall assess subcontractor's utilization management activities to ensure compliance with federal regulations and AHCCCS and ADHS requirements.

f. The Contractor must provide subcontractors and their providers with technical assistance regarding utilization management as needed and shall impose sanctions, including financial sanctions, for subcontractors who consistently fail to meet utilization management objectives, including, but not limited to, the submission of complete, timely and accurate utilization management data.

g. The Contractor shall comply with the following requirements related to utilization management:

   i. Annual Utilization Management Plan: The Provider shall submit a written Utilization Management Plan by November 30th of each contract year that conforms with the requirements of Chapter 1000 of the AHCCCS Medical Policy Manual. The Annual Utilization Management Plan shall include an annual appraisal that assesses progress made by the Contractor in achieving the goals and objectives identified in the previous years Utilization Management Plan. The plan must be submitted to ADHS 30 days prior to planned

implementation and must include a change matrix that identifies proposed changes in those sections required by ADHS contract. The Annual Utilization Management Plan may be combined with the Annual Quality Management Plan. The Contractor shall ensure that subcontractors develop an annual utilization management plan that is consistent with federal regulations and ADHS requirements.

ii. The Contractor shall ensure that prior and continued stay authorizations for hospitals, mental hospitals and inpatient psychiatric facilities (residential treatment services and sub-acute facilities) are conducted by behavioral health professionals and that Utilization Review denials are prior approved by a physician.

iii. The Contractor shall ensure the completeness, timeliness and accuracy of utilization management data reported to ADHS.

iv. The Contractor shall have mechanisms in place to monitor and evaluate over and/or under utilization of services.

v. The Contractor shall actively monitor and analyze service utilization data, including case management utilization and cost data by subcontractor and program type.

vi. The Contractor shall have in effect mechanisms to ensure consistent application of review criteria for authorization decisions and for consultation with the requesting provider when appropriate for the processing of requests for initial and continuing authorization of services for hospitals, mental hospitals, and inpatient psychiatric facilities (residential treatment centers and sub-acute facilities).

vii. Medical Care Evaluation Studies: The Contractor shall ensure that network inpatient facilities (including inpatient hospitals and mental hospitals) conduct MCE studies which meet the requirements of 42 CFR Part 456 subparts C and D and ADHS policy, and that inpatient psychiatric facilities (including RTCs and sub-acute facilities) conduct MCE studies which meet the same requirements. The Contractor shall develop a process for annual review of subcontractors' analyses of results of facility MCE studies. The Contractor shall submit MCE Studies to ADHS on an annual basis and ensure that subcontractors use the results to improve member care and services and to assess the provider facility performance.

h. The Contractor shall ensure that there are processes to monitor lengths of stay for Title XIX and Title XXI enrolled persons age 21 through 64 placed in Institutions for Mental Disease to ensure that Title XIX and Title XXI reimbursement is not made for days exceeding 30 per admission or 60 days per contract year.

i. The Contractor must submit a complete and accurate Quarterly Showing Report in a format approved by ADHS and in accordance with ADHS requirements for timely submission.

j. The Contractor is required to submit complete, accurate and timely utilization management data and deliverables as described in this contract.

25. NETWORK REQUIREMENTS, MANAGEMENT AND REPORTING

a. Overview

The provider network requirements, management and reporting specifications contained within this section apply to:

i. Title XIX, Title XXI and Non-Title XIX SMI populations; and

ii. Non-Title XIX/XXI populations, as funding is available and services are delivered to these populations.

Requirements that apply exclusively to the Title XIX and Title XXI populations will be specified.

b. Provider Network Requirements

i. The Contractor will develop a network of providers that:

(1) Is sufficient in size, scope and types of providers to provide all behavioral health covered services under this contract and fulfill all the service delivery requirements contained within Scope of Work Paragraph G and the ADHS/DBHS Provider Manual. In establishing and maintaining the network, the

Contractor shall at a minimum consider the following:

(a) Current *and* anticipated Title XIX and Title XXI eligibles data;
(b) Current *and* anticipated Title XIX and Title XXI behavioral health enrollment data;
(c) Current *and* anticipated Non-Title XIX SMI behavioral health enrollment data;
(d) Current *and* anticipated other Non-Title XIX/XXI population behavioral health enrollment data;
(e) Current *and* anticipated utilization of services, considering characteristics or enrolled persons and behavioral health care needs;
(f) Cultural needs of behavioral health care recipients, which shall be assessed by the Contractor,
(g) The number of network providers who are not accepting new persons;
(h) The geographic location of providers and persons, considering distance, travel time, the means of transportation used by persons and whether the location provides physical access for persons with disabilities;
(i) The prevalent language(s) spoken by populations in the geographic service area;
(j) Quality management data including but not limited to appointment standard data, problem resolution, concerns reported by eligible or enrolled person;
(k) Member Satisfaction surveys data;
(l) Results from Independent Case Reviews conducted by ADHS;
(m) Grievance and appeal data;
(n) Issues, concerns and requests brought forth by other state agency personnel who also have involvement with persons covered under this contract; and
(o) Demographic data.

(2) Has the minimum number of providers by provider type or service:

a) as specified in the Contractor's Annual Provider Network Evaluation and Provider Network Sufficiency Plan minimum network requirements, as approved by ADHS, or
b) as specified in any changes to E.2.a above as approved in advance by ADHS.

(3) Has one agency responsible for the coordination of services delivered to persons with a serious mental illness (this one agency may be the Contractor or a subcontracted agency).

(4) Responds to referrals 24 hours per day, 7 days per week and can respond to immediate, urgent, and routine needs within the timeframes outlined in the ADHS/DBHS Provider Manual.

(5) Responds to persons and their families in a culturally relevant manner and addresses their service needs in a way that is consistent with their cultural needs and preferences including providing services in other languages when identified as a preference.

(6) Provides interpreter services for persons and their family members who have limited proficiency in English if services are not available in their primary language.

(7) Includes a sufficient number of providers who offer evening and weekend access to services for persons and families who cannot easily get leave from their employment.

(8) Has a sufficient number of providers to fulfill the function and role of the Clinical Liaison as outlined in the ADHS/DBHS Provider Manual.

(9) Utilizes enrolled persons and family members, who have received appropriate training and preparation, as providers of peer support services.

(10) Is geographically accessible to all enrolled persons .

(11) Includes the Arizona State Hospital as a subcontracted provider for the reimbursement of Title XIX, and Title XXI services up to the IMD limitations.

(12) Includes sufficient access by enrolled persons to subacute or medically managed detoxification facilities.

(13) Have programs and services for priority populations consistent with the requirement of the Substance Abuse Performance Partnership Block Grant and the ADHS/DBHS Provider Manual. The network shall be configured to provide the following:

(a) Priority access for pregnant women/teenagers,
(b) Specialized programs and services for pregnant women and women with young children,
(c) Services for injection drug abuse and
(d) Provision of HIV early intervention services.

c. Network Management

i. The Contractor shall have a sufficient number of qualified provider services staff to perform the following functions:

(1) Recruit and retain providers;

(2) If the Contractor is not delivering services directly, develop contracts prudently and expeditiously and fulfill the subcontract requirements outlined in Special Terms and Conditions

(3) Respond to provider inquiries and as applicable, coordinate with, or expeditiously refer to, other parts of the organization;

(4) Facilitate the credentialing, recredentialing and privileging of providers;

(5) Utilize the Contractor's established processes to coordinate communication regarding network development needs to and from other parts of the Contractor's organization;

(6) Coordinate with the Contractor's quality management personnel in fulfilling provider monitoring requirements and the ADHS/DBHS QM/UM Plan;

(7) Continually monitor the network capacity to ensure that there are sufficient providers to service enrolled persons and those with specialized needs including provision of services to persons with limited proficiency in English.

(8) Monitoring of the network including review of various data sources to determine sufficiency;

(9) Ensure that providers operate under a current license, registration, certification or accreditation as required by the ADHS/DBHS Behavioral Health Covered Services Guide or other state or federal law.

ii. The Contractor shall ensure that all relevant information is disseminated to all behavioral health providers. The Contractor shall ensure that all providers have access to the ADHS/DBHS Behavioral Health Covered Services Guide and ADHS/DBHS Provider Manual and any updates either through the Internet, or provision of paper copies to Providers who do not have Internet access.

iii. The Contractor shall ensure that the use of subcontracted service providers does not result in duplication of administrative functions between the Contractor and subcontractors including but not limited to quality management and utilization management functions. Subcontracts with service providers shall focus on service delivery rather than delegation of administrative responsibilities the Contractor is required to fulfill under this contract. The Contractor may not delegate administrative functions to a provider beyond what is required of service providers as outlined in the ADHS/DBHS Provider Manual without the prior written approval of ADHS.

iv. The Contractor shall ensure that providers obtain and maintain all applicable insurance as outlined in Special Terms and Conditions Paragraph E.36. The Contractor shall obtain and keep on file copies of provider insurance certificates.

v. Selection of providers shall be based upon at a minimum:

(1) The provider meeting the qualifications stated in the ADHS Covered Behavioral Health Services Guide.

(2) The provider fulfills any credentialing, recredentialing and privileging requirements contained in the ADHS/DBHS Provider Manual.

vi. Retention of providers is based upon performance and quality improvement data acquired while delivering services under this contract.

vii. Providers shall be registered with AHCCCS (or ADHS as applicable) as provider types that are specified in the ADHS/DBHS Behavioral Health Covered Services Guide. Providers shall meet all provider qualifications and operate within the scope of their practice.

viii. The Contractor shall credential and privilege providers as required in the ADHS/DBHS Provider Manual including processes to expedite temporary credentialing and privileging when needed to ensure the sufficiency of the network and add to specialized providers. The Contractor's credentialing, recredentialing, and privileging processes shall be in compliance with AHCCCS Medical Policy Manual Chapter 900.

ix. The Contractor shall not discriminate with respect to participation in the ADHS program, against any provider based solely on the provider's type of licensure or certification. In addition, the Contractor shall not discriminate against providers that service high-risk populations or specialize in conditions that require costly treatment. This provision, however, does not prohibit the Contractor from limiting provider participation to the extent that the Contractor is meeting the needs of those persons covered under this contract. This provision also does not interfere with measures established by the Contractor to control costs consistent with its responsibilities under this contract nor does it preclude the Contractor from using different reimbursement amounts for different specialists or for different practitioners in the same specialty. If the Contractor declines to include individuals or groups of providers in its network, it shall give the affected providers written notice of the reason for its decision. The Contractor may not include providers excluded from participation in Federal health care programs, pursuant to Section 1128 or Section 1128 A of the Social Security Act.

x. Providers shall not be restricted or inhibited in any way from communicating freely with or advocating for persons regarding:

(1) Behavioral health care, medical needs and treatment options, even if needed services are not covered by the Contractor or if an alternate treatment is self-administered.
(2) Any information the enrolled person needs in order to decide among all relevant treatment options;
(3) The risks, benefits, and consequences of treatment or non-treatment; and,
(4) The enrolled person's right to participate in decisions regarding his or her behavioral health care, including the right to refuse treatment, and to express preferences about future treatment decisions.

xi. If the network is unable to provide services required under this contract, the Contractor shall ensure timely and adequate coverage of these services through an out of network provider until a network provider is contracted. The Contractor shall ensure coordination with respect to authorization and payment issues in these circumstances.

d. Network Reporting Requirements

i. Network Attestation

(1) The Contractor shall submit to ADHS by March 1 of each contract year an attestation of the adequacy and sufficiency of the provider network operated through this contract. The attestation, signed by Contractor's Chief Executive Officer, shall verify that the network:

(a) Offers an appropriate range of services, including specialty services, that is adequate for the anticipated number of Title XIX, Title XXI, and Non-Title XIX SMI persons in each service area; and

(b) Maintains a network of providers that is sufficient in number, mix, and geographic distribution to meet the accessibility and service needs of the anticipated number of Title XIX, Title XXI

and Non-Title XIX SMI persons in the geographic service area.

(2) The Contractor shall also submit an attestation when there is a significant change in operations impacting services and capacity, including but not limited to:

(a) Changes in services

(b) Changes in covered benefits

(c) Addition of new eligibility populations

ii. Notification Requirements for Changes to the Network

(1) The Contractor shall notify and seek the approval from ADHS before making any expected material changes in the size, scope or configuration of the Contractor's provider network.

(2) The Contractor shall notify ADHS in writing within one (1) day of becoming aware of any unexpected network material change or anticipating a network material change that could impair the provider network. This notification shall include:

(a) Information about how the change will affect the delivery of covered services;

(b) The Contractor's plan for maintaining quality of care if the provider network change is likely to result in deficient delivery of covered services; and

(c) The Contractor's plan to address and resolve any network deficiency.

(3) The Contractor shall notify ADHS in writing within five (5) days of learning of a network deficiency, or of a decision by the Contractor to terminate, suspend or limit a subcontract.

(a) The notice shall include:

(i) The number of individuals to be impacted by the termination, limitation or suspension decision including the number of Title XIX and Title XXI and Non-Title XIX/XXI enrolled persons affected by program category.

(ii) The Contractor's plan to ensure that there is minimal disruption to the enrolled person's care and provision of service. The plan shall include provisions for clinical team meetings with the enrolled person to discuss the options available to continue the service, the treatment plan will be revised to address the change in services or service provider.

(b) ADHS may require the Contractor to submit a transition plan for individual enrolled persons who are impacted by the change.

(c) The Contractor shall track all persons transitioned due to a subcontract suspension, limitation or termination to ensure service continuity. Required elements to be tracked include: Name, Title XIX/XXI status, date of birth, population type, current services that the client is receiving, new agency assigned, and date of first appointment and activities to re-engage persons who miss their first appointment at the new provider.

iii. Quarterly Reports

(1) The Contractor shall submit Quarterly Network Status Reports in a format approved by ADHS and according to the following schedule:

Due to ADHS on:	for the reporting period:
October 31	July 1 through September 30
January 31	October 1 through December 31
April 30	January 1 through March 31
July 31	April 1 through June 30

(a) The Quarterly Report will include the following elements: providers lost and gained, the name and address of provider, provider type and contracted capacity, AHCCCS provider registration number, populations served, and an analysis of the impact on the sufficiency of the network. Where, as a result of the losses, a material gap or deficiency is identified, the Contractor shall include a plan for addressing the gap and the plan for transitioning persons to appropriate alternate services as outlined in the network notification requirements. The Contractor will also report progress to date in implementing priority development areas in the Annual Provider Network Evaluation and Provider Sufficiency Plan or barriers they have encountered and actions planned to address the barriers.

iv. Annual Reports

(1) The Annual Provider Network Evaluation and Provider Sufficiency Plan is due to ADHS on March 1.

(2) The purpose of the plan is to identify the current status of the network at all levels and to identify network development and/or enhancement needs for the upcoming contract year. The identification of development needs shall be based on a methodology determined by ADHS for assessing network sufficiency, capacity, and minimum network standards.

(a) The plan shall include a narrative analysis of the sufficiency of the Title XIX, Title XXI and Non-Title XIX/XXI SMI enrolled person network using a method established by ADHS. The analysis shall be based on multiple data sources including, but not limited to: performance on appointment standards/appointment availability, problem resolution, concerns reported by eligible or enrolled person, grievance, appeal, and request for hearings, Title XIX and Title XXI eligibility data, penetration rates, utilization data, network inventory, enrolled person satisfaction survey, demographic data and information on the cultural needs of the communities. The analysis should include the identification of material gaps and any barriers encountered in fulfilling the prior year plan.

(b) The Plan shall include a description of services and programs for substance abuse funded through the SAPT Block Grant. In developing the description, the Contractor shall review and analyze capacity data including wait list management methods for SAPT Block Grant Priority populations.

(c) Based upon the data analysis, the Contractor shall propose minimum network standards for the GSA. In fulfilling the minimum network standards, the Contractor shall include the minimum number of stated providers or services directly available to the Contractor and not merely the licensed capacity of a provider. The Contractor's proposed minimum network standards shall be reviewed by ADHS to determine approval.

Provider Type/Service	**Minimum Number**	**Unit**
Subacute facility capable of accepting walk-ins Provider type B5, B6		Number of facilities
Inpatient service/ P*rovider types 02,71*		Number of adults beds
		Number of child beds
Inpatient detoxification services *Provider types 02, 71, B5, B6*		Number of adult beds
RTC *Provider types 78, B1, B2, B3*		Number of child beds
Level II *Provider type 74*		Number of adult beds
		Number of children beds
Level III *Provider type A2*		Number of adult beds
		Number of children beds
Therapeutic Foster Care Homes		Number of adult placements

Provider type A5		Number of children placements
Housing		Number of persons with a serious mental illness who will be assisted in locating or maintaining housing
Pharmacy locations *Provider type 03*		Number of locations
Methadone maintenance services *Provider type 8, 31, 18, 19*		Number of agencies
Outpatient agencies *Provider type 77* (See below for additional requirements)		Number of agencies (Including those used by the one agency responsible for coordinating care to SMI)
Consumer operated community service agencies *Provider type A3*		Number of agencies
Enrolled persons or Family Members to deliver peer support services		Full Time Equivalents working in community service agencies or outpatient agencies
Crisis response telephone		Full Time Equivalents for am shift
		Full Time Equivalents for pm shift
		Full Time Equivalents for night shift
Mobile crisis		Full Time Equivalents for am shift
		Full Time Equivalents for pm shift
		Full Time Equivalents for night shift

(d) Based upon the data analysis the Contractor shall determine the minimum total number of full time equivalents that will be working within outpatient clinics or operating independently, as applicable for each professional level stated below:

Staffing Type	**Minimum Number**	**Units**
Paraprofessionals		Full Time Equivalents
Behavioral Health Technicians (BHT)		Full Time Equivalents
		Of the above stated FTE number of BHTs, how many Full time Equivalents will be performing as Clinical Liaisons or conducting assessments
Behavioral Health Professionals (BHP) (Do not include Psychiatrists, Nurse Practitioners, or Physician Assistants)		Full Time Equivalents
		Of the above stated FTE number of BHPs, how many Full Time Equivalents will be performing as Clinical Liaisons or conducting assessments
Psychiatrists, Nurses Practitioners, or Physician		Full Time Equivalents

Assistants		Of the above stated FTE number of BHPs in this category, how many Full Time Equivalents will be performing as Clinical Liaisons or conducting assessments
		Number of hours dedicated to medication assessment and prescribing

(e) Status of provider network issues that occurred during the prior year that were of a significant nature or required corrective action by ADHS.

(f) Identification and evaluation of interventions and network development efforts during the prior year.

(g) Plans to resolve any current material gaps in the network and barriers in network development.

(h) Priority areas for network development activities for the following year and goals, activities timelines and measurement methodologies for addressing the priorities.

(i) A listing of providers by GSA. The listing shall distinguish between providers serving Title XIX and Title XXI children and adults. If a provider has multiple sites in which it provides service, all sites should be listed. The provider listing should include the provider's address, the county and provider type information. The list should be organized to include all categories of covered services.

e. Provider – Enrolled Person Communication:
   i. The Contractor shall ensure that its subcontracted providers, acting within the lawful scope of their practice, are not prohibited or otherwise restricted from advising or advocating on behalf of an enrolled person who is the subcontracted provider's patient for:
      (1) The enrolled person's health status, medical care or treatment options, including any alternative treatment that may be self-administered;
      (2) Any information the enrolled person needs in order to decide among all relevant treatment options;
      (3) The risks, benefits, and consequences of treatment or non-treatment, and
      (4) The enrolled person's right to participate in decisions regarding his or her behavioral health care, including the right to refuse treatment and to express preferences about future treatment decisions.

26. PHYSICIAN INCENTIVES

The Contractor must comply with all applicable physician incentive requirements and conditions defined in 42 CFR 417.479. These regulations prohibit physician incentive plans that directly or indirectly make payments to a doctor or a group as an inducement to limit or refuse medically necessary services to a member. The Contractor is required to disclose all physician incentive agreements to ADHS and to enrolled persons who request them.

The Contractor shall not enter into contractual arrangements that place providers at significant financial risk as defined in CFR 417.479 unless specifically approved in advance by ADHS/DBHS. In order to obtain approval, the following must be submitted to the ADHS 90 days prior to the implementation of the contract:

a. A complete copy of the contract
b. A plan for the member satisfaction survey
c. Details of the stop-loss protection provided
d. A summary of the compensation arrangement that meets the substantial financial risk definition.

The Contractor shall disclose to ADHS the information on physician incentive plans listed in 42 CFR 417.479(h)(1) through 417.479(I) in accordance with the AHCCCS Physician Incentive Plan Disclosure by Contractor's policy and upon contract renewal, prior to initiation of a new contract, or upon request from ADHS, AHCCCSA or CMS.

The Contractor shall also provide for compliance with physician incentive plan requirements as set forth in 42 CFR 422.

These regulations apply to contract arrangements with subcontracted entities.

27. PROVIDER REGISTRATION:

All providers must be registered with AHCCCS, with the exception of the few ADHS only provider types that must be register with ADHS. The ADHS Behavioral Health Covered Services Guide provides more detail regarding provider types and registration. Additionally:

a. Services must be delivered by providers who are appropriately licensed and/or certified and operating within the scope of their practice.

b. Behavioral health practitioners other than physicians, masters level independent therapist; nurse practitioners, physician assistants and psychologists must be affiliated with an outpatient clinic to provide outpatient services.

c. Physicians, psychologists, nurse practitioners, and physician assistants shall register with AHCCCS even in cases where the practitioner is affiliated with and providing services under the auspices of an ADHS or AHCCCS registered provider.

d. If a Masters level independent biller is not affiliated with and providing services under the auspices of an ADHS or AHCCCS registered provider, the Master's level independent biller shall register with AHCCCS.

28. RESERVED

29. LABORATORY TESTING SERVICES:

In accordance with the Clinical Laboratory Improvement Amendments (CLIA) of 1988, the Contractor shall ensure that all laboratory testing sites providing services under this Contract have either a Clinical Laboratory Improvement Amendments (CLIA) certificate of waiver or a certificate of registration along with a CLIA identification number.

a. Those laboratories with certificates of waiver shall be limited to providing only the types of tests permitted under the terms of their waiver. Laboratories with certificates of registration may perform a full range of laboratory tests.

b. Pass-through billing or other similar activities with the intent of avoiding the above requirements are prohibited.

c. The Contractor may not reimburse providers who do not comply with the above requirements.

30. MEMBER INFORMATION MATERIALS AND HANDBOOK:

The Contractor shall be accessible by phone for general member information during normal business hours. All behavioral health members will have access to a toll free phone number to gain access to the Contractor. The Contractor shall produce and provide printed information, including a Member Handbook, regarding its organization and services within 10 days of enrollment to each enrolled person or enrolled person's family. The Contractor's Member Handbook shall conform to the ADHS Member Handbook template and must be approved by ADHS prior to distribution to members. When there are program or service site changes, notification shall be provided to the enrolled person or their family at least 30 days before implementation. The Contractor shall ensure that Member Handbooks are available at all provider sites and easily accessible to all enrolled persons. The Contractor shall make available upon request, copies of the handbook to known consumer and family advocacy organizations and other human service organizations in its geographic service area. The Contractor shall annually make available a Member Handbook to all enrolled persons.

a. All information materials prepared by the Contractor shall be reviewed for accuracy by ADHS prior to distribution to enrolled persons or AHCCCS eligibles.

b. All materials shall be translated when the Contractor is aware that a language spoken by 3,000 individuals or ten percent (10%), whichever is less, of ADHS members in the Contractor's geographic area who also have Limited English Proficiency (LEP). All vital materials shall be translated when the Contractor is aware that a language is spoken by 1,000 or five percent (5%), whichever is less, of ADHS enrolled persons in a Contractor's geographic area who also have LEP. At a minimum, vital materials include: notices for denials, reductions suspensions or terminations of services, consent forms, communications requiring a response from the member, informed consent and all grievance, and appeal and request for state fair hearing information included in Paragraph 52: Grievance, Appeal and Request for Hearing Standards. When there are program or service site changes, notification will be provided to the affected Title XIX and Title XXI members at least 30 days before implementation.

c. The Contractor shall make every effort to ensure that all information prepared for distribution to enrolled persons is written at a fourth grade level.

d. The Contractor shall ensure that interpreters of any language are available free of charge for eligible or enrolled persons to ensure appropriate delivery of covered services. The Contractor shall ensure eligible or enrolled persons are provided with information instructing them how to access interpreter services.

e. The Member Handbook shall be printed in a type style and size that can easily be read by enrolled persons.

f. The Member Handbook shall be provided to each enrolled person within 10 days of the enrolled person receiving a first behavioral health covered service.

g. Materials not requiring approval by ADHS

   i. Customized letters for enrolled persons need not be submitted to ADHS for approval. Health related brochures developed by nationally recognized organizations do not require submission to ADHS for approval. The Contractor will be held accountable for the content of materials developed by nationally recognized organizations that are distributed by the Contractor or its subcontracted providers to eligible or enrolled persons. The Contractor should review materials to ensure:

(1) The services are covered under the AHCCCS and ADHS program;
(2) The information is accurate; and
(3) The information is culturally sensitive.

ii. Brochures developed by outside entities must be supplemented with information materials developed by the Contractor, which are customized for the Title XIX or Title XXI population.

h. The Contractor shall ensure that within 10 days of their first service enrolled persons are provided with a description of the provider network and that all enrolled persons are provided with the following information:

i. Names, locations, telephone numbers of, and non-English languages spoken by, current subcontracted providers in the enrolled person's service area, including identification of providers that are not accepting new referrals;
ii. The locations of any emergency settings and other locations at which providers and hospitals furnish emergency services and post stabilization services covered under this contract;
iii. The fact that the enrolled person has a right to use any hospital or other setting for emergency care.
iv. The names and locations of the pharmacies to be used for filling prescriptions for psychotropic medications.

i. The Contractor shall ensure that written notice about termination of a subcontracted provider is given, within 15 days after the receipt or issuance of the termination notice, to each enrolled person who received their behavioral health care from or was seen on a regular basis by, the terminated provider. Affected enrolled persons must be informed of any other changes in the provider network within 30 days prior to the implementation date of the change.

j. The Contractor and its Subcontractors shall make every effort to ensure that all information prepared for distribution to members is written at a 4th grade reading level. Regardless of the format chosen by the Contractor or its Subcontractors the member information must be printed in a type, style, and size that can be easily read by members with varying degrees of visual impairment or limited reading proficiency. The Contractor and its Subcontractors must notify its members that alternative formats are available and how to access them.

31. ADHS/DBHS POLICY AND PROCEDURES MANUAL

The Contractor shall comply with the ADHS/DBHS Policy and Procedures Manual. To the extent possible, the Contractor is encouraged to utilize the ADHS/DBHS Policy and Procedures Manual as opposed to rewriting ADHS/DBHS policy content.

32. RESERVED:

33. STAFF REQUIREMENTS/SUPPORT SERVICES:

The Contractor shall maintain organizational, managerial and administrative systems and staff capable of fulfilling all Contract Requirements. The Contractor shall ensure that all staff have appropriate training, education, experience, orientation and credentialing as applicable, to fulfill the requirements of their position.

a. The Contractor in GSA 5 and GSA 6 shall employ at a minimum, the following key, full-time staff dedicated to this program:

i. <u>Chief Executive Officer</u> who is available at all times to oversee management of the Contract;

ii. <u>Medical Director</u> who is an Arizona licensed physician, board-certified in psychiatry, who shall be actively involved in all major clinical programs and QM/UM components and shall ensure timely medical decisions, including after-hours availability;

iii. <u>Chief Financial Officer</u> who is available at all times to oversee the budget and accounting systems implemented by the Contractor;

iv. <u>Quality Management Manager</u> who is an Arizona-licensed registered nurse, nurse practitioner, psychologist, physician, physician assistant, or masters level behavioral health professional with expertise in quality assessment and improvement functions;

v. Utilization Review Manager who is an Arizona-licensed registered nurse, nurse practitioner, psychologist, physician, physician assistant, or masters level behavioral health professional with expertise in prior authorization and utilization management;

vi. Information Systems Manager who is responsible for oversight of the MIS requirements of the Contract;

vii. Customer Services Manager who coordinates communications with eligible and enrolled persons and acts as or coordinates with advocates, subcontracted providers and others to resolve complaints;

viii. Provider Services Manager who coordinates communications between the Contractor and Subcontractors;

ix. Claims Administrator who is responsible for the timely and accurate processing and adjudication of all claims and encounters;

x. Full time (in GSA5 and GSA6) or part-time (in GSA1, 2,3,4) staff to perform the following functions:

(1) Clinical Operations:

(a) Oversight of and program development for general and specialty providers of services to children/adolescent, adults with serious mental illness, adults with substance abuse/dependence disorders and adults with general mental health conditions;

(b) Trouble-shooting of issues specific to individual eligible and enrolled persons;

(c) Technical and programmatic expertise to address the unique problems and needs of each of the populations listed in x. (1) above.

(2) Grievance and Appeals, including oversight, investigation and adjudication of grievances and appeals;

(3) Housing, including development and operation of housing assistance programs for special needs populations and expertise in obtaining and managing HUD and other housing grants,

(4) Vocational/Employment Services, including responsibility for monitoring and coordinating vocational programs and services with RSA and knowledge and expertise in employment, rehabilitation, career development; and job placement; and

(5) Training, including development and implementation of training for the Contractor's staff, subcontracted providers and staff of other State agencies.

(6) Compliance Officer

(7) Cultural Competency Plan Contact

(8) Provider Network Contact, including network development and analysis

b. Contractors awarded a single contract in GSA 1, 2, 3, or 4, shall have a full time CEO, CFO and, at a minimum, a part time Medical Director. Contractors must be able to demonstrate, through job descriptions, and at initial and subsequent Administrative Reviews, that all functions outlined in paragraph 33.a. above are performed.

c. Contractors awarded multiple contracts (more than one GSA) shall have a main office that meets the staffing requirements outlined in 33. a (if one of the GSAs awarded is GSA 5or GSA6) or 33. b (if awarded contracts in other than GSA 5 or GSA6). Each Contractor is required to have an office in each additional GSA awarded. These offices shall manage consumer, stakeholder, and advocacy and provider issues, and coordinate the local planning process. Each office shall be staffed, at a minimum, with the following:

i. Full time Regional Administrator;

ii. Part time Medical Director who provides enough time with the Contractor to perform the requirements of this Contract;

iii. Consumer Service Representative;
iv. Provider Service Representative; and

v. Quality Management Specialist.

d. The Contractor shall notify the ADHS Deputy Director in writing within seven days when an employee leaves one of the key positions listed above. In the written notification, the Contractor is required to name an “acting” or “interim” person for any vacated “key staff” position. The name and resume or summary of qualifications of a newly hired “key staff” should be submitted as soon as the new hire has taken place.

e. The Contractor shall submit to ADHS the names and contact information for all required staff positions and/or functions. ADHS is to be notified when positions and/or functions are vacated and the Contractor shall provide ADHS with the name and contact information when the vacated positions and/or functions are filled.

f. At a minimum, the Contractor shall have the following key positions employed by the start date of the Contract: Chief Executive Officer; Chief Financial Officer; Management Information System Manager; Customer Services Manager; and Provider Services Manager.

g. The Contractor must obtain permission from the ADHS Deputy Director in writing prior to the start of the Contract if the Contractor intends to fill any one of the above positions on a temporary basis to assist with the ADHS start-up or with consultants or other non-permanent positions. ADHS reserves the right to refuse the Contractor’s request to fill the above positions on a temporary basis. Failure to obtain prior permission may result in sanctions as described in Section C, paragraph 51, Sanctions, of this Contract.

h. If the Contractor uses a temporary on site team to assist during transition in filling the key staff positions contained in Section C, paragraph 33.a, Staff Requirements, the Contractor shall, at a minimum, maintain these individuals on-site full-time for the first year of the Contract unless otherwise approved by the ADHS.

i. The Contractor shall develop and maintain job descriptions for each functional area of its organization (e.g. operational, fiscal, program and administrative, etc.

i. The Contractor shall maintain written guidelines for developing, reviewing and approving all job descriptions.

iii. All job descriptions shall be reviewed at least annually to ensure that the Contractor’s job descriptions reflect current practices. Reviewed job descriptions shall be dated and signed by the Contractor’s CEO or the appropriate manager, coordinator, director or administrator.

34. TRAINING:

The Contractor shall assess and ensure the fulfillment and documentation of training and technical assistance needs in the contractor’s GSA. The Contractor shall ensure that all staff and subcontracted providers have appropriate training, education, experience and orientation necessary to fulfill the requirements of their position

a. The Contractor shall provide or ensure that, at a minimum, the following training topics are made available and that the development of training materials is conducted by qualified persons.

i. The following topics shall be provided or made available to all providers who are not Community Service Agencies or Therapeutic Foster Care Homes:
(1) Information on the Contractor, the subcontractor provider system and other state agencies that will assist in the implementation and coordination of care;

(2) Eligibility and enrollment verifications;

(3) Screening and referring Non-Title XIX/XXI consumers for Title XIX/XXI eligibility, including how to assist Non-Title XIX/XXI consumers in completing and submitting an AHCCCS Universal application;

(4) Behavioral health record documentation requirements;

(5) Use of assessment tools;

(6) Coordination of care requirements, including but not limited to coordination with PCP's and other state agencies;

(7) Sharing of treatment/medical information;

(8) Confidentiality;

(9) Best practices in the treatment and prevention of behavioral health disorders, including the ADHS Clinical Guidance Documents;

(10) Management of difficult cases including high risk persons and persons that are court ordered for treatment;

(11) Covered services, including information on how to assist members in accessing all medically necessary covered behavioral health services regardless of an enrolled person's program indicator or involvement with any one type of service provider;

(12) Early, Periodic, Screening, Diagnosis and Treatment (EPSDT);

(13) Eligible and enrolled persons' rights and responsibilities;

(14) Grievance system standards and procedures;

(15) Customer service (i.e. responses to complaints);

(16) Fraud and abuse requirements and protocols; and

(17) Managed care concepts.

ii. The following topics shall be provided or made available to Community Service Agency personnel:

(1) Client rights;

(2) Providing services in a manner that promotes client dignity, independence, individuality, strengths, privacy and choice;

(3) Recognizing common symptoms of mental disorders, personality disorders, or substance abuse;

(4) Protecting and maintaining confidentiality of client records and information;

(5) Recognizing, preventing or responding to a client who may
(a) be a danger to self or a danger to others;
(b) behave in an aggressive or destructive manner;
(c) need crisis services; or
(d) be experiencing a medical emergency.

(6) Record keeping and documentation;

(7) Ethical behavior such as staff and client boundaries and the inappropriateness of receiving gratuities from a client.

The aforementioned training topics shall at a minimum be made available to all new service providers and to service providers who have been identified as needing training in specific areas.

iii. Training shall be provided or made available to Therapeutic Foster Care Home providers who serve children to assist these providers in preparing for and complying with the skill and training requirements listed in Licensure Qualifications and Requirements in R6 - 5 - 5850.

iv. Training shall be provided or made available to Therapeutic Foster Care Home providers who serve adults to assist these providers in complying with the skill and training requirements listed in License Qualifications and Requirements in R9-20-1502.

The Contractor shall use systematic processes such as complaints and problem resolution data, and grievance and appeal data to identify providers who require additional training or technical assistance. The Contractor shall also provide or ensure that all appropriate personnel and subcontractors are provided training and/or technical assistance regarding new initiatives and best practices that impact the delivery of behavioral health services. The Contractor shall provide or ensure availability or training or technical assistance that is requested by RBHA personnel or subcontractors.

b. The Contractor's personnel, service provider administrators, direct service providers and service provider supervisors must participate in trainings related to system reform including but not limited to:

(1) The RBHA and ADHS will collaboratively provide Assessment and Clinical Liaison Training beginning in the late summer of 2003 and continue through the year. The training will be targeted to those who will perform these roles, including behavioral health professionals and behavioral health technicians with experience to fulfill these roles. Additional training will be required of supervisors who supervise those performing these functions;

(2) Child and family team facilitation; and

(3) Covered Services: Meeting the Needs of Consumers.

35. DOCUMENTS INCORPORATED BY REFERENCE:

a. The following documents, and any amendments, modifications, and supplements to these documents adopted by the ADHS or AHCCCS (as applicable) during the Contract are incorporated by reference into this Contract:

i. the ADHS Policies and Procedures Manual;

ii. the ADHS Provider Manual

iii. the ADHS Financial Reporting Guide;

iv. the ADHS QM/UM Plan;

v. the ADHS Strategic Plan;

vi. ADHS Guidelines for ADC/Correctional Officer/Offender Liaison (COOL) Program;

vii. The Uniform Terms and Conditions;

viii. Any other state agency operational manuals in force;

ix. Arizona Administrative Code Title 9, Chapter 20;

x. Arizona Administrative Code Title 9, Chapter 21; and

xi. ADHS Covered Behavioral Health Services Guide.

b. Amendments, modifications, and supplements to these documents initiated by the ADHS will be mailed to the contractor 30 days prior to the effective date of any changes or additions. During that time, the Contractor may comment on the change although the ADHS is under no obligation to incorporate the Contractor's suggestions into any final changes. The Contractor shall be responsible for maintaining current versions of these documents and all applicable changes.

c. The Contractor shall comply with the terms, conditions, and requirements of these documents (as amended/revised from time to time), consistent with State and Federal law and the Contract Order of Precedence, as if the terms and conditions of the documents had been fully set forth in this Contract.

36. INTERGOVERNMENTAL, INTERAGENCY SERVICE AGREEMENTS AND MEMORANDUMS OF UNDERSTANDING:

a. The Contractor and each of its subcontracted providers shall comply with the terms and requirements of any and all IGAs/ISAs that may pertain to the covered services, all of which are incorporated by reference herein. Current IGAs include agreements for the LARC programs and the following agencies:

i. ADES/DDD (Arizona Long Term Care Services (ALTCS) Eligible Adults and Children);

ii. Pima County (GSA 5);

iii. Maricopa County IGA;

iv. AODC/COOL (Correctional Officer/Offender Liaison Program);

v. ADES/RSA (SMI Enrolled Adults);

vi. ADJC (Title XIX Eligible Children);

vii. ADES/ACYF (Title XIX Eligible Children);

viii. Children's Executive Memorandum of Understanding;

ix. AHCCCS;

x. AOC (Title XIX Eligible Children);

xi. ADES/ADHS IGA Joint Substance Abuse Treatment Fund; and

xii. ADHS/ADE Protocols for Educational Residential Placements.

b. The Contractor shall assist the ADHS in performing its responsibilities under those IGAs/ISAs as follows:

i. Whenever, by the terms of an IGA/ISA, the duties or obligations of the ADHS may be met either by the ADHS acting directly or through an entity under Contract with the ADHS to serve as the Contractor, said duty or obligation shall be incorporated into this Contract and shall be performed by the Contractor or its subcontracted providers.

ii. Whenever, by the terms of this Contract (including all documents incorporated by reference), the ADHS has imposed a duty or obligation on the Contractor, performance of which is required by the terms of an IGA/ISA, the Contractor shall perform said duty or obligation, either directly and through its subcontracted providers, in a manner consistent with the terms and conditions of the IGA/ISA and the Contract, the terms of the Contract shall govern and the Contractor shall immediately notify ADHS of the conflict. In the event of a conflict between the terms of the IGA/ISA and the Contract, the terms of the Contract shall govern and the Contractor shall immediately notify the ADHS of the conflict.

iii. The Contractor shall assist the ADHS in performing its responsibilities under the various IGAs/ISAs now in effect, amendments thereto, and all other IGAs/ISAs entered into by the ADHS which relate to or require coordination with the delivery of covered services under this Contract.

37. MEMORANDUM OF UNDERSTANDING FOR PROVISION OF SERVICES TO CHILDREN:

The ADHS has developed Memorandum of Understanding that envisions the development of a comprehensive, coordinated system of care for children. Parties to this MOU include the ADES, ADJC, ADOE and AOC. Under the MOU, various interagency projects and systems are established. Regional Behavioral Health Authorities are required to participate in MOU activities and adhere to MOU initiatives. The ADHS will provide a copy of this MOU to the RBHA.

38. PROVISION OF SERVICES SUPPORTED BY THE SAPT PERFORMANCE PARTNERSHIP PROGRAM:

The Contractor shall establish programmatic and accounting procedures consistent with the requirements of 45 CFR Part 96, the ADHS Provider Manual and guidelines on CMHS and SAPT Program and Funds Management.

a. Wait List – The Contractor shall establish a process and procedures, subject to ADHS approval, for ensuring access to treatment for pregnant women and injection drug users within timeframes required in Paragraph 37. At a minimum, the process shall include a wait list management process that includes:

i. a unique identifier for each injection drug abuser seeking treatment;

ii. a unique identifier for each pregnant woman/woman with dependent children seeking treatment, including those receiving interim services.

The Contractor shall incorporate data and findings of the wait list management process in identifying service gaps and expansion needs in the Annual Provider Network Evalualtion and Provider Network Sufficiency Plan Report.

b. Pregnant Substance Abusing Women and Women with Dependent Children:

i. The Contractor shall ensure that access to substance abuse treatment and aftercare services funded by SAPT funding is prioritized according to the following list:

(1) pregnant injection drug users;

(2) pregnant substance abusers;

(3) other injection drug users; and

(4) all others.

ii. The Contractor shall ensure and require its subcontracted providers to ensure that:

(1) each pregnant woman who requests and is in need of substance abuse treatment is admitted within 48 hours. If capacity is unavailable in the Geographic Service Area, the pregnant woman shall be referred to another Contractor for placement; and

(2) if not GSA has capacity to admit within 48 hours, each pregnant woman shall be provided with interim services including, at a minimum, referrals for prenatal care, education/interventions with regard to HIV, tuberculosis and the effects of alcohol and other drugs on the fetus.

iii. The Contractor shall expend no less than the base amount established by the ADHS and communicated to the Contractor through the Schedule of Non Title XIX/XXI Funding and/or other mechanisms for services for specialty programs for pregnant women and women with dependent children that treat the family as a unit:

(1) <u>Maricopa County and Metropolitan Tucson:</u>

Specialty programs that provide directly or through referral:

(a) primary medical care (women);

(b) primary pediatric care (children);

(c) gender-specific substance abuse treatment (women);

(d) therapeutic interventions for children;

(e) child care; and

(f) sufficient case management (women); and transportation to ensure that women and their children have access to all other specialty program services.

(2) All Other Areas:

Specialized practices, which are uniform throughout the service region and provide access to primary medical and prenatal care, gender-specific interventions and treatment for substance abuse/dependence disorders, and supportive services including child care.

iv. No individual may be denied services solely based on medical condition.

c. Injection Drug Users:

The Contractor shall ensure that:

i. subcontractors provide notification to the Contractor of any substance abuse treatment program that has reached 90% of its capacity to admit injection drug users. Notification shall be provided to the Contractor within seven days of reaching said capacity and shall be used to manage excess capacity to ensure conformance with admission timeframes;

ii. each individual who requests and is in need of treatment for injection drug abuse is admitted to a program of such treatment no later than:

(1) 14 days after making the request for admission; or

(2) 120 days after the request, if no program has the capacity to admit the patient and if interim services are offered within 48 hours of the request for treatment.

iii. interim services shall minimally include education/interventions with regard to HIV and tuberculosis and the risks of needle-sharing and shall be offered within 48 hours of the request for treatment; and

iv. entities funded for treatment services to injection drug abusers carry out scientifically sound outreach activities to encourage individuals in need to undergo treatment.

d. HIV Early Intervention Services:

The Contractor shall expend no less than the base amount established by the ADHS and communicated to the Contractor through the Schedule of Non Title XIX/XXI Funding and/or other mechanisms for HIV Early Intervention Services as detailed in ADHS Program Guidelines;

e. Tuberculosis Screening and Referral

The Contractor shall ensure that any entity receiving SAPT funding for treatment services:

i. implements tuberculosis, infection control procedures as established by the ADHS;

ii. routinely provides Tuberculosis risk assessment and conducts or offers referrals for Tuberculosis (TB) testing, evaluation and treatment; and

iii. ensures that interim services provided to pregnant/parenting substance abusing women and injection drug users routinely include TB risk assessments, evaluation and treatment; and

iv. such services are offered within 48 hours after the eligible or enrolled person seeks treatment.

f. Primary Prevention

The Contractor shall expend no less than the base amount established by the ADHS and communicated to the Contractor through the Schedule of Non Title XIX/XXI Funding and/or other mechanisms for primary prevention services directed at individuals not identified to be in need of treatment. Primary prevention services shall be provided

in a variety of settings for both the general population and sub-groups who are at high risk for development of substance abuse disorders, including those with evidence of initial use. Such services shall utilize the following strategies:

i. training;

ii. public information;

iii. community education;

iv. parent/family education;

v. alternative community activities;

vi. community mobilization;

vii. life skills development;

viii. peer leadership skills development; and

ix. mentorship.

g. Services for Individuals with Co-Occurring Disorders.

The Contractor may use funds available for treatment from the SAPT and CMHS Performance Partnership Programs to treat persons with co-occurring substance abuse and mental health/mental illness disorders as long as funds are used for the purposes for which they were authorized by law and can be tracked for accounting purposes.

39. BUSINESS CONTINUITY PLAN:

The Contractor shall develop a Business Continuity Plan to deal with unexpected events that may affect its ability to adequately serve members. This plan shall, at a minimum, include planning and training for:

a. Behavioral health facility closure/loss of a major provider;
b. Electronic/telephonic failure at the Contractor's main place of business;
c. Complete loss of use of the main site;
d. Loss of primary computer system/records; and
e. How the Contractor will communicate with ADHS in the event of a business disruption.

The Business Continuity Plan shall be reviewed annually by the Contractor, updated as needed, and provided to ADHS for review upon request. All key staff shall be trained and familiar with the Plan.

The Contractor shall ensure management services subcontractors prepare adequate business continuity plans and that the management services subcontractors review their plans annually, updating them as needed. The management services subcontractor plans shall, at a minimum, address the areas listed above as applicable.

40. GRANTS:

The Contractor shall participate and cooperate fully with the ADHS staff in the implementation and evaluation of current and future grant projects.

a. Activities shall include:

i. compliance with all aspects of the terms and conditions of the award; and

ii. cooperation with the ADHS staff in accepting guidance and responding to requests for information relevant to the project.

b. In addition to these terms and conditions and the applicable statutes and regulations, grantees are bound by the U.S. Department of Health and Human Services, Public Health Services Grants Policy Statement and all requirements in the Guidance for Applicants documents. The Contractor shall also abide by any contract developed subsequent to the grant including time lines for activities and deliverables. The Contractor shall notify the ADHS of any changes in the Principal Investigator, Program Director or other key grant evaluation staff prior to the implementation of the personnel changes.

c. The Contractor shall maintain records, which adequately identify the source and application of funds provided for financially assisted activities. These records shall contain information pertaining to cooperative agreements or sub-awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures.

d. The Contractor and its subcontracted providers shall cooperate with all Federal and/or State audits of grant funds.

41. CO-PAYMENTS AND SLIDING FEE SCHEDULE:

The Contractor is responsible for the collection of copayments from Title XIX and Title XXI eligible or enrolled persons in accordance with AHCCCS Rule R9-22-711 and 42CFR 447 and ADHS Provider Manual, but service will not be denied for inability to pay the copayment. The Contractor or its subcontracted providers shall not bill an enrolled person for more than the statutory copayment amount. The Contractor must ensure that Title XIX and Title XXI enrolled persons are not held liable for:

i. The Contractor's or subcontracted provider's debts in the event of the Contractor's or subcontracted provider's insolvency;

ii. Covered services provided to the enrolled person for which AHCCCS does not pay ADHS, ADHS does not pay the Contractor, and the Contractor does not pay the subcontracted provider;

iii. Payments to the Contractor or its subcontracted providers for covered services furnished under a contract, referral or other arrangement to the extent that those payments are in excess of the amount the enrolled person would owe if the Contractor or the subcontracted provider provided the services directly.

For Non-Title XIX/XXI covered services, the Contractor shall determine the fee to be charged to the eligible or enrolled person according to the sliding fee schedule contained in the ADHS Provider Manual.

Any required copayments collected shall belong to the Contractor or its subcontracted providers, as appropriate.

42. PROVIDER MANUAL:

The Contractor shall develop and distribute or otherwise make available a provider manual, to all service providers in the Contractor's network. The Contractor shall utilize the provider manual to communicate all policy requirements to subcontracted providers. The Contractor's Provider Manual shall conform to the ADHS Provider Manual template and is subject to approval by ADHS. The Contractor must post the Contractor specific version of the provider manual to the Contractor's website. In the event that the Contractor posts additional policies and procedures to the Contractor's website, the Contractor must include prominent information that the policies are not directed to subcontracted providers. For subcontracted providers that do not have internet access, the Contractor shall ensure that the subcontracted providers receive hard copies of the provider manual, including all applicable revisions. The Contractor shall ensure that all subcontracted providers receive timely notification of any changes to the Contractor specific version of the provider manual. The Contractor shall modify the Provider Manual within 30 days when notified by the ADHS of required revisions.

43. ADMINISTRATIVE REVIEWS:

ADHS will conduct annual Administrative Reviews of the quality outcomes, timeliness of, and access to the services covered under this contract for the purpose of (but not limited to) ensuring structural, operational and financial program compliance. The Reviews will be performed consistent with the CMS Protocols for External Quality Review of Medicaid Managed Care Organizations and Prepaid Inpatient Health Plans to identify areas where improvements can be made and make recommendations accordingly, monitor the Contractor's progress towards implementing mandated programs through the review and acceptance of corrective action plans and provide the Contractor with technical assistance, if necessary. The Review may include the participation of AHCCCS. The Contractor shall comply with all other medical audit provisions as required by ADHS.

a. The type and duration of the Administrative Review will be at the discretion of ADHS and AHCCCS.

b. Except in cases where advance notice is not possible or advance notice may render the review less useful, ADHS will give the Contractor at least three weeks advance notice of the date of the on-site review.

c. In preparation for the on-site Administrative Reviews, the Contractor shall cooperate fully with ADHS and the ADHS Administrative Review Team by forwarding in advance such documents, job descriptions, contracts, logs and other information that ADHS may request.

d. The Contractor shall have all requested behavioral health records available. Any documents not requested in advance by ADHS shall be made available upon request of the Administrative Review Team during the course of the review.

e. The Contractor's staff, as identified in advance, shall be available to the Review Team at all times during the ADHS review activities. While on-site, the Contractor shall provide the Administrative Review Team with workspace, access to a telephone, electrical outlets and privacy for conferences.

f. The Contractor will be furnished a copy of the Draft Administrative Review Report and be given an opportunity to comment on any review findings prior to ADHS publishing the final report.

g. Administrative Review findings may be used in the evaluation of subsequent service proposals by ADHS.

h. Recommendations made by the Administrative Review Team to bring the Contractor into compliance with Federal, State, ADHS or Contract requirements shall be implemented by the Contractor. The Contractor shall provide a written update on corrective action plan activities taken or planned by June 15th of each contract year. ADHS may conduct a follow-up Administrative Review to determine the Contractor's progress in implementing recommendations and achieving program compliance. Follow-up reviews may be conducted at any time after the initial Administrative Review.

i. ADHS may conduct an Administrative Review in the event that the Contractor undergoes reorganization or makes changes in three or more key staff positions within a 12-month period.

44. PERFORMANCE BOND OR BOND SUBSTITUTE:

The Contractor shall establish and maintain a performance bond of a standard commercial scope issued by a surety company doing business in the State of Arizona, an irrevocable letter of credit, or a cash deposit ("Performance Bond) for as long as the Contractor has liabilities relating to performance of the Contract of $50,000 or more outstanding. The Performance Bond amount that must be maintained after the Contract terminates or expires shall be sufficient to cover all outstanding liabilities and will be determined by ADHS.

a. The performance bond or bond substitute shall guarantee payment of the Contractor's obligations to providers, non-contracting providers, and non-providers and performance by the Contractor of its obligations under the Contract.

b. The Performance Bond shall be in a form acceptable to the ADHS and shall be payable to the ADHS or its designee(s).

c. In the case of an irrevocable letter of credit, the letter shall be issued by a bank doing business in Arizona and insured by the Federal Deposit Insurance Corporation, or a savings and loan association doing business in Arizona and insured by the Federal Savings and Loan Insurance Corporation or a credit union doing business in Arizona and insured by the National Credit Union Administration.

d. In the event ADHS accepts substitute security in lieu of the Performance Bond, the Contractor agrees to execute any and all documents and perform any and all acts necessary to secure and enforce ADHS' security interest in such substitute security including, but not limited to, security agreements and necessary UCC filings pursuant to the Arizona Uniform Commercial Code. In the event such substitute security is accepted by ADHS, the Contractor acknowledges that it has granted ADHS a security interest in such substitute security to secure performance of its obligations under the Contract. The Contractor is solely responsible for establishing the credit-worthiness of all forms of substitute security. ADHS may, after written notice to the Contractor, withdraw its permission for substitute security, in which case the Contractor shall provide ADHS with a form of security described above.

e. The Contractor shall not leverage the bond for another loan or create other creditors using the bond as security.

45. AMOUNT OF PERFORMANCE BOND:

The Contractor shall obtain a performance bond equal to one hundred and ten percent of the first Title XIX, Title XXI and Non-Title XIX/XXI payment to the Contractor under the Contract. This requirement must be satisfied by the Contractor not later than 15 days after notification by the ADHS of the amount required. When the monthly Contract amount changes by ten percent, the ADHS shall notify the Contractor that the amount of the bond shall be adjusted to equal one hundred ten percent of the current monthly Contract payment. Upon notification, the Contractor has 15 days to make required changes to their Performance Bond. The Performance Bond amount that must be maintained after the Contract terminates or expires shall be sufficient to cover all outstanding liabilities and will be determined by ADHS.

46. ADHS CLAIM TO PERFORMANCE BOND PROCEEDS UPON DEFAULT:

In the event of a default by the Contractor, the ADHS shall, in addition to any other remedies it may have under this the Contract, obtain payment under the Performance Bond for the purpose of the following:

a. paying any damages sustained by subcontracted providers, non-contracting providers and non-providers by reason of a breach of the Contractor's obligations under the Contract;

b. reimbursing the ADHS for any payments made by the ADHS on behalf of the Contractor;

c. reimbursing the ADHS for any extraordinary administrative expenses incurred by reason of a breach of the Contractor's obligations under the Contract, including, but not limited to, expenses incurred after termination of the Contract for reasons other than the convenience of the State by the ADHS; and

d. making any payments or expenditures deemed necessary by ADHS, in its sole discretion, to aid in the direct operation of the Contractor by the ADHS pursuant to the terms of the Contract and to reimburse ADHS for any extraordinary administrative expenses incurred in connection with the direct operation of the Contractor by the ADHS pursuant to the terms of the Contract.

47. ENCOUNTER SUBMISSION REQUIREMENTS:

The Contractor shall submit accurate and timely encounter data to assist ADHS in the evaluation of performance and establishment of capitation rates. The Contractor shall submit encounter data to ADHS for all covered services for which the Contractor incurs financial liability. The Contractor is required to submit encounters in accordance with the Financial Reporting Guide for the Regional Behavioral Health Authorities and Tribal Regional Behavioral Health Authorities. Failure to meet the standards outlined in this guide may result in receiving sanctions passed down from AHCCCS or the withhold of capitation payments as outlined in the guide.

a. The ADHS shall, on a quarterly basis, retroactively calculate the contract year-to-date value of encounters (based on the date of service). The calculation will be performed in order to measure completeness of encounter reporting.

b. All encounters must be submitted to ADHS within 210 days from the date of service. The Contractor will be assessed sanctions for noncompliance with encounter submission requirements. ADHS may also perform special reviews of encounter data, such as comparing encounter reports to the Contractor's claims files. Any findings of incomplete or inaccurate encounter data may result in the imposition of sanctions or requirement of a corrective action plan.

c. A case management encounter must be submitted at the time of the initial case management contact

d. Pended Encounter Corrections

   i. The Contractor must resolve all pended encounters within 120 days of the original processing date. Sanctions will be imposed according to the following schedule for each encounter pended for more than 120 days unless the pend is due to ADHS or AHCCCSA error.

O-120 days	121-180 days	181-240 days	241-360 days	361+ days
No sanction	$5 per month	$10 per month	$15 per month	$20 per month

"ADHS or AHCCCSA error" is defined as a pended encounter which (1) ADHS or AHCCCSA acknowledges to be the result of their own error, and (2) requires a change to the system programming, an update to the database reference table, or further research by ADHS or AHCCCSA. ADHS reserves the right to adjust the sanction amount if circumstances warrant.

ii. When the Contractor notifies ADHS in writing that the resolution of a pended encounter depends upon ADHS or AHCCCSA rather than the Contractor, ADHS/DBHS will respond in writing within 30 days of receipt of such notification. The ADHS response will report the status of each pended encounter problem or issue in question.

iii. Pended encounters will not qualify as ADHS or AHCCCSA errors if ADHS reviews the Contractor's notification and asks the Contractor to research the issue and provide additional substantiating documentation, or if ADHS or AHCCCSA disagrees with the Contractor's claim of ADHS or AHCCCSA error. If it is found, upon ADHS or AHCCCSA research, that ADHS or AHCCCSA error did not cause a pended encounter; the Contractor may be sanctioned retroactively.

iv. Pended encounters shall not be deleted by the Contractor or its subcontracted providers as a means of avoiding sanctions for failure to correct encounters within 120 days. ADHS and its subcontracted RBHAs shall document deleted encounters and shall maintain a record of the deleted Claims Reference Numbers (CRNs) with appropriate reasons indicated. The Contractor and its subcontracted providers shall, upon request, make this documentation available to ADHS for review.

e. Encounter Validation Studies

Per CMS requirement, AHCCCSA conducts encounter validation studies of the Title XIX and XXI encounter submissions sent to AHCCCSA from the Contractor via ADHS. Sanctions are imposed upon the Contractors for noncompliance with encounter submission requirements. The purpose of encounter validation studies is to compare recorded utilization information from medical record or other source with the Contractor’s submitted encounter data. Any and all covered services may be validated as part of these studies. Encounter validation studies are conducted at least yearly.

The following reflects AHCCCSA’s encounter validation study process and sanction policy.

i. All sanctions imposed upon the ADHS from AHCCCSA will be passed on to the Contractor.

ii. AHCCCSA conducts two encounter validation studies. Study “A” examines non-institutional services (form CMS 1500/837P encounters), and Study “B” examines institutional services (form UB92/837I encounters).

iii. AHCCCSA has reserved the right to revise the study methodology, time lines, and sanction amounts based on its review or as a result of consultations with CMS. The Contractor will be notified in writing of any significant change in study methodology.

iv. ADHS will notify the Contractor in writing of the sanction amounts and of the selected data needed for encounter validation studies. The Contractor will have 90 days to submit the requested data to ADHS. In the case of medical records requests, the Contractor’s failure to provide ADHS with the records requested within 90 days may result in a sanction of $1000 per missing medical record. If ADHS does not receive a sufficient number of medical records from the Contractor to select a statistically valid sample for study, the Contractor may be sanctioned up to five percent (5%) of its annual capitation payment.

v. The criteria used in encounter validation studies may include timeliness, correctness, and omission of encounters. These criteria are defined as follows:

(1) *Timeliness:* The time elapsed between the date of service and the date that the encounter is received at AHCCCSA. All encounters must be received by ADHS no later than 210 days after the end of the month in which the service was rendered, or the effective date of enrollment with the Contractor, whichever is later. For all encounters for which timeliness is evaluated, a sanction per encounter error extrapolated to the population of encounters may be assessed if the encounter record is received by ADHS more than 210 days after the date determined above. It is anticipated that the sanction amount will be $1.00 per error extrapolated to the population of encounters; however, sanction amounts may be adjusted if AHCCCSA determines that encounter quality has changed, or if CMS changes sanction

requirements. The Contractor will be notified of the sanction amount in effect for the studies at the time the studies begin.

(2) *Correctness:* A correct encounter contains a complete and accurate description of Title XIX or Title XXI covered services provided to a consumer. A sanction per encounter error extrapolated to the population of encounters may be assessed if the encounter is incomplete or incorrectly coded. It is anticipated that the sanction amount will be $1.00 per error extrapolated to the population of encounters; however, sanction amounts may be adjusted if AHCCCSA determines that encounter quality has changed, or if CMS changes sanction requirements. The Contractor will be notified of the sanction amount in effect for the studies at the time the study begins.

(3) *Omission of Data:* An encounter not submitted to ADHS or an encounter inappropriately deleted from AHCCCSA's pending encounter file or historical files in lieu of correction of such record. For Study "A" and for Study "B", a sanction per encounter error extrapolated to the population of encounters may be assessed for an omission. It is anticipated that the sanction amount will be $2.00 per error extrapolated to the population of encounters for Study "A" and $10.00 per error extrapolated to the population of encounters for Study "B"; however, sanction amounts may be adjusted if AHCCCSA determines that encounter quality has changed, or if CMS changes sanction requirements. The Contractor will be notified of the sanction amount in effect for the studies at the time the studies begin.

vi. For encounter validation studies, AHCCCSA will select all approved and pended encounters to be studied no earlier than 240 days after the end of the month in which the service was rendered. Once AHCCCSA has selected the Contractor's encounters for encounter validation studies, subsequent encounter submissions for the period being studied will not be considered.

vii. AHCCCSA may review all of the Contractor's submitted encounters, or may select a sample. The sample size or number of encounters to be reviewed will be determined using statistical methods in order to accurately estimate the Contractor's error rates. Error rates will be calculated by dividing the number of errors found by the number of encounters reviewed. A 95% confidence interval will be used to account for limitations caused by sampling. The confidence interval shows the range within which the true error rate is estimated to be. If error rates are based on a sample, the error rate used for sanction purposes will be the lower limit of the confidence interval.

viii. Written preliminary results of all encounter validation studies will be sent to the Contractor for review and comment. The Contractor will have a maximum of 30 days to review results and provide AHCCCSA with additional documentation that would affect the final calculation of error rates and sanctions. AHCCCSA will examine the Contractor's documentation and may revise study results if warranted. Written final results of the study will then be sent to the Contractor and communicated to CMS, and any sanctions will be assessed.

f. Encounter Corrections

The RBHA is required to submit replacement or voided encounters in the event that claims are subsequently corrected following the initial encounter submission. This includes corrections as a result of inaccuracies identified by fraud and abuse audits or investigations conducted by AHCCCSA or ADHS. The RBHA shall refer to the Encounter Reporting User Manual for further instructions regarding submission of corrected encounters.

48. INFORMATION SYSTEM:

a. The Contractor shall implement the following technological measures:

The Contractor and the subcontracted providers must have a website with links to the following information:

a. Formulary
b. Provider manual
c. Policies
d. Member handbook
e. Provider listing

b. The Contractor must ensure that subcontracted providers have claims inquiry via website fully operational.

c. The Contractor is required to develop, test and maintain a management information system that meets the data processing requirements defined by ADHS. The current requirements that shall be met by the Contractor for claim/encounter processing, core subsystems, submission of enrollment, disenrollment and assessment data and interfaces that must be developed by the Contractor are described in the documents *Arizona Department of Health Services CIS File Layout Specifications Manual*, the ADHS/DBHS Provider Manual, and the ADHS/DBHS Program Support Procedure Manual.

d. The Contractor shall meet all of the requirements specified in the documents cited in this section and subsequent changes identified in ADHS directives.

e. The Contractor must also successfully meet all system test requirements established by the ADHS. After completion of all the claims/encounter test requirements, the Contractor's MIS system must be certified as operationally ready by ADHS prior to processing claims and encounters.

f. The Contractor shall develop and maintain a health information system that collects, analyzes, integrates, and reports data. The system shall provide information on areas including, but not limited to, service utilization and grievance and appeals.

g. ADHS reserves the right to review and approve or disapprove the Contractor's management information system or any component therein if ADHS has reasonable concerns regarding its suitability or its ability to support the requirements of this Contract. All components of the Contractor's management information system shall be made available for review or audit upon request by ADHS. The Contractor shall seek and acquire prior approval from ADHS whenever it is anticipated that funds derived from this Contract will be used for systems enhancements, software, hardware or information network procurement.

h. If the Contractor plans to make any modifications that may affect any of the data interfaces, it shall first provide ADHS the details of the planned changes, the estimated impact upon the interface process, and unit and parallel test files. The Contractor shall allow sufficient time for ADHS to evaluate the test data before approving the proposed change. The Contractor shall also notify ADHS in advance of the exact implementation date of all changes so ADHS can monitor for any unintended effects of the change.

49. PROVIDER BILLINGS:

The Contractor shall require each provider to submit claims or encounters for covered services, in accordance with ADHS Provider Manual and the ADHS/DBHS Office of Program Support Procedures Manual.

a. Billings:

i. Claims or encounters shall be submitted to the Contractor or subcontracted Fiscal Agent no less frequently than monthly, utilizing forms CMS 1500, UB92, Universal Form "C", and such other means, forms or formats and using such provider, Contractor, enrolled person, covered service description and other codes and identifiers and on a schedule as may be provided by the ADHS hereto in written notices from the ADHS to the Contractor. The Contractor shall submit claims or encounters to ADHS containing an ICD-9 code to the fifth digit, or last digit possible for the specific ICD-9 code.

ii. In the absence of a subcontract provision establishing a shorter time frame, the Contractor shall allow billings up to six months from the date of the service.

iii. In accordance with the Balanced Budget Act of 1997, the Contractor shall ensure that ninety percent (90%) of all clean claims are paid within 30 days of receipt of the clean claim and ninety nine percent (99%) are paid within 90 days of receipt of the clean claim.

iv. The Contractor's obligation to pay for Covered Services authorized by the Contractor under this contract survives the termination or expiration of this contract.

v. The Contractor shall correct any Title XIX or Title XXI encounter that has pended at AHCCCS within 90 days of the date the encounter pended. Any financial sanction assessed by AHCCCS resulting from not correcting a pended encounter will be passed through to the Contractor.

vi. The Contractor shall make all necessary corrections to the Client Record as identified by ADHS to ensure that all Title XIX and Title XXI encounters are processed through AHCCCS appropriately. All corrections must be made within 10 days of notification.

b. Provider Claims Time Limits:

i. Unless otherwise specified in contract and/or subcontract, the Contractor shall not require a deadline for subcontracted providers to submit initial claims for covered services earlier than 6 months after the date of services, or for claims requiring resubmission, 12 months after the date of service.

The Contractor shall not pay claims for covered services that are initially submitted more than six months after the date of service, or six months after the date of eligibility posting, whichever is later. In addition, the Contractor shall not pay resubmitted claims received more than 12 months after the date of service or 12 months after the date of eligibility posting, whichever is later.

ii. Except for co-payments and sums payable by Third Party Payers under coordination of benefits provisions (Section C, paragraph 59, *Coordination of Benefits and Third Party Liability*), a provider shall not charge or receive any payment from a Title XIX or Title XXI eligible person for Title XIX or Title XXI covered services. Further, a provider shall not bill an enrolled person for services or items other than covered services unless the enrolled person or his or her guardian or conservator has previously agreed in writing to make payment therefore

iii. If the Contractor does not reimburse a provider within the time required by the contract, the Contractor shall pay a penalty to the ADHS which shall not exceed an amount equal to interest on the unreimbursed claim of 10 percent per annum calculated on a time period equal to the difference between:

(1) the time between submission of the clean claim and actual payment, and

(2) the time frame required by this subsection.

These financial penalties shall be imposed through a reduction in the amount of funds payable to the Contractor for administrative expenses.

c. Review/Disallowance:

Each billing by a subcontracted provider shall be subject to disallowance in the event and to the extent such billing is incomplete, does not conform to the applicable service authorization or to this Contract or any applicable subcontract, or is otherwise incorrect. Any billing so disallowed shall be returned by the Contractor or the fiscal agent to the provider with an explanation for the disallowance. Nothing shall prevent a provider from re-submitting a disallowed billing at a later date provided that no such re-submission shall be made later than 90 days following the date of the last submission. The Contractor shall cooperate with its Subcontractors in the prompt reconciliation of disallowed billings. The Contractor's claims payment system, as well as its prior authorization and concurrent review process, must minimize the likelihood of having to recoup already paid claims. Any recoupment in excess of $50,000 per provider within a contract year must be approved in advance by the ADHS.

d. Provisional Nature of Payments:

All payments to providers shall be provisional and shall be subject to review and audit for their conformity with the provisions hereof and of any applicable subcontract.

e. Health Insurance Portability and Accountability ACT (HIPAA): The Contractor shall comply with the Administrative Simplification requirements of Subpart F of the HIPAA of 1996 (Public Law 107-191, 110 Statutes 1936) and all federal regulations implementing that Subpart that are applicable to the operations of the Contractor by the dates required by the implementing federal regulations.

f. This Contract is voidable and subject to immediate cancellation by the ADHS upon the Contractor becoming insolvent or filing proceedings for bankruptcy or reorganization under the United States Code, or assigning rights or obligations under this Contract without the prior written consent of the ADHS.

50. CORRECTIVE ACTIONS:

At its discretion, the ADHS may require Corrective Action when it is determined that the Contractor is out of compliance with the terms of the Contract or not adhering with ADHS policies and procedure(s). The Corrective Action shall be outlined and

documented on a Corrective Action Plan using the format prescribed by ADHS. This document will be the means of communication between the Contractor and the ADHS regarding progress of the Corrective Action. Failure to adhere to the prescribed Corrective Action may result in sanctions as described in Section C, paragraph 51, *Sanctions*.

51. SANCTIONS:

In addition to any other remedies available to ADHS, the ADHS may impose financial sanctions against the Contractor for breaches of the Contract by the Contractor or its subcontracted providers.

Intermediate sanctions may be imposed for, but not limited to, the following actions:

a. Substantial failure to provide medically necessary covered behavioral health services that the Contractor is required to provide under the terms of this contract.

b. Imposition of premiums or charges in excess of the amount allowed under the AHCCCS 1115 Waiver.

c. Discrimination among enrolled persons on the basis of their health status or need for health care services.

d. Misrepresentation or falsification of information furnished to ADHS or CMS or AHCCCSA.

e. Misrepresentation or falsification of information furnished to a member, potential member, or provider.

f. Distribution, as applicable, directly, or indirectly through any agent or independent contractor, of marketing materials that have not been approved by AHCCCSA or that contain false or materially misleading information.

g. Failure to meet ADHS and AHCCCS Financial Viability Standards.

h. Material deficiencies in ADHS provider network.

i. Failure to meet quality of care and quality management requirements.

j. Failure to meet ADHS and AHCCCS encounter standards.

k. Violation of other applicable State or Federal laws or regulations.

l. Failure to fund accumulated deficit in a timely manner.

m. Failure to require subcontractors to increase the Performance Bond in a timely manner.

n. Failure to comply with any provisions contained in this contract.

ADHS may impose the following types of intermediate sanctions:

a. Civil monetary penalties

b. Suspension of payment for members after the effective date of the sanction until CMS or AHCCCSA is satisfied that the reason for imposition of the sanction no longer exists and is not likely to recur.

c. Additional sanctions allowed under statute or regulation that address areas of noncompliance.

Sanctions are set forth in the following table:

Contract Provision Violated	Sanction/Penalty
Accreditation/Credentialing	1
Anti-Kickback	2
Co-payments	2
Community Advisory Board	$500 each meeting
Confidentiality of Records	2
Conflict of Interest	2
Coordination of Benefits	1
Data Validation	The amount imposed by AHCCCS
Enrollment, Disenrollment and Assessment Data Submissions	2
Federal Performance Partnership Program Requirements	2
Financial Audits	2
Financial Information	1
Grievance and Appeals	1
Licenses and Permits	2
Performance Bond Requirements	2
Plans	2
Provider Billing Obligations and Encounter Reporting	1
Provisions Governing services for persons with SMI, including Arnold v. ADHS litigation and Title XIX Eligible Children Referenced in J.K. vs. Allen	1
Quality Management/Performance Improvement and Utilization Review	1
Quality Performance Standards	2
Records Retention	1
Subcontracts	$1,000 per Subcontractor per month
Other Minimum Data Requirements	1
Other Areas of Noncompliance Not Identified Above	1

[1] - The lesser of $2,500. or 1% of one monthly Title XIX and Title XXI capitation for each month or fraction thereof in which the violation occurs.

[2] - The lesser of $5,000 or 2% of one month's Title XIX and Title XXI capitation for each month or fraction thereof in which the violation occurs.

b. Other sanctions, corrective actions and penalties may be imposed upon the Contractor for violations of the Contractor or any of its subcontracted providers in accordance with rules, regulations and policies of AHCCCS or the ADHS.

c. If the AHCCCSA, pursuant to its IGA with ADHS or pursuant to AHCCCS regulations, imposes a sanction against the ADHS for any act or omission which, pursuant to this Contract, the Contractor was prohibited or required (respectively) to perform, then the ADHS may, in addition to any other remedies available under the Contract, impose a sanction against the Contractor in an amount equal to the amount of the sanction imposed by AHCCCS against the ADHS.

d. Written notice shall be provided to the Contractor specifying the sanctions proposed, the grounds for the sanction or corrective actions, identification of any subcontracted providers involved in the violation, the amount of funds to be withheld from payments to the Contractor and the steps necessary to avoid future sanctions or corrective actions.

e. The Contractor shall complete all steps necessary to correct the violation and to avoid future sanctions or corrective actions within the time frame established by the ADHS in the notice of sanction. Following the notice of sanction, a full month's sanction is due for the first month or any portion of a month during which the Contractor (or its subcontracted provider) is in violation. For any subsequent month (or portion of a month) during which the Contractor (or its subcontracted provider) remains in violation, the ADHS shall impose an additional penalty which, at the discretion of the ADHS, shall not be less than the penalty for the first month's violation multiplied by one (1) plus the number of additional months (or portion of a month) during which the violation continues.

f. If the Contractor is found by the ADHS to have violated the same Contract provision on multiple occasions within a two year period, then ADHS, at its discretion, may increase the amount of the first months' penalty by an amount not to exceed the amount of the penalty for the first violation multiplied by one (1) plus the number of repeat violations.

For example: assume the Contractor violates a Contract provision for which the first month's penalty is $5,000. If a second violation of the same provision occurs within 2 years of the first violation, the penalty for the first month of the second violation could be as high as $10,000. If a third violation of the same provision occurs within 2 years of the first violation, the penalty for the first month of the third violation could be as high as $15,000.

g. The ADHS shall have the right to offset against any payments due the Contractor until the full sanction amount is paid. The Contractor has the right to appeal such an adverse action in accordance with the ADHS and AHCCCS policy.

h. The ADHS shall impose on the Contractor any financial penalties or disallowances imposed on ADHS by AHCCCSA related to the Contractor's performance under this agreement. The imposition of these sanctions upon the Contractor shall not be levied until such time as AHCCCSA shall have actually imposed sanctions upon the state for conduct related to the Contractor's performance under this agreement. ADHS shall confer with the Contractor concerning defenses or objections to the imposition of such sanctions at all stages of the sanction process. In the event that AHCCCSA imposes sanctions upon ADHS, the Contractor shall reimburse ADHS upon demand, or ADHS will process a withhold, any such sanction or disallowance amount or any amount determined by AHCCCSA to be unallowable, after exhaustion of the appeals process (if federal regulations so permit) as long as the federal government does not levy the sanctions until after the appeals process is completed. The Contractor shall be the administrative cost of such an appeals process.

i. Any recoupments imposed by the federal government and passed through to the Contractor shall be reimbursed to ADHS upon demand.

52. COMPLAINTS, SMI GRIEVANCES, MEMBER APPEALS, AND PROVIDER APPEALS:

a. General

i. The Contractor shall have in place complaint, SMI grievance, member appeal and provider appeal processes for providers and members. In administering the complaint, SMI grievance, member appeal and provider appeal processes, the Contractor shall ensure that providers and members are advised of their grievance and appeal rights, have access to the applicable complaint, SMI grievance, member appeal and provider appeal processes, and that the applicable complaint, SMI grievance, member appeal and provider appeal processes are handled competently, expeditiously and equitably for all members and providers.

ii. The Contractor may not delegate or subcontract the administration of complaint, SMI grievance, member

appeal, and provider appeal processes. The Contractor shall provide the appropriate personnel to establish, implement and maintain the necessary functions of the complaint, SMI grievance, member appeal, and provider appeal processes for members and providers. Should issues relating to the decisions and/or actions of the Contractor and/or their subcontractor involving these processes rise to the level of an administrative hearing and/or judicial review, the Contractor shall provide the necessary professional, paraprofessional and administrative services for the representation of the Contractor and/or provider.

iii. ADHS, at its discretion, may participate in or review any complaint, SMI grievance, member appeal, and provider appeal processes and require the Contractor to carry out ADHS decisions pending the formal resolution of the complaint, SMI grievance, member appeal, and provider appeal.

b. Complaints

The Contractor shall develop and implement written internal procedures that guide the informal dispute resolution process including timeframes for resolution. These procedures shall comply with the ADHS/DBHS Provider Manual and 42 CFR 438.1 et seq. The Contractor shall try to informally resolve complaints, SMI grievance, member appeals and provider appeals whenever possible. However, the Contractor shall not prohibit or interfere with a member's or provider's right to use the applicable processes.

c. SMI Grievances and Member Appeals

The Contractor shall develop and implement written internal procedures regarding SMI grievance and member appeal process in accordance with all applicable state and federal laws including, but not limited to , 42 CFR 438.1 et seq., 45 CFR parts 160-164, 42 CFR 431.200 et seq., 42 CFR 456.200 et seq., A.A.C. R9-22-518(A), R9-22-802, R9-22-804, R9-21 Article 4, ADHS Policies and Procedures, ADHS/DBHS Provider Manual, and the Member Handbook.

d. Provider Appeals

i. The Contractor shall develop and implement written internal procedures regarding provider appeals in accordance with all applicable state and federal laws including, but not limited to, 42 CFR 431.200 et seq., 42 CFR 456.200 et seq., A.A.C. R9-22-518(A), R9-22-802, R9-22-804, ADHS Policies and Procedures, and ADHS/DBHS Provider Manual.

ii. When the Contractor denies a claim, the Contractor shall notify the provider in writing of the claim denial and inform them of the provider's right and process to appeal.

iii. Information Processing

The Contractor shall submit grievance and appeal data in accordance with the Grievance and Appeals Database Manual.

53. ADHS APPROVAL:

As required in the Contract the Contractor is required to obtain approval from the ADHS prior to implementation of material changes in practice. The ADHS response may include, but is not limited to, an approval to proceed in whole or in part, a disapproval to proceed in whole or in part, or a requirement for additional information before a decision can be made.

54. SUBCONTRACTS:

The Contractor shall be responsible for Contract performance whether or not subcontracts are used. No subcontract shall operate to terminate the responsibility of the Contractor to ensure that all activities carried out by the Subcontractor conform to the provisions of the Contract. Subject to such conditions, any function required to be provided by the Contractor pursuant to the Contract may be subcontracted to a qualified person or organization. All such subcontracts shall be in writing.

If the Contractor delegates duties or responsibilities to a subcontracted provider, then the Contractor shall establish a written agreement that specifies the activities and reporting responsibilities delegated to the subcontractor. The written agreement shall also provide for revoking delegation or imposing other sanctions if the subcontracted provider's performance is inadequate. In order to determine adequate performance, the Contractor shall monitor the subcontractor's performance on an ongoing basis and subject it to formal review according to a periodic schedule approved by ADHS. As a result of the

performance review, any deficiencies must be communicated to the subcontracted provider in order to establish a corrective action plan. The results of the performance review and the corrective action plan shall be communicated to ADHS upon completion.

The Contractor must enter into a contract with any provider the Contractor anticipates will be providing services on its behalf except in the following circumstances:

a. A provider is anticipated to provide services less than 25 times during the contract year;
b. A provider refuses to enter into a contract with the subcontractor, in which case the subcontractor shall submit documentation of such refusal to ADHS within seven days of its final attempt to gain such agreement; or
c. A provider performs emergency services.

a. The following subcontracts shall be submitted to the ADHS for prior approval at least 30 days prior to the beginning date of the subcontract:
   i. automated data processing;

   ii. third-party administrators;

   iii. management services (See also Section C, paragraph 55, *Management Services Subcontractors and Corporate Cost Allocation Plans)* ; and

   iv. capitated or other risk-based subcontracts.

b. Upon written request from ADHS, provider subcontracts or provider model subcontracts may require prior approval from the ADHS prior to implementation.

c. The Contractor shall maintain a fully executed original of all subcontracts, which shall be accessible to the ADHS within two working days of request by the ADHS. A subcontract is voidable and subject to immediate cancellation by the ADHS in the event any subcontract pertinent to lines a.i. through iv. above is implemented without the prior written approval of the ADHS. All subcontracts shall comply with the applicable provisions of Federal and State laws, regulations and policies.

d. The Contractor shall not include covenant-not-to-compete requirements in its subcontracted provider agreements. Specifically, the Contractor shall not contract with a subcontracted provider and require that the subcontracted provider not provide services to the ADHS or any other ADHS Contractor. All subcontracts entered into by the Contractor are subject to prior review and approval by ADHS and shall incorporate by reference the terms and conditions of this contract. The Contractor and its subcontracted providers shall not contract with any individual or entity that has been debarred, suspended or otherwise lawfully prohibited from participating in any public procurement activity or from participating in non-procurement activities under regulations issued under Executive Order No 12549 or under guidelines implementing Executive Order No. 12549.

e. Due to security and identity protection concerns, all services under this contract shall be performed within the borders of the United States. All storage and processing of information shall be performed within the borders of the United States. This provision applies to work performed by the Contractor and all subcontractors.

f. Each provider subcontract shall contain the following:

   i. full disclosure of the method and amount of compensation or other consideration to be received by the subcontractor;

   ii. identification of the name and address of the subcontractor;

   iii. identification of the population, to include member capacity, to be served by the subcontractor;

   iv. the amount, duration and scope of covered services to be provided, and for which compensation shall be paid;

   v. the term of the subcontract including beginning and ending dates, methods of extension, termination and renegotiation;

vi. the specific duties of the subcontractor relating to coordination of benefits and determination of third party liability;

vii. a provision that the subcontractor agrees to identify Medicare and other third party liability coverage and to seek such Medicare or third party liability payment before submitting claims and/or encounters to the Contractor;

viii. a description of the subcontractor's member, medical and cost record keeping system;

ix. specification that the subcontractor shall comply with quality management programs and the utilization control and review procedures specified in 42 CFR. Parts 441 and 456, as implemented by the AHCCCS and ADHS;

x. a provision stating that a merger, reorganization or change in ownership or control of a subcontracted provider that is related to or affiliated with the Contractor shall require a Contract amendment and prior approval of ADHS;

xi. procedures for enrollment or disenrollment or re-enrollment of the covered population;

xii. a provision that the subcontractor shall be fully responsible for all tax obligations, Worker's Compensation Insurance, and all other applicable insurance coverage obligations which arise under this subcontract, for itself and its employees, and that the AHCCCS or the ADHS shall have no responsibility or liability for any such taxes or insurance coverage;

xiii. a provision that the subcontractor shall comply with encounter reporting and claims submission requirements as described in this Contract;

xiv. a provision stating the AHCCCS policy on claims processing by subcontractors;

xv. a provision that emergency services do not need prior authorization and that, in utilization review, the test for appropriateness of the request for emergency services shall be whether a prudent layperson, similarly situated, would have requested such services. For purposes of this contract, a "prudent layperson" is defined as a person without medical training who exercises those qualities of attention, knowledge, intelligence and judgment which society requires of its members for the protection of their own interest and the interests of others. The phrase does not apply to a person's ability to reason, but rather the prudence with which he acts under a given set of circumstances; and

xvi. a provision that the subcontracted provider may appeal adverse decisions of the Contractor in accordance with the ADHS/DBHS Provider Manual ; specification that the subcontracted provider shall assist eligible and enrolled clients in understanding their right to file grievances (SMI) and appeals and follow the ADHS/DBHS Provider Manual with regard to these processes.

xvii. The Contractor shall ensure that the provisions in Attachment A: Minimum Subcontract Provisions are included in each subcontract.

f. Juvenile Group Homes. The Contractor shall include the following minimum provisions as part of its subcontracts with Level II and Level III Behavioral Health residential for children:

i. The group home shall provide a safe, clean and humane environment for the residents.

ii. The group home is responsible for the supervision of the residents while in the group home environment or while residents are engaged in any off-site activities organized or sponsored by and under the direct supervision and control of the group home or affiliated with the group home.

iii. All group home contractors shall be licensed by either the Department of Health Services or the Department of Economic Security.

iv. The award of a group home contract from an appropriate contracting authority is not a guarantee that children will be placed at the group home.

v. A license violation by the group home that is not corrected pursuant to this section may also be considered a contract violation.

vi. State agencies and Regional Behavioral Health Authorities may share information regarding group home contractors. The shared information shall not include information that personally identifies residents of group homes.

vii. The following contract remedies:

(1) A schedule of financial sanctions in an amount of up to five hundred dollars per violation that the contracting authority, after completing an investigation, may assess against the group home contractor for a substantiated contract violation, defined as a licensing violation or a failure of the group home to comply with those provisions of its contract relating to paragraphs1, 2 and 3 of this section, relating to the health, care or safety of a client or the safety of a neighbor. A financial sanction may be imposed for a contract violation related to the safety of a neighbor only if the conduct that constitutes the violation would be sufficient to form the basis for a civil cause of action for damages on the part of the neighbor whether or not such a civil action has been filed. These sanctions may be imposed by either deducting the amount of the sanction from any payment due or withholding future payments. The deduction or withholding may occur after any hearing available to the contractor.

(2) The contracting authority may remove residents from the group home or may suspend new placements to the group home until the contracting violation is corrected.

(3) The contracting authority's right to cancel the contract.

viii. Within ten business days after the contracting authority receives a complaint relating to a group home the contracting authority shall notify the group home provider and either initiate an investigation or refer the investigation to the licensing authority. If any complaint concerns an immediate threat to the health and safety of a child, the complaint shall be immediately referred to the licensing authority. If the contracting authority determines that a violation has occurred, it shall:

(1) notify all other contracting authorities of the violation

(2) coordinate a corrective action plan to be implemented within ninety days

(3) require the corrective action plan to be implemented within ninety days

ix. If a licensing deficiency is not corrected in a timely manner to the satisfaction of the licensing authority, the contracting authority may cancel the contract immediately on notice to the group home and may remove the residents.

x. A person may bring a complaint against any state agency that violates this section pursuant to ARS 41-1001.01. In addition to any cost or fees awarded to a person resulting from a complaint of a violation of this section, the agency shall revert the sum of five thousand dollars from its general fund operating appropriation to the state treasurer for deposit in the state general fund for each violation that is upheld by an administrative law judge or hearing officer. The legislature shall appropriate monies that revert under this section for a similar program that provides direct services to children.

g. IMD Facilities. The Contractor shall include the following minimum provisions as part of its subcontract with IMD facilities (provider types B1, B3, B6 and 71):

i. The IMD facility must keep track of the number of days a Title XIX or Title XXI member is in the facility and may only bill for services within the limitations of the IMD expenditure authority. The service limitations are 30 days per admission, and 60 days per contract year for those aged 21 through 64 for services provided in IMDs. Service limitations are cumulative across providers. For persons under 21 and over 64, there are no IMD service limitations.

ii. The IMD facility must notify AHCCCS Member Services (fax 602-253-4807 or telephone 602-417-4063) when a Title XIX member who is aged 21 through 64 years old has been a resident/inpatient for 30 consecutive days and provide the following information:

(1) Provider identification number and telephone number;
(2) Recipient's name, date of birth, AHCCCS Identification number and Social Security number; and
(3) Date of admission.

iii. The IMD facility must provide written notification to Title XIX and Title XXI members aged 21 through 64 that their AHCCCS eligibility will end if they remain in an IMD longer than 30 days per admission or 60 days annually.

55. MANAGEMENT SERVICES SUBCONTRACTORS AND CORPORATE COST ALLOCATION PLANS:

All proposed management services subcontracts and/or corporate cost allocation plans shall be approved in advance by the ADHS. See Section F, Attachment C, *and Management Services Subcontractor Statement* for the form to be completed by all management services subcontractors. Cost allocation plans shall be submitted with the proposed management fee agreement. If there are no significant changes from the previous year, a letter to that fact will be acceptable in lieu of a plan. The ADHS reserves the right to perform a thorough review of actual management fees charged and/or corporate allocations made. If the fees or allocations actually paid out are determined to be unjustified or excessive, amounts may be subject to repayment to the Contractor, and/or financial sanctions and corrective actions may be imposed.

56. MANAGEMENT SERVICES SUBCONTRACTOR AUDITS:

All management services Subcontractors that have oversight responsibilities for the Contractor's program operations (such as third-party administrators) are required to have an annual financial audit. A copy of this audit shall be submitted to the ADHS, within 120 days of the Subcontractor's fiscal year end. If services billed by a consultant or actuary are less than $50,000, the ADHS may waive the requirement for an audit of that consultant or actuary.

57. ARIZONA STATE HOSPITAL/INPATIENT FACILITIES:

The Arizona State Hospital (ASH), whether or not a Subcontractor, shall be deemed to be a subcontracted provider hereunder.

a. Charges for covered services provided by or at the Arizona State Hospital for Title XIX and Title XXI enrolled persons, under the age of 21 and over 65 years of age, shall be paid in the same manner as other covered services rendered to Title XIX and Title XXI eligible persons if and to the extent service authorizations are in effect and to the extent that Arizona State Hospital is a registered AHCCCS provider.

b. Charges for covered services provided by or at the Arizona State Hospital for Title XIX enrolled persons, between the ages of 21 and 64, shall be paid in the same manner as other covered services rendered to Title XIX eligible persons subject to the IMD expenditure authority as outlined in this contract and in the ADHS Covered Behavioral Health Services Guide, and also to the extent service authorizations are in effect and to the extent that Arizona State Hospital is a registered AHCCCS provider.

c. The Contractor shall ensure coordination and continuity of care for eligible and enrolled persons admitted to the Arizona State Hospital, including but not limited to the following:

i. diversion of potential admissions from ASH, as appropriate;

ii. coordination of the admission process with the ASH Admissions Office;

iii. participation in Arizona State Hospital treatment and discharge planning;

iv. provision of available clinical and medical record information upon or shortly after admission; and

v. any other requested communication and/or collaboration with Arizona State Hospital, including but not limited to the "RBHA/ASH Collaboration Agreement.

d. Community placement funding will be distributed to the Contractor based on the Schedule of non Title XIX/XXI Funding. The Arizona State Hospital may, at its sole discretion, change or modify the methodology used to distribute community placement funding.

58. PRE-ADMISSION SCREENING RESIDENT REVIEW (PASARR):

The Contractor shall ensure that eligible and enrolled persons referred by ADHS who are being admitted to or are currently residing in nursing homes receive a timely psychiatric evaluation using the PASARR evaluation instrument.

59. COORDINATION OF BENEFITS AND THIRD PARTY LIABILITY:

a. The ADHS is and shall be a payer of last resort in the event any one or more other third party payers are responsible for covered services provided to enrolled and eligible persons. The Contractor shall coordinate benefits, in accordance with A.R.S. §36-2903.G, so that costs for services otherwise payable by the ADHS are cost avoided or recovered from a liable first or third party payer specified in A.A.C. R9-22-1001 and R9-22-1002. The Contractor's claims system shall include appropriate edits for coordination of benefits and third party liability. The Contractor or subcontracted provider may retain any third party revenue obtained for enrolled persons if all of the following conditions exist:

   i. Total collections received do not exceed the total amount of the Contractor's financial liability for the enrolled person.
   ii. There are no payments made by AHCCCS or ADHS related to fee-for-service, reinsurance or administrative costs (i.e. lien filing, etc.)

   iii. Such recovery is not prohibited by state or federal law.

b. The Contractor agrees to obtain or cause to be obtained, all relevant payer information from each potential eligible and enrolled person and his or her guardian and/or family in connection with the establishment of that person's eligibility for covered services. The Contractor shall make such information available to each case manager and subcontracted provider involved with that person. In the event that the Contractor or subcontracted provider assesses a copayment in accordance with the ADHS Provider Manual, the Contractor or subcontracted provider shall be allowed to retain the copayment collected. In addition, the Contractor shall ensure that appropriate health plans are billed for required mental health coverage for up to 72 hours of emergency care, in accordance with ADHS Provider Manual, for persons who are not enrolled with the Contractor prior to the provision of emergency care.

c. Each subcontracted provider shall bill claims for covered services to any primary payer when information regarding such primary payer is available, or at the request of the ADHS.

d. Title XIX and Title XXI Enrolled Persons:

   By law, AHCCCS Title XIX/Title XXI is the payer of last resort. This means that Title XIX/Title XXI funding shall be used as a source of payment for covered services only after all other sources of payment have been exhausted. The two methods used in the coordination of benefits are cost avoidance and post-payment recovery. The Contractor shall use these methods as described in AAC R9-22-10. (See Section C, paragraph 57, *Medicare Services and Cost Sharing*).

e. Cost Avoidance:

   The Contractor shall cost avoid all claims or services that are subject to third-party payment and may deny a service to an enrolled person if it knows that a third party (i.e. other insurer) shall provide the service. However, if a third-party insurer (other than Medicare) requires the enrolled person to pay any copayment, coinsurance or deductible, the Contractor is responsible for making these payments, even if the services are provided outside of the Contractor's network. The Contractor's liability for coinsurance and deductibles is limited to what the Contractor would have paid for the entire service pursuant to a written Contract with the subcontracted provider or the ADHS service matrix rate, less any amount paid by the third party. The Contractor shall decide whether it is more cost-effective to provide the service within its network or pay coinsurance and deductibles for a service outside its network. For continuity of care, the Contractor may also choose to provide the service within its network. If the Contractor refers the enrolled person for services to a third-party insurer (other than Medicare), and the insurer requires payment in advance of all copayments, coinsurance and deductibles, the Contractor shall make such payments in advance.

   If the Contractor knows that the third party insurer shall neither pay for nor provide the covered service, and the service is a medically necessary covered behavioral health service, the Contractor shall not deny the service nor require a written denial letter. If the Contractor does not know whether a particular service is covered by the third party, and the service is a medically necessary covered behavioral health service, the Contractor shall contact the third party and

determine whether or not such service is covered rather than requiring the enrolled person to do so (see also Section C, paragraph 57, *Medicare Services and Cost Sharing*).

The requirement to cost avoid applies to all AHCCCS Title XIX and Title XXI covered services. In emergencies, the Contractor shall provide the necessary services and then coordinate payment with the third-party payer. The Contractor shall also provide medically necessary covered behavioral health transportation services so that enrolled persons can receive third-party benefits. Further, if a service is a medically necessary covered behavioral health service, the Contractor shall ensure that its cost avoidance efforts do not prevent an enrolled person from receiving such service and that the enrolled person shall not be required to pay any coinsurance or deductibles for use of the other insurer's providers.

f. Post-payment Recoveries:

Post-payment recovery is necessary in cases where the Contractor was not aware of third-party coverage at the time services were rendered or paid for, or was unable to cost avoid. The Contractor shall identify all potentially liable third parties and pursue reimbursement from them except in the circumstances below. The Contractor shall not pursue reimbursement for services provided to Title XIX or Title XXI enrolled persons in the following circumstances unless the case has been referred to the Contractor by ADHS:
Uninsured/underinsured motorist insurance
First and third party liability insurance
Tortfeasors, including casualty
Special Treatment Trusts Recovery
Worker s Compensation
Estates Recovery
Restitution Recovery

The Contractor shall report any cases involving the above circumstances to ADHS should the Contractor identify such a situation (see AAC Rule R9-22-1002). The Contractor shall cooperate with ADHS in all collection efforts. In joint cases involving both AHCCCS fee-for-service or reinsurance and the Contractor, AHCCCSA s authorized representative is responsible for performing all research, investigation and payment of lien-related costs. AHCCCSA s authorized representative is also responsible for negotiating and acting in the best interest of all parties to obtain a reasonable settlement in joint cases and may compromise a settlement in order to maximize overall reimbursement, net of legal and other costs. For total plan cases involving only payments from the Contractor, the Contractor is responsible for performing all research, investigation, the filing of liens and payment of lien filing fees and other related costs. The Contractor shall use the cover sheet as prescribed by AHCCCS when filing liens. The cover sheet is available upon request from AHCCCS Division of Business and Finance.

g. Reporting

The Contractor may be required to report case level detail of third-party collections and cost avoidance. The Contractor shall communicate any known change in health insurance information for Title XIX and Title XXI enrolled persons, including Medicare, to AHCCCS Administration, Division of Member Services, not later than 10 days from the date of discovery using the AHCCCS Third-Party Coverage Form.

60. MEDICARE SERVICES AND COST SHARING:

Enrolled persons who are eligible for both Medicare and Title XIX covered services are referred to as "dual eligibles". The Contractor has different cost sharing responsibilities that apply to dual eligibles based on a variety of factors. The Contractor is responsible for adhering to the cost sharing responsibilities presented in ADHS Provider Manual and in the AHCCCS Medicare Cost Sharing Policy. The Contractor has no cost-sharing obligation if the Medicare payment exceeds what the Contractor would have paid for the same service of a non-Medicare enrolled person.

61. ADVANCE DIRECTIVES:

The Contractor shall ensure compliance with requirements pertaining to advanced directives in accordance with the ADHS/DBHS Provider Manual for adult enrolled persons that specify:

a. Each contract or agreement with a hospital, nursing facility, home health agency, or hospice or organization responsible for providing personal care, must comply with Federal and State law regarding advance directives for adult members. Requirements include:

i. Compliance with ADHS Provider Manual requirements that address the rights of adult enrolled persons to make decisions about medical care, including the right to accept or refuse medical care, and the right to execute an advance directive. If an agency/organization has a conscientious objection to carrying out an advance directive, it must be explained in policies. (A health care provider is not prohibited from making such objection when made pursuant to A.R.S. § 36-3205.C.1.)

ii. Provide written information to adult enrolled persons regarding each individual's rights under State law to make decisions regarding medical care, and the health care provider's written policies concerning advance directives (including any conscientious objections).

iii. Documenting in the enrolled person's medical record whether or not the adult enrolled person has been provided the information and whether an advance directive has been executed.

iv. Not discriminating against an enrolled person because of his or her decision to execute or not execute an advance directive, and not making it a condition for the provision of care.

v. Providing education to staff on issues concerning advance directives including notification of direct care providers of services, such as home health care and personal care, of any advanced directives executed by enrolled persons to whom they are assigned to provide services.

b. The Contractor shall ensure providers, which have agreements with the entities described in paragraph a. above, comply with the requirements of subparagraphs a. (2) through (5) above. ADHS shall also encourage health care providers specified in subparagraph a. to provide a copy of the enrolled person's executed advanced directive, or documentation of refusal, to the acute care PCP for inclusion in the member's medical record.

c. The Contractor shall ensure that adult enrolled persons are provided written information describing the following:

i. An enrolled person's rights under State law, including a description of the applicable State law;

ii. Policies respecting the implementation of those rights, including a statement of any limitation regarding the implementation of advance directives as a matter of conscience;

iii. The enrolled person's right to file complaints directly with the state; and

iv. Changes to State law as soon as possible, but no later than 90 days after the effective date of the change.

62. FINANCIAL REPORTING AND VIABILITY MEASURES:

All funds received by the Contractor pursuant to the Contract shall be separately accounted for in accordance with the requirements outlined in the Financial Reporting Guide for Regional Behavioral Health Authorities. The required reports, which are subject to change during the term of the Contract, are summarized in Section F, Attachment D, *Periodic Report Requirements*. Requests for extension of reporting deadlines shall be submitted in writing and must be received by the ADHS prior to the report due date. Approvals for extension are valid only if issued in writing by the ADHS.

a. Financial Viability Criteria/Performance Measures:

The Contractor shall, on a monthly, quarterly and annual basis, meet the following financial viability criteria applying GAAP and the ADHS Financial Reporting Guide:

i. Current Ratio:

Current assets divided by current liabilities shall be greater than or equal to 1:1.

ii. Administrative Cost Percentage:

(1) Total Title XIX Administrative Costs divided by total Title XIX Revenue shall be less than or equal to 7.5%.

(2) Total Title XXI Administrative Costs divided by total Title XXI Revenue shall be less than or equal to 7.5%.

(3) Total Non-Title XIX/XXI Administrative Costs divided by total Non-Title XIX/XXI Revenues shall be less than or equal to 7.5%.

iii. Service Expense Percentage:

(1) Total Title XIX Service Expenses divided by total Title XIX Revenue shall be less than or equal to 92.5%.

(2) Total Title XXI Services Expenses divided by total Title XXI Revenue shall be less than or equal to 92.5%.

(3) Total Non-Title XIX/XXI Service Expenses divided by total Non-Title XIX/XXI Revenues shall be less than or equal to 92.5%.

iv. Maintenance of Minimum Capitalization:

Net assets (not including the value of the Performance Bond) shall be greater than or equal to ninety percent (90%) of the monthly capitation and non Title XIX/ XXI payment to the Contractor under the Contract. This amount shall never fall below the initial minimum capitalization requirement for each GSA as detailed in the following subparagraph.

v. Initial Minimum Capitalization:

In order to be considered for contract award, the Offeror must meet the initial minimum capitalization requirement within 15 days of contract award. The initial minimum capitalization must be equal to or greater than:

Minimum Capitalization Amount	GSA	
$2,000,000	1	Apache, Coconino, Mohave, Navajo and Yavapai Counties
$1,000,000	2	Yuma and La Paz Counties
$1,000,000	3	Graham, Greenlee, Santa Cruz and Cochise Counties
$1,000,000	4	Pinal and Gila Counties
$5,000,000	5	Pima County

This requirement is in addition to the performance bond requirements outlined in the Section C, paragraph 44, *Performance Bond or Bond Substitute* and Section C, paragraph 45, *Amount of Performance Bond*. The requirement must be met by providing at least 50% of the requirement in cash or cash equivalents with no encumbrances such as a loan subject to repayment. Up to 50% of the initial minimum requirement may be met by a Letter of Credit or revolving line of credit. The cash and/or cash equivalent of this initial minimum capitalization requirement is intended for use in operations of the Contractor. If the Contractor is awarded contracts in multiple GSAs, the initial minimum capitalization requirement shall be equal to the sum of the initial minimum capitalization requirements for each GSA awarded.

vi. Report Submission:

All required reports shall be submitted and must be received by ADHS no later than 4:30 p.m. on the date due, allowing for extensions approved as provided for in the Contract.

b. In addition to any other remedy available to the ADHS, if the Contractor fails to meet the above criteria, the ADHS may require the Contractor to submit a corrective action plan for review and approval delineating how and when the Contractor will come into compliance with all criteria.

63. ACCUMULATED FUND DEFICIT

The Contractor and its owners shall fund any accumulated fund deficit through capital contributions in a form acceptable to ADHS within 30 days after receipt by ADHS of the final audited financial statements, or as otherwise requested by ADHS.

64. ADVANCEMENT OF FUNDS BY THE CONTRACTOR:

The Contractor may advance funds to subcontracted providers to ensure maintenance of essential covered services to enrolled persons. The ADHS Deputy Director may require the Contractor to obtain approval from the ADHS for any such advances.

65. LOANS AND RELATED PARTY TRANSACTIONS:

The Contractor shall obtain prior written approval from the ADHS Deputy Director or designee for all loans and related party transactions.

66. TRANSITION FROM CURRENT RBHA TO THE CONTRACTOR:

If applicable, the Contractor shall submit, with its response to this RFP, a plan for transition of enrolled persons from the current contractor to the Contractor.

67. PENDING LEGISLATIVE ISSUES:

In addition to the requirements described in this Contract, there are legislative issues, which may have an impact on services provided by ADHS on or after the effective date of this Contract. The following is a brief description of issues that ADHS is aware of at the time of issuance of this Contract:

Health Insurance Portability and Accountability Act of 1996
HIPAA means the Federal Legislation and regulations in 45 CFR Parts 160, 162, and 164 published by the Department of Health and Human Services as enforced by its sub-agencies including the Office of Civil Rights (OCR) pertaining to the enactment of standard transaction and code sets, privacy regulations, security regulations, unique healthcare identifies and other provisions or modifications of the Act. The Contractor and its subcontractors shall comply, if applicable, with 45 CFR Parts 160, 162 and 164 and all other applicable federal and state laws, regulations, requirements, and deadlines and shall produce evidence thereof upon request from ADHS.

68. LITIGATION:

In addition to the requirements described in this Contract, there are several pending legal actions that will or may have an impact on services provided by the Contractor on or after the effective date of the Contract. The following is a brief description of the issues that ADHS is aware of at the time of the issuance of this Contract:

a. Arnold v ADHS:

In Maricopa County, Arnold v. ADHS Class Members have been awarded injunctive relief which, in relevant part, compels the ADHS to establish and maintain a comprehensive community based residential treatment system in Maricopa County. Presently, the ADHS is attempting to establish compliance with the mandates of that judicial decision. The parties to the litigation have agreed that the ADHS will be in compliance when the ADHS satisfies certain terms and conditions as set forth in Joint Stipulation on Exit Criteria and Disengagement and Settlement Agreement, which was incorporated in an order of the court.

While the class of plaintiffs in this litigation is limited to persons residing in Maricopa County, the ADHS endeavors, within reason, to maintain uniformity across the state in the program for persons with serious mental illness. The contract may, as a result, be modified as the litigation progresses.

b. J. K. Settlement

The Regional Behavioral Health Authority and all subcontracted providers will participate in all ADHS activities required to meet the requirements of the JK Settlement agreement. Specific activities will be initiated to achieve the following Vision and Principles:

The Arizona Vision

i. In collaboration with the child and family and others, Arizona will provide accessible behavioral health services designed to aid children to achieve success in school, live with their families, avoid delinquency, and become stable and productive adults.

ii. Services will be tailored to the child and family and provided in the most appropriate setting, in a timely fashion, and in accordance with best practices, while respecting the child's and family's cultural heritage.

The 12 AZ Principles

Collaboration with the child and family:

Respect for and active collaboration with the child and parents is the cornerstone to achieving positive behavioral health outcomes. Parents and children are treated as partners in the assessment process, and the planning, delivery, and evaluation of behavioral health services, and their preferences are taken seriously.

Functional outcomes:

Behavioral health services are designed and implemented to aid children to achieve success in school, live with their families, avoid delinquency, and become stable and productive adults.
Implementation of the behavioral health services plan stabilizes the child's condition and minimizes safety risks.

Collaboration with others:

When children have multi-agency, multi-system involvement, a joint assessment is developed and a jointly established behavioral health services plan is collaboratively implemented.

Client centered teams plan and deliver services.

Each child's team includes the child and parents and any foster parents, any individual important in the child's life who is invited to participate by the child or parents. The team also includes all other persons needed to develop an effective plan, including, as appropriate, the child's teacher, the child's Child Protective Service and/or Division of Developmental Disabilities caseworker, and the child's probation officer. The team (a) develops a common assessment of the child's and family's strengths and needs, (b) develops an individualized service plan, (c) monitors implementation of the plan and (d) makes adjustments in the plan if it is not succeeding.

Accessible services:

Children have access to a comprehensive array of behavioral health services, sufficient to ensure that they receive the treatment they need. Plans identify transportation the parents and child need to access behavioral health services, and how transportation assistance will be provided. Behavioral health services are adapted or created when they are needed but not available.

Best practices:

Behavioral health services are provided by competent individuals who are adequately trained and supervised. Behavioral health services are delivered in accordance with guidelines adopted by ADHS that incorporate evidence-based "best practice" Behavioral health service plans identify and appropriately address behavioral symptoms that are reactions death of a family member, abuse or neglect, learning disorders, and other similar traumatic or frightening circumstances, substance abuse problems, the specialized behavioral health needs of children who are developmentally disabled, maladaptive sexual behavior, including abusive conduct and risky behavior, and the need for stability and the need to promote permanency in class member's lives, especially class members in foster care. Behavioral Health Services are continuously evaluated and modified if ineffective in achieving desired outcomes.

Most appropriate setting:

Children are provided behavioral health services in their home and community to the extent possible. Behavioral health services are provided in the most integrated setting appropriate to the child's needs. When provided in a residential setting, the setting is the most integrated and most home-like setting that is appropriate to the child's needs.

Timeliness:

Children identified as needing behavioral health services are assessed and served promptly.

Services tailored to the child and family:

The unique strengths and needs of children and their families dictate the type, mix, and intensity of behavioral health services provided. Parents and children are encouraged and assisted to articulate their own strengths and needs, the goals they are seeking, and what services they think are required to meet these goals.
Stability:

Behavioral health service plans strive to minimize multiple placements. Service plans identify whether a class member is at risk of experiencing a placement disruption and, if so, identify the steps to be taken to minimize or eliminate the risk. Behavioral health service plans anticipate crises that might develop and include specific strategies and services that will be employed if a crisis develops. In responding to crises, the behavioral health system uses all appropriate behavioral health services to help the child remain at home, minimize placement disruptions, and avoid the inappropriate use of the police and criminal justice system. Behavioral health service plans anticipate and appropriately plan for transitions in children's lives, including transitions to new schools and new placements, and transitions to adult services.

Respect for the child and family's unique cultural heritage:

Behavioral health services are provided in a manner that respects the cultural tradition and heritage of the child and family. Services are provided in Spanish to children and parents whose primary language is Spanish.

Independence:

Behavioral health services include support and training for parents in meeting their child's behavioral health needs, and support and training for children in self-management Behavioral health service plans identify parents' and children's need for training and support to participate as partners in assessment process, and in the planning, delivery, and evaluation of services, and provide that such training and support, including transportation assistance, advance discussions, and help with understanding written materials, will be made available.

Connection to natural supports:

The behavioral health system identifies and appropriately utilizes natural supports available from the child and parents' own network of associates, including friends and neighbors, and from community organizations, including service and religious organizations.

The Regional Behavioral Health Authority and all subcontracted providers will participate in the ADHS initiatives relevant to operationalizing the Arizona Vision and Principals. This will include:

i. Participation in training, programs focused on collaboration, assessment, service planning and implementation and on maximizing the use of Title XIX monies.

ii. In Maricopa County: Acting as Lead Agent on the Arizona Practice Model for 200 Kids

 In Coconino County: Acting as Lead Agent on the Arizona Practice Model for 100 Kids

 In Pima County: Acting as the Lead Agent on the Project Match

 In this role, the RBHA will ensure active collaboration with all participating State Agencies and key stakeholders. In assuming responsibility for project management, the RBHA will also ensure utilization of flex funding specifically allocated for the project participants.

iii. Development and use of both in-home and out-of-home Respite.

iv. Contracting with certain certified Masters level behavioral health professionals who have met the defined credentialing and privileging requirements.

v. Collaborate in the development and implementation of service expansion for Title XIX community-based covered services.

vi. Assist in the development of ADHS Best Practice Guidelines in monitoring and addressing the effects of medications.

vii. Expanding the continuum and capacity for substance abuse services.

69. OTHER NEW INITIATIVES:

a. Integrated Services for Persons with Developmental Disabilities

In collaboration with DES/DDD, the ADHS plans to explore alternative arrangements for the delivery of integrated medical, habilitative and behavioral health services to eligible DD-ALTCS persons with behavioral health conditions. The Contractor shall cooperate with the ADHS in implementing such programs, including accepting a potential decrease in Contract funding if integrated services are delivered under a separate Contract.

b. Performance Incentives

Fiscal or other resource incentives for performance in key areas under this Contract may supplement or replace initial funding mechanisms.

70. HB2003 SERVICES:

a. The delivery of services shall be in accordance with

i. "Requirements for the Use of SMI Funds Established by HB 2003 - RBHA Plan Specifications" and "Contractor's Plan for Use of SMI Funds" as originally submitted in October 2000, or as subsequently revised by the RBHA and approved by the ADHS.

ii. "Requirements for the Use of Children's Funding Established by HB 2003 - RBHA Plan Specifications", as originally submitted in September 2000 and "Contractor's Plan for Use of Children's Funding" as originally submitted in October 2000, or as subsequently revised by the RBHA and approved by the ADHS.

b. Evaluation

i. The Contractor shall be responsible for completing all aspects of the evaluation for all individuals who access HB 2003 funded services.

ii. The Contractor shall be responsible for submitting accurate and complete assessment data for all individuals who access HB 2003 funded services in accordance to the time frames determined by ADHS.

iii. The Contractor shall be responsible for completing and submitting HB 2003 identified client, family and agency surveys in accordance with the time frames determined by ADHS.

iv. The Contractor shall be responsible for submitting a roster of all individuals who access HB 2003 funded services in accordance with the ADHS HB 2003 requirements and designated time frames.

v. The Contractor shall be responsible for monitoring the fidelity of all programs funded by HB 2003 and reporting the findings to ADHS in accordance to the time frames determined by ADHS. Additionally, the Contractor shall be responsible for reporting the findings to ADHS in accordance with the time frames determined by ADHS

c. Financial Requirements

The Contractor shall comply with all financial reporting requirements as designated by ADHS.

d. Additional Requirements - SMI Plan

i. Housing Acquisition or Construction

If any HB2003 funds are used to acquire or construct housing units, the Contractor shall comply with the following:

(1) The Contractor shall cooperate with the ADHS designated Housing Coordinator who will provide direction for project development and administration of the housing requirement as it relates to the acquisition or construction of affordable housing for SMI clients. The ADHS shall retain all final decision making authority whether to approve the Contractor's Project Plan to acquire or construct housing units.

(2) The Contractor shall work collaboratively with the designated Housing Coordinator to develop an overall Project Plan consistent with the housing needs identified in "Requirements for the Use of SMI Funds Established by HB 2003 - RBHA Plan Specifications" and "Contractor's Plan for Use of SMI Funds", which shall include:

(a) a brief description of each housing project to be developed

(b) the number of units and type of dwelling units

(c) acquisition price and cost projections

(d) clients served

(e) location

(f) development/completion schedule

(g) description of process for selection owner/operator

(h) inspection and maintenance schedules

(i) a plan for covering ongoing costs associated with the project

The Project Plan is subject to approval by ADHS.

(3) As directed by the Housing Coordinator, the Contractor shall prepare a Project Application Package for each individual housing project identified in the approved Project Plan.

(4) The Project Application Package will be reviewed by the designated Housing Coordinator and shall be subject to subsequent approval by ADHS before the Contractor will be authorized to expend funds for the project.

(5) In the event that the Contractor and the designated Housing Coordinator are unable to reach agreement on any aspect of housing acquisition or construction development, the disagreement shall be brought to the ADHS Deputy Director for review and resolution. The decision of the ADHS Deputy Director shall be binding.

(6) The Contractor shall be responsible for all requirements and costs associated with pre-development, evaluation, and activities associated with the placement of individuals into housing.

(7) The Contractor shall provide funding to the housing owner/operator for reasonable ongoing operations and maintenance.

(8) Any housing units acquired or constructed with HB2003 funds shall be used for the benefit of persons with serious mental illness. The Contractor shall comply with the applicable terms and conditions of any contracts, deeds, and declarations of covenant conditions and restrictions executed in connection with the acquisition or construction of housing units.

ii. Recovery Support

If Federal matching funds are available to serve the vocational needs of enrolled persons with serious mental illness, the Contractor shall provide any funds designated in “Contractor’s Plan for Use of Ami Funds for ADES vocational rehabilitation to ADES/RSA.

e. Additional Requirements - Children's Plan

i. Training Component

(1) The Contractor shall fully cooperate with and assist the ADHS Training Contractor in conducting a needs assessment and developing a plan for the training of staff from child serving state agencies, the RBHA Contractors, and their providers.

(2) The Contractor shall provide whatever assistance is required for the ADHS Training Contractor to coordinate with the Contractor's network of providers.

(3) The Contractor shall cooperatively assist the ADHS Training Contractor in performing project management functions to ensure that all training efforts occur on schedule and are coordinated with all involved parties.

ii. Appointment Standards

The standard for psychiatric appointments for non-Title XIX children referred by other state agencies under HB2003 will be two (2) weeks from referral.

71 MEMBER RIGHTS

Member Rights: The Contractor shall ensure compliance with any applicable Federal and state laws that pertain to member rights and ensure that its staff and subcontractors take those rights into account when furnishing services to members.

The Contractor shall ensure that each member is guaranteed the right to request and receive a copy of the member’s medical record and to request that they be amended or corrected, as specified in 42 CFR Part 164.

The Contractor shall ensure that each member is free to exercise their rights and that the exercise of those rights does not adversely affect the way the Contractor or its subcontractors treat the member.

At least annually, through the provision of the Contractor’s Member Handbook to all enrolled persons, the Contractor shall ensure all members are notified of their rights.

72. RESERVED

73. PERIODIC REPORT REQUIREMENTS

ADHS requires periodic reports, encounter data and other information from the Contractor. The submission of late, inaccurate or otherwise incomplete reports shall constitute failure to report subject to the penalty provisions described in this contract. Standards applied for determining adequacy of required reports are as follows:

a. Timeliness - Reports or other required data shall be received on or before scheduled due dates.

b. Accuracy - Reports or other required data shall be prepared in strict conformity with appropriate authoritative sources and AHCCCS defined standards.

c. Completeness - All required information shall be fully disclosed in a manner that is both responsive and pertinent to report intent with no material omissions.

ADHS requirements regarding reports, report content and frequency of 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 ADHS.

The Contractor shall be responsible for continued reporting beyond the term of the contract. For example, processing claims and reporting encounter data will likely continue beyond the term of the contract because of lag time in the filing of source

documents by subcontractors.

In addition to its own reporting requirements, the Contractor is also solely responsible under this contract for all subcontractors and provider reporting requirements as stated within this document as well as all other documents incorporated by reference. In cases where the Contractor receives reports directly from subcontractors, the Contractor shall be responsible for analyzing the information, verifying it is accurate (resolving discrepancies, if needed) and developing a summary report, if appropriate, prior to submitting the required information to ADHS. The Contractor shall monitor subcontractors, taking corrective action if needed, to ensure required reports are accurate and submitted on time. The Contractor is responsible for submitting to ADHS during the term of this contract the periodic reports detailed in Attachment D, Periodic Report Requirements for the ADHS.

74. ADDITIONAL TERMS AND CONDITIONS:

This contract is subject to Attachment A. Minimum Subcontract Provisions and to the AHCCCS contract, which is included herein by reference.

SECTION D – CONTRACT FUNDING

1. COMPENSATION:

The method of compensation under the Contract shall be Title XIX Capitation, Title XXI Capitation, non Title XIX/XXI payment, third party liability, co-payments and sliding scale fees as described and defined in this Contract and appropriate laws, regulations or policies.

a. Subject to the availability of funds and the terms and conditions of the Contract, the ADHS shall pay the Contractor in accordance with the Contract, provided that the Contractor's performance is in compliance with the terms and conditions of the Contract. Payments shall be in compliance with ARS Title 35, *Public Finance*. The ADHS reserves the option to make payments to the Contractor by wire or NACHA transfer and shall provide the Contractor at least 30 days notice prior to the effective date of any such change.

b. Where payments are made by electronic funds transfer, the ADHS shall not be liable for any error or delay in transfer nor indirect or consequential damages arising from the use of the electronic funds transfer process. Any changes or expenses imposed by the bank for transfers or related actions shall be borne by the Contractor.

c. A payment error discovered by the ADHS shall be subject to adjustment or repayment by the Contractor making a corresponding decrease in a current Contractor's payment or by making an additional payment by the ADHS to the Contractor. No payment due the Contractor by the ADHS may be assigned by the Contractor. This section shall not prohibit the ADHS at its sole option from making payment to a fiscal agent hired by the Contractor.

d. Federal Financial Participation is not available for amounts expended for providers excluded by Medicare, Medicaid, or S-Chip (KidsCare), except for emergency services.

2. TITLE XIX and Title XXI CAPITATION:

The ADHS shall make monthly capitation payments to the Contractor for each AHCCCS Title XIX and Title XXI eligible and enrolled person in that Contractor's GSA (excluding Title XIX tribal eligibles) on the first of the month as payment in full for any and all Title XIX and Title XXI covered services provided to all enrolled persons who are Title XIX or Title XXI eligible during the month, including all administrative costs of the Contractor. Payment shall be made no later than the tenth working day of the month for which payment is due. No adjustments to the capitation payment shall be made for Title XIX or Title XXI eligible or enrolled persons who are enrolled or disenrolled with AHCCCS after the first of the month. Separate capitation payments will be made as follows:

a. The capitation payment for Title XIX eligible ((Non-CMDP) children, under the age of 18, represents the cost of providing covered behavioral health services to Title XIX children.

b. Title XIX eligible CMDP children, under the age of 18 (represents the cost of providing covered behavioral health services to children

c. The capitation payment for Title XIX eligible adults, age 18 and older, represents the cost of providing covered behavioral health services to Title XIX SMI adults.

d. The capitation payment for Title XIX eligible adults, age 18 and older, represents the cost of providing covered behavioral health services to Title XIX non-SMI adults.

e. The capitation payment for Title XXI eligible children, under age 18, represents the cost of providing covered behavioral health service to Title XXI children.

f. The capitation payment for Title XXI eligible adults, age 18, represents the cost of providing covered behavioral health services to Title XXI adults.

g. The capitation payment for Title XXI waiver group eligible adults, age 18 and older, and whose family income is up to two hundred percent (200%) of the FPL, which represents the cost of providing covered behavioral health services to SMI adults.

h. The capitation payment for Title XXI waiver group eligible adults, age 18 and older, and whose family income is up to two hundred percent (200%) of the FPL, which represents the cost of providing covered behavioral health services to non-SMI adults.

The Contractor shall, after timely payments to subcontractors, RBHA administration percentage and profit/loss, return all amounts retained in excess of the above considerations.

These rates are developed based on costs, encounters, and utilization information as reported by the Contractor. ADHS may perform re-evaluations of the capitation rates if ADHS receives information, which varies significantly from the information used to calculate the rates. This change may result in a retrospective rate increase or decrease. In the event a retroactive rate decrease is considered, ADHS agrees to notify the RBHA prior to a final determination by the ADHS.

In addition, the ADHS shall make monthly capitation payments to the Contractor for each AHCCCS Long Term Care Developmentally Disabled (DD) Title XIX eligible enrolled person enrolled in that Contractor's Geographic Service Areas(s) as payment in full for any and all Title XIX covered services provided to all enrolled persons who are Developmentally Disabled Title XIX eligible and enrolled during the month.

ADHS reserves the right to withhold Title XIX and/or Title XXI funding in the event that ADHS receives information which would put the RBHA outside of its profit/risk corridor outlined above, thereby rendering the RBHA out of compliance with this section/provision of the contract. Prior to taking such action, ADHS shall provide at least thirty days written notice to the RBHA; except in such cases or circumstances where ADHS determines that such payment would not be financially prudent and within the requirements of its contract with AHCCCS. ADHS reserves the right to perform a year-end reconciliation to withhold such funds or payout any fund previously withheld from the RBHA pursuant to this paragraph.

If the Contractor provides Title XIX and Title XXI behavioral health services to individuals eligible for Medicaid or KidsCare but improperly classified as State-only clients, the Contractor may review enrollment data to determine if any clients have retro-eligibility during the contract year. Upon notification by the Contractor, ADHS and AHCCCS will review fee-for-service claims for this population to ensure validity and that there is no duplication of payment with the capitated population. ADHS may make a one-time payment adjustment to the Contractor to cover services to this population that were otherwise allowable under Title XIX or Title XXI for dates of service from April 1, 2000 through September 30, 2001.

3. TITLE XIX and Title XXI CAPITATION REVIEW:

The ADHS reserves the right to re-evaluate the capitation rates up to four times per year. ADHS will review the capitation rates by RBHA for the Title XIX and Title XXI programs and may make retrospective and prospective adjustments to the capitation rates for the Title XIX program for a gain or loss of more than five percent (5%) and for the Title XXI program for a gain or loss of more than five percent (5%), subject to available funding.

Sixty days after the final 2002 Contractor audits are completed; ADHS will perform an analysis of the profit or loss of each Contractor for the Title XIX and Title XXI programs. ADHS will consider the following in their review methodology: analysis of Contractor encounters and review and analysis of RBHA IBNRs for appropriateness. Upon completion of this analysis and submission of the report to ADHS, not later than 12 months after the end of the fiscal year, any profits or losses on service revenue in excess of five percent (5%) for Title XIX and five percent (5%) for Title XXI will be returned to ADHS (profits) or reimbursed to the RBHAs (losses), subject to available funding. Additionally, the ADHS limits the profit that can be made on the Title XIX and Title XXI programs of the Contractor and its sister, subsidiary and parent companies to a maximum of 5% combined among all entities. Profit corridor calculations will be made separately for children's programs and adult programs.

4. NON-TITLE XIX/XXI (SUBVENTION) FUNDING:

Non-Title XIX/XXI funds consist of fixed, non-capitated sources of funds, including CMHS and SAPT funds, State appropriations, Community Placement Funding, county and other funds, which are used for non-entitled populations. The Contractor shall expend these funds to meet the non Title XIX/XXI program requirements outlined in Section D of this document. The Non Title XIX/XXI Schedule outlines the specific funding sources by program. Non Title XIX/XXI funds shall be paid to the Contractor in twelve equal monthly installments throughout the Contract year. These payments shall be made no later than the tenth working day of each month. The Contractor shall manage available funding to ensure that services are continuously provided throughout the year. Profit corridor calculations will be made separately for children's programs and adult programs.

The Contractor shall expend non Title XIX/XXI funds in accordance with the specific allocations in the Non Title XIX/XXI Schedule. The ADHS reserves the right to re-evaluate this Schedule periodically. If at the time of re-evaluation, the Contractor has not expended at least 88% of the funds advanced in any particular allocation, the ADHS may, in its discretion, reduce the remaining amount of that allocation to conform to actual anticipated expenditures. The ADHS will give the Contractor 30 days

notice of any such reduction pursuant to this Contract, Section E, paragraph 41, Changes, and the Contract may, in its discretion seek resolution of any disputed reductions pursuant to Section E, paragraph 37, Disputes.

5. FUNDING WITHHOLDS AND RECOUPMENTS:

The ADHS reserves the right to withhold and/or recoup funds from the Contractor in accordance with any remedies allowed under the Contract or ADHS policies and procedures. Any recoupments imposed by AHCCCS and passed through to ADHS shall be reimbursed to ADHS upon demand.

ADHS will make best efforts to provide the RBHA with 30 days notification prior to any such withhold taking effect. However, ADHS reserves the right to provide less then 30 days notice should such notice time frame be impracticable.

6. AVAILABILITY OF FUNDS:

Payments made by the ADHS to the Contractor pursuant to the Contract are conditioned upon the availability to the ADHS of funds authorized for expenditure in the manner and for the purposes provided herein. Neither the ADHS nor the Contractor shall be liable for any purchases or subcontracts entered into by any subcontracted provider in anticipation of funding.

7. COMPLIANCE BY THE CONTRACTOR:

Payments made by the ADHS to the Contractor are conditioned upon receipt by the ADHS of applicable, accurate and complete reports, documentation, claims, encounters, and any other information due from the Contractor, unless written approval waiving such requirement(s) is obtained from the ADHS Deputy Director. If the Contractor is in any matter in default in the performance of any material obligation under the Contract, or if financial, compliance or performance audit exceptions are identified, the ADHS may, at its option and in addition to other available remedies, either adjust the amount of payment or withhold payment until satisfactory resolution of the default or exception. The Contractor shall have the right to 30 days written notice of the ADHS' action in adjusting the amount of payment or withholding payment. Under no circumstances shall the ADHS authorize payments that exceed an amount specified in the Contract without an approved written amendment to the Contract. The ADHS may, at its option, withhold final payment to the Contractor until in receipt of all final reports and deliverables.

8. MANAGEMENT OF FUNDS:

The practices, procedures and standards specified in and required by the Accounting and Auditing Procedures Manual for Arizona Department of Health Services Funded Programs and any Uniform Financial Reporting Requirements shall be used by the Contractor in the management, recording and reporting of Contract funds by the ADHS when performing a Contract audit. The Contractor shall use the Financial Reporting Guide for Regional Behavioral Health Authorities in reporting financial information to the ADHS.

a. Records/Administrative Costs:

The Contractor shall establish and maintain financial and personnel records so as to verify that administrative monies expended by the Contractor do not exceed the total amount allowed for such administrative expenditures.

b. Federal Performance Partnership Program Monies:

The Contractor shall comply with all terms and conditions of the CMHS and SAPT Performance Partnership Programs, Children's Health Act of 2000, P.L. 106-310 Part B of Title XIX of the Public Health Service Act (42 U.S.C. 300x et. seq.) or as modified and ADHS policy on Performance Partnership Program and Funds Management. With regard to the Community Mental Health Program and the Substance Abuse Prevention and Treatment Program the Contractor shall:

i. establish programmatic and accounting procedures consistent with the requirements of the Performance Partnership Programs and ADHS policy;

ii. ensure that funds are accounted for in a manner that permits separate reporting for mental health and substance abuse services;

iii. ensure delivery of services and submit information relative to those services, including expenditure data, individuals served and services provided in a manner prescribed by the ADHS. This data and information, subject to audit, shall be retained by the ADHS as documentation of compliance with program requirements.

iv. ensure delivery of services and submit data and information relative to those services, in a manner prescribed by the ADHS, regarding certain SAPT allocations (i.e. "set-asides") including services rendered, individuals served and expenditures for the following:

(1) alcohol/drug abuse treatment services;

(2) primary prevention services;

(3) services to pregnant women and women with dependent children; and

(4) HIV Early Intervention Services.

c. The Contractor shall establish and maintain accounting and program procedures, which ensure compliance with requirements and restrictions of Federal Performance Partnership Legislation.

i. Obligation and Expenditure

Any amount paid to the Contractor for a fiscal year shall be available for obligation and expenditure until the end of the fiscal year following the fiscal year for which the amounts were paid.

ii. Services for Individuals with Co-Occurring Disorders

The Contractor may use funds available for treatment from the SAPT and CMHS Performance Partnership Programs to treat persons with co-occurring substance abuse and mental health/mental illness disorders as long as funds are used for the purposes for which they were authorized by law and can be tracked for accounting purposes.

iii. Federal funds authorized under the Program may not be used for the following:

(1) to provide inpatient services;

(2) to make cash payments to intended recipients;

(3) to purchase or improve land, purchase, construct or permanently improve (other than minor remodeling) any building or facility;

(4) to purchase major medical equipment;

(5) to provide financial assistance to any entity other than a public or non-profit private entity;

(6) to carry out any program of distributing sterile needles for the hypodermic injection of any illegal drug;

(7) to carry out any testing for the etiologic agent for acquired immune deficiency syndrome unless such testing is accompanied by appropriate pre-testing counseling and appropriate post-test counseling (SAPT only);

(8) to pay the salary of an individual, through a grant or other extramural mechanism, at a rate in excess of $125,000 per year; and

(9) to purchase treatment services in penal or correctional institutions of the State of Arizona.

d. Federal Funds:

All transfers involving Federal funds shall be in accordance with the Federal Funds Transfers, Cash Management Improvement Act of 1990 and any rules or regulations promulgated by the United States Department of the Treasury thereunder (Rule 31 CFR. Part 205).

9. HB2003 FUNDING

a. The ADHS shall make monthly payments to the Contractor for work performed pursuant to this amendment, with the exception of Item b. below, in accordance with the Funding Allocation Schedule as specifically noted for HB2003

funding.

b. Lump sum payment for construction or acquisition activities under this amendment shall be payable to Contractor upon completion of all required documents and ADHS approval.

c. Contractor shall provide monthly financial reporting in accordance with ADHS/DBHS Financial Reporting Guide for the Regional Behavioral Health Authorities and the Tribal Regional Behavioral Health Authorities.

d. Funding may be withheld if the project is not developed as agreed to herein, or if the required reports are not submitted as prescribed.

e. Interest earned on funds specifically designated for Housing Acquisition and Construction shall be reinvested into the ongoing operating of housing.

SECTION E – UNIFORM AND SPECIAL TERMS AND CONDITIONS

1. APPLICABLE LAW:

a. Arizona Law:

The law of Arizona applies to this Contract including, where applicable, the Uniform Commercial Code as adopted by the State of Arizona.

Implied Contract Terms - Each provision of law and any terms required by law to be in this contract are a part of this contract as if fully stated in it.

b. Arizona Procurement Code:

The Arizona Procurement Code, Arizona Revised Statutes ("ARS") Title 41, Chapter 23, and its implementing rules, Arizona Administrative Code ("AAC") Title 2, Chapter 7, are a part of this Contract as if fully set forth in it.

c. Implied Contract Terms:

Each provision of law and any terms required by law to be in this Contract are a part of this Contract as if fully stated in it.

d. 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 1115 waiver for the State of Arizona; the Constitution and laws of Arizona, and applicable State rules; the terms of this contract, including all attachments and executed amendments and modifications as set forth in i. Through vi. below; AHCCCS policies and procedures. In the event of a conflict in the provisions of the Offer as accepted by the State, the following shall prevail in the order set forth below:

i. Section E, Uniform and Special Terms and Conditions

ii. Section C, Program Requirements

iii. Section F, Attachments;

iv. Any other terms and conditions of this Contract including documents incorporated by reference;

v. Section H, Uniform and Special Instructions; and

vi. The provisions of the Offer.

2. CHOICE OF FORUM:

The parties agree that jurisdiction over any action arising out of or relating to this Contract shall be brought or filed in a court of competent jurisdiction located within the State of Arizona.

3. DISSEMINATION OF INFORMATION:

Upon request, the Contractor shall assist ADHS in the dissemination of information prepared by the ADHS, or the Federal government, to its members. The cost of such dissemination shall be borne by the Contractor. All advertisements, publications and printed materials, which are produced by the Contractor and refer to covered services, shall state that such services are funded under Contract with ADHS and AHCCCS.

4. REQUESTS FOR INFORMATION:

The ADHS may, at any time during the term of the Contract, request financial or other information from the Contractor. Upon receipt of such requests for information, the Contractor shall provide complete information as requested no later than 30 days after the receipt of the request unless otherwise specified in the request itself.

5. RECORDS RETENTION:

Under ARS §§ 35-214 and 35-215, the Contractor shall retain and shall contractually require each Subcontractor to retain all data and other records relating to the acquisition and performance of the Contract for a period of five years after the completion of the Contract. All records shall be subject to inspection and audit by the State at reasonable times. Upon request, the Contractor shall produce a legible copy of any or all such records.

6. CONTRACT TERM/OPTION TO RENEW:

The Contract shall become effective July 1, 2000, and shall remain in full force and effect, subject to the terms hereof, until June 30, 2005, unless sooner terminated as provided herein. Any amendments hereto shall become effective on the date as specified in such amendment, as specified in Section E, paragraph 17, Subcontracts and Section E, paragraph 69, Notices. The ADHS reserves the right to extend the term of the Contract up to an additional two years through one or more extensions to the Contract.

7. MERGER, REORGANIZATION AND CHANGE IN OWNERSHIP:

A merger, reorganization or change in ownership of the Contractor shall require a Contract amendment and the prior approval of the ADHS.

8. AUTHORITY:

This Contract is issued under the authority of the Procurement Administrator who signs 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 the Contract based on those changes.

9. CONTRACT INTERPRETATION AND AMENDMENT:

a. No Parol Evidence:

The Contract is intended by the parties as a final and complete expression of their agreement. No course of prior dealings between the parties and no usage of the trade shall supplement or explain any terms used in this document.

b. No Waiver:

Either party's failure to insist on strict performance of any term or condition of the Contract shall not be deemed a waiver of that term or condition even if the party accepting or acquiescing in the nonconforming performance knows of the nature of the performance and fails to object to it.

c. Written Contract Amendments:

The Contract shall be modified only through a written Contract amendment within the scope of the Contract signed by the Procurement Administrator on behalf of the Department; however, written amendment to the Contract shall not be required for:

i. funding source(s) changes by the ADHS when the amount of the Contract remains unchanged; or

ii. funding source(s) transfers by the ADHS when the amount of the Contract remains the same.

The ADHS shall give written notice to the Contractor of Contract funding source(s) changes or transfers within 30 days following the effective date thereof, including any changes in program requirements.

10. COMPUTATION OF TIME:

Unless a provision of this Contract explicitly states otherwise, periods of time referred to in this Contract shall be computed as follows:

a. When the period of time called for in this Contract is 10 or fewer days, then intermediate Saturdays, Sundays and legal holidays shall be excluded.

b. When the period of time called for in this Contract is 11 or more days, then intermediate Saturdays, Sundays and legal holidays shall be included.

c. When the period of time called for in this Contract is stated in hours or minutes, then intermediate Saturdays, Sundays and legal holidays shall be included even if the stated hours exceed 24.

d. In all cases, the first day shall be excluded and the last day included, unless the last day is a Saturday, Sunday or legal holiday, and then it is also excluded.

11. SEVERABILITY:

The provisions of this contract are severable to the extent that any provision or application held to be invalid shall not affect any other provision or application of the contract, which may remain in effect without the invalid provision, or application.

12. RELATIONSHIP OF PARTIES:

The Contractor is an independent Contractor. Neither party to the Contract shall be deemed to be the employee nor agent of the other party to the Contract.

13. ASSIGNMENT AND DELEGATION:

The Contractor shall not assign any right nor delegate any duty under the Contract without the prior written approval of the Procurement Administrator. The State shall not unreasonably withhold approval.

14. GENERAL INDEMNIFICATION:

The Contractor shall defend, indemnify and hold harmless the State from any claim, demand, suit, liability, judgment and expense (including attorney's fees and other costs of litigation) arising out of or relating to injury, disease, or death of persons or damage to or loss of property resulting from or in connection with the negligent performance of the Contract by the Contractor, its agents, employees, and Subcontractors or anyone for whom the Contractor may be responsible. In addition, the Contractor shall defend, indemnify and hold harmless the state from any claim, demand, suit, liability, judgment and expense (including attorney's fees and other costs of litigation) arising out of or relating to actions by third persons against the ADHS seeking enforcement of rights created by state or federal law to the extent that the contract obligates the contractor to provide services to the claimant consistent with those rights. The obligations, indemnities and liabilities assumed by the Contractor under this paragraph shall not extend to any liability caused by the negligence of the State or its employees. The Contractor's liability shall not be limited to any provisions or limits of insurance set forth in this the Contract. The State shall reasonably notify the Contractor of any claim for which it may be liable under this paragraph.

15. INDEMNIFICATION - PATENT AND COPYRIGHT:

The Contractor shall defend, indemnify and hold harmless the State against any liability, including costs and expenses, for infringement of any patent, trademark or copyright arising out of Contract performance or use by the State of materials furnished or work performed under the Contract. The State shall reasonably notify the Contractor of any claim for which it may be liable under this paragraph.

16. RECOUPMENT OF CONTRACT PAYMENTS:

The Contractor agrees to reimburse the ADHS immediately upon demand for all Contract funds expended, which are determined by the ADHS or the Auditor General not to have been disbursed by the Contractor in accordance with the terms of the Contract. If the party responsible to repay the Contract payments is other that the Contractor, the Contractor and the ADHS shall work together to identify and to obtain the funds from the responsible party(ies).

17. SUBCONTRACTS:

To the extent the Contractor employs subcontracts in its performance of the Contract, those subcontracts shall be subject to the following requirements:

a. All subcontracts shall incorporate the Contract into the terms and conditions of the subcontract by reference.

b. ADHS approval of subcontracts, as required by Section C paragraph 54, Subcontracts, shall be obtained by the Contractor in writing.

18. COMPLIANCE WITH APPLICABLE LAWS, RULES AND REGULATIONS

The Contractor shall comply with all applicable Federal and State laws and regulations including Title VI of the Civil Rights Act of 1964; Title IX of the Education Amendments of 1972 (regarding education programs and activities); the Age Discrimination Act of 1975; and the Americans with Disabilities Act; EEO provisions; Copeland Anti-Kickback Act; Davis-Bacon Act; Contract Work Hours and Safety Standards; Rights to Inventions Made Under a Contract or Agreement; Clean Air Act and Federal Water Pollution Control Act; Byrd Anti-Lobbying Amendment, and the Rehabilitation Act of 1973. The Contractor shall maintain all applicable licenses and permits.

19. PAYMENTS:

The Contractor shall be paid as specified in the Contract. The payment shall comply with requirements of ARS Title 35.

20. ADVERTISING AND PROMOTION OF CONTRACT:

The Contractor shall not advertise or publish information for commercial benefit concerning this Contract without the prior written approval of the ADHS Procurement Administrator.

21. THIRD PARTY ANTITRUST VIOLATIONS:

The Contractor assigns to the State any claim for overcharges resulting from antitrust violations to the extent that those violations concern materials or services supplied by third parties to the Contractor toward fulfillment of the Contract.

22. RIGHT TO ASSURANCE:

If the ADHS in good faith has reason to believe that the Contractor does not intend to, or is unable to perform or continue performing the Contract, the ADHS Procurement Officer may demand in writing that the Contractor give a written assurance of intent or ability 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 ADHS' option, be considered a default by the Contractor.

23. TERMINATION UPON MUTUAL AGREEMENT:

The Contract may be terminated by mutual written agreement of the parties effective upon the date specified in the written agreement.

24. GRATUITIES:

The ADHS may terminate the Contract by written notice to the Contractor, and the Contractor shall be in default, if it is found by the ADHS that employment or a gratuity was offered, made, or given by the Contractor or any agent or representative of the Contractor to any officer or employee of the State for the purpose of influencing the outcome of the procurement or securing the Contract, an amendment to the Contract, or favorable treatment concerning the Contract, including the making of any determinations or decision about Contract performance. The ADHS, in addition to any other rights or remedies, shall be entitled to recover exemplary damages in the amount of three times the value of the gratuity offered by the Contractor.

25. SUSPENSION/DEBARMENT:

The ADHS may also terminate the Contract in whole or in part, and the Contractor shall be in default, if, during the term of the Contract, the Contractor is listed on the Master List of Debarments, Suspensions and Voluntary Exclusions maintained pursuant to Arizona Administrative Code R2-7-933. In such case, the ADHS shall transmit written notice of termination to the Contractor by certified mail, return receipt requested, and the Contract shall be terminated effective upon receipt thereof by the Contractor or such later date as is specified in the notice.

26. TERMINATION FOR CONVENIENCE:

The ADHS, in addition to other rights set forth elsewhere in the Contract, reserves the right to terminate the Contract in whole or in part, without cause, after mailing written notice of termination, by certified mail, return receipt requested which shall be effective on the date set forth in the notice of termination but in no event sooner than 90 days after the mailing of written notice of termination.

27. TERMINATION FOR DEFAULT:

The ADHS, in addition to other rights set forth elsewhere in the Contract, may at any time terminate, suspend or condition the ADHS' performance under the Contract in whole or in part if the ADHS determines that the Contractor has failed to perform any requirement of or under the Contract. In the event the ADHS terminates for default, in whole or in part, the ADHS, in addition to any other rights provided in this Section, may:

a. Procure, upon such terms and in such manner as deemed appropriate, services similar to those so terminated, and unless the Contractor is a governmental agency, instrumentality or subdivision thereof, or Native American Indian tribe, it shall be liable to the ADHS for any excess costs incurred by the ADHS in obtaining such similar services; and

b. Require the Contractor to transfer title and deliver to the State, in the manner and to the extent directed by the ADHS, any or all right, title and interest of the Contractor in and to any or all of the subcontracts, lease hold interests, all documents and information and such partially completed reports or other documentation as the Contractor has specifically produced or which are necessary for the performance of the Contract which has been terminated.

28. AVAILABILITY OF FUNDS FOR THE NEXT FISCAL YEAR:

Funds may not presently be available for performance under this Contract beyond the current fiscal year. No legal liability on the part of the State for any payment may arise under this Contract beyond the current fiscal year until funds are made available for performance of this Contract. The State shall make reasonable efforts to secure such funds.

29. TERMINATION FOR NON-AVAILABILITY OF FUNDS:

If monies are not appropriated or are not otherwise available to the ADHS to support continuation of performance in the current or a subsequent Contract year, the Contract shall, upon written notice from the ADHS, be cancelled in whole or in part or, at the election of ADHS, suspended until such monies are so appropriated or available.

30. CERTIFICATION OF COMPLIANCE - ANTI-KICKBACK AND LABORATORY TESTING:

By signing a Contract, the Contractor certifies 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 (PL 101-239 and PL 101-432) and compensation therefrom.

31. RIGHTS AND OBLIGATIONS UPON TERMINATION:

In the event the contract, or any portion thereof, is terminated for any reason, or expires, the Contractor shall assist ADHS in the transition of its members to other Contractors. In addition, ADHS reserves the right to extend the term of the contract on a month-to-month basis to assist in the transition of members. The Contractor shall make provisions for continuing all management and administrative services until the transition of all members is completed and all other requirements of this contract are satisfied. The Contractor shall be responsible for providing all reports set forth in this contract and necessary for the transition process.

The Contractor shall be responsible for the following:

a. Notification of all subcontractors and members;

b. Payment of all outstanding obligations for medical care rendered to members;

c. Until ADHS is satisfied that the Contractor has paid all such obligations, the Contractor shall provide the following reports to ADHS:

i. a monthly claims aging report by subcontracted provider/creditor including IBNR amounts;
ii. a monthly summary of cash disbursements;

d. Such reports shall be due on the fifth day of each succeeding month for the prior month;

e. In the event of termination or suspension of the contract by ADHS, such termination or suspension shall not affect the obligation of the Contractor to indemnify ADHS for any claim by any third party against the State or ADHS arising from the Contractor's performance of this contract and for which the Contractor would otherwise be liable under this contract.

f. Any funds advanced to the Contractor for coverage of members for periods after the date of the termination shall be returned to ADHS within 30 days of termination of the contract.

g. If the Contract is terminated in part, the Contractor shall continue to perform the Contract to the extent not terminated.

h. The Contractor shall stop all work as of the effective date of the termination and shall immediately notify all Subcontractors, in writing, to stop all work as of the effective date of the notice of termination.

i. 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 the Contract and in accordance with a written plan approved by the ADHS for the orderly transition of eligible and enrolled persons to another Contractor or to subcontracted providers.

j. The Contractor shall be paid the Contract price for all services and items completed as of 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 the Contract.

k. All documents, programs, and other information prepared by the Contractor under the Contract shall be delivered to the ADHS upon demand.

32. STOP WORK ORDER:

a. The State may, at any time, by written order to the Contractor, require the Contractor to stop all or any part, of the work called for by this Contract for a period of ninety (90) Days after the order is delivered to the Contractor, and for any further period to which the parties may agree. The order shall be specifically identified as a stop work order issued under this clause. Upon receipt of the order, the Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage.

b. If a stop work order issued under this clause is canceled or the period of the order or any extension expires, the Contractor shall resume work. The Procurement Officer shall make an equitable adjustment in the delivery schedule or Contract price, or both, and the Contract shall be amended in writing accordingly.

33. RIGHT OF OFFSET:

The State shall be entitled to offset against any sums due the Contractor, any expenses or costs incurred by the State, or sanctions assessed by the State concerning the Contractor's nonconforming performance or failure to perform the Contract.

34. NON-EXCLUSIVE REMEDIES:

The rights and remedies of the ADHS under the Contract are not exclusive and shall be in addition to any other rights and remedies provided by this the Contract or available at law or in equity.

35. NON-DISCRIMINATION:

The Contractor shall comply with State Executive Order No. 99-4 which mandates that all persons, regardless of race, color, religion, sex, age, national origin or political affiliation, shall have equal access to employment opportunities, and all other applicable Federal and State laws, rules and regulations, including the Americans with Disabilities Act and Title VI. The Contractor shall take affirmative action to ensure that applicants for employment, employees and persons to whom it provides services are not discriminated against due to race, creed, color, religion, sex, national origin or disability.

36. INSURANCE:

ADHS requires a complete and valid certificate of insurance prior to the commencement of any service or activity specified in this Contract. The ADHS shall notify the successful Contractor of the intent to issue a Contract award. The successful Contractor shall at that time submit an original copy of the certificate of insurance provided by their insurance company for coverages in the minimum amounts required by the State. The coverages shall be maintained in full force and effect during the term of the Contract and shall not serve to limit any liabilities or any other Contractor obligations. The coverages shall name the ADHS as the additional insured.

The Contractor is required to carry the following types and levels of insurance coverage:

a. Commercial General Liability: Provides coverage of at least $1,000,000 for each occurrence for bodily injury and property damage to others resulting from accidents on the premises of or as the result of operations of the Contractor.

b. Commercial Automobile Liability: Provides coverage of at least $1,000,000 for each occurrence for bodily injury and property damage to others resulting from accidents caused by vehicles operated by the Contractor.

c. Workers Compensation: Provides coverage to employees of the Contractor for injuries sustained in the course of their employment. Coverage must meet the obligations imposed by federal and state statutes and must also include Employer's Liability minimum coverage of $100,000. Evidence of qualified self-insured status will also be considered.

d. Professional Liability: Provides coverage for alleged professional misconduct or lack of ordinary skills in the performance of a professional act of service.

37. DISPUTES:

a. Claims by the Contractor against the State:

All claims by the Contractor against the ADHS arising out of or related to this Contract shall be resolved according to ARS Title 41, Chapter 23, Article 9, and AAC R2-7-901 through R2-7-937.

b. Subcontracted Provider Appeals:

The Contractor shall adopt and implement written procedures for resolving disputes between the Contractor and subcontracted providers consistent with AHCCCS rules and policies and the ADHS policy.

c. Eligible Person/Enrolled Person Grievances, Appeals and Requests for Hearing

Grievances, appeals and requests for investigation shall be conducted in accordance with Section C, paragraph 52, Complaints, SMI Grievances, Member Appeals, and Provider Appeals. .

d. The ADHS Participation and Review

In addition to any right or obligation to conduct an administrative appeal or review of subcontracted provider appeals, grievances and investigations or appeals established by State or Federal statute, rule, regulation, or policy, the ADHS, at its discretion, may participate in or review all such grievances, investigations, appeals after the Contractor has submitted its findings. Pending the final resolution of any dispute involving a grievance/appeal/request for investigation, the Contractor shall proceed with performance in accordance with the ADHS' instructions, unless informed otherwise in writing.

38. RIGHT TO INSPECT PLANT/PLACE OF BUSINESS:

The Contractor shall permit and shall require every subcontractor, as a term of its subcontract, to permit the ADHS, at reasonable times, to inspect the plant or place of business of the Contractor or Subcontractor which is related to the performance of the Contract in accordance with ARS § 41-2547.

39. INCORPORATION BY REFERENCE:

This Contract and all attachments and amendments, the Offeror's proposal, best and final offer accepted by the ADHS, and any approved subcontracts are hereby incorporated by reference into the Contract.

40. COVENANT AGAINST CONTINGENT FEES:

The Contractor warrants that no person or agency has been employed or retained to solicit or secure this Contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee. For violation of this warranty, the ADHS shall have the right to annul the Contract without liability.

41. CHANGES:

The ADHS may, at any time, by written notice to the Contractor, make changes within the general scope of the Contract. If any such change causes an increase or decrease in the cost of, or the time required for, performance of any part of the work under the Contract, the Contractor may assert its right to an adjustment in compensation paid under the Contract. The Contractor shall assert its right to such adjustment within 30 days from the date of receipt of the change notice. Any dispute or disagreement caused by such notice shall constitute a dispute within the meaning of Section E, paragraph 37, Disputes, and be administered accordingly.

When the ADHS issues an amendment to modify the Contract, the provisions of such amendment shall be deemed to have been accepted 60 days after the date of mailing by the ADHS, even if the amendment has not been signed by the Contractor, unless within that time the Contractor notifies the ADHS in writing that it refuses to sign the amendment. If the Contractor provides such notification, the ADHS may terminate the Contract pursuant to Section E, paragraph 26, Termination for Convenience.

42. TYPE OF CONTRACT:

- [X] Fixed Price
- [ ] Cost Reimbursement
- [ ] Revenue

43. WARRANTY OF SERVICES:

The Contractor warrants that all services provided under this contract will conform to the requirements stated herein. ADHS' acceptance of services provided by the Contractor shall not relieve the Contractor from its obligations under this warranty. In addition to its other remedies, ADHS may, at the Contractor's expense, require prompt correction of any services failing to meet the Contractor warranty herein. Services corrected by the Contractor shall be subject to all of the provisions of this contract in the manner and to the same extent as the services originally furnished.

44. NO GUARANTEED QUANTITIES:

The ADHS does not guarantee the Contractor any minimum or maximum quantity of services or goods to be provided under the Contract.

45. CONFLICT OF INTEREST:

The Contractor shall not undertake any work that represents a potential conflict of interest, or which is not in the best interest of the ADHS or the State without prior written approval by ADHS. The Contractor shall fully and completely disclose any situation, which may present a conflict of interest. If the Contractor is now performing or elects to perform during the term of this contract any services for any AHCCCS health plan, provider or ADHS or an entity owning or controlling same, the Contractor shall disclose this relationship prior to accepting any assignment involving such party.

46. CANCELLATION FOR CONFLICT OF INTEREST:

Pursuant to A.R.S. § 38-511, the State may cancel this Contract without penalty or further obligation if any person significantly involved in initiating, negotiating, securing, drafting or creating the Contract on behalf of the State is or becomes at any time while the Contract or an extension of the Contract is in effect an employee of or a consultant to any other party to this Contract with respect to the subject matter of the Contract. The cancellation shall be effective when the Contractor receives written notice of the cancellation unless the notice specifies a later time.

47. DISCLOSURE OF CONFIDENTIAL INFORMATION:

The Contractor and its subcontractors shall observe and abide by all applicable state statutes, rules and regulations regarding use or disclosure of information, including, but not limited to, information concerning applicants for, and recipients of services provided by the AHCCCS Administration.

The Contractor shall establish, enforce and upon request provide a copy to the ADHS of a security policy, which establishes and implements the Contractor's commitment to maintain appropriate security controls acceptable to the ADHS over confidentiality of personal medical information in compliance with all applicable State and Federal laws, regulations and the policies of AHCCCS and the ADHS. Such a security policy shall include but shall not be limited to: internal and external controls as to access to computer, electronically/optically stored and hard copy files and information; appropriate employee training; and agreements on the part of employees and Subcontractors to the Contractor to maintain such confidentiality. The Contractor’s policy shall conform with the following requirements.

a. The Contractor’s procedures shall comply with AAC R9- R9-1-311 through R9-1-315 regarding disclosure of confidential medical information and records.

b. The Contractor’s procedures shall comply with the Code of Federal Regulations, 42 CFR, Part 2, regarding disclosure of confidential substance abuse treatment information and records.

c. No medical information contained in the Contractor's records or obtained from the ADHS or from others in carrying out its functions under the Contract shall be used or disclosed by the Contractor, its agents, officers, employees or Subcontractors, except as is essential to the performance of duties under the Contract or otherwise permitted under the statutes and rules of the ADHS.

d. Disclosure of medical information, names, or other such information to the ADHS is deemed essential to the performance of duties under the Contract.

e. Neither medical information nor names or other information regarding any person applying for, claiming, or receiving items or services contemplated in this Contract, or any employer of such person shall be made available for any political or commercial purposes.

f. Information received from a Federal agency, or from any person or subcontracted provider acting under the Federal agency pursuant to Federal law, shall be disclosed only as provided by Federal law.

g. In accordance with Section 318(e)(5) of the Public Health Service Act [42 U.S.C. 247c(e)(5)], all information obtained in connection with the examination, care or services provided to any individual under any program which is being carried out with a cooperative agreement funded with Federal monies shall not, without such individual's consent, be disclosed except as may be necessary to provide services to such individual or as may be required by the laws of the State of Arizona or its political subdivisions. Information derived from any such program may be disclosed:

    i. in summary, statistical or other form; or

    ii. for clinical or research purposes, but only if the identity of the individuals diagnosed or provided care under such program is not disclosed.

h. The Contractor’s procedures shall comply with the provisions of ARS § 36-663 concerning Human Immunodeficiency Virus related testing; restrictions; exceptions; and ARS § 36-664 concerning confidentiality; exceptions; in providing services under the Contract.

i. The Contractor’s procedures shall comply with the federal statutes and regulations regarding access to facilities and the release of information to the state designated protection and advocacy agency in accordance with 42 CFR part 51, 45 CFR part 1386, and 29 USC 794e to the extent applicable to persons receiving services under the contract. As of this Contract, the state designated protection and advocacy agency is the Arizona Center for Disability Law. The ADHS will notify the contractor of any change in the state designated protection and advocacy agency during the term of the contract.

j. The Contractor’s procedures shall comply with all other state or federal statute or regulation, AHCCCS and ADHS policies regarding the disclosure of records or information applicable to persons receiving services under this contract.

k. Upon ADHS approval of the Contractor's written procedures governing confidentiality, the Contractor may release information pursuant to its approved procedure. In the absence of approved procedures, requests for medical information shall be in writing and disclosure authorized by ADHS.

48. ASSIGNMENT OF CONTRACT/BANKRUPTCY:

The Contract is voidable and subject to immediate cancellation by the ADHS upon the Contractor becoming insolvent or filing proceedings for bankruptcy or reorganization under the United States Code, or assigning rights or obligations under the Contract without the prior written consent of the ADHS.

49. OWNERSHIP OF PROPERTY

a. Information And Data

i. Any materials, including reports, computer programs and other deliverables, created under the Contract are the sole property of the State. The Contractor is not entitled to a patent or copyright on those materials and may not transfer the patent or copyright to anyone else. The Contractor shall not use or release these materials without the prior written consent of the State.

ii. The Contractor agrees to give recognition to the ADHS for its support of the program when publishing program material or releasing program related public information.

iii. The Contractor agrees to give recognition to the Substance Abuse and Mental Health Services Administration (SAMHSA) for its support of the program when publishing material or releasing program related public information relating to substance abuse prevention and treatment programs supported by SAPT funds.

b. Any property, real, personal or intellectual, created under this contract or purchased with funds provided under the Contract are the sole property of the State. The Contractor may not use funds provided under the contract to purchase real property without the prior written approval of the ADHS. Upon the termination or expiration of this Contract, all property created or purchased using funds provided under the Contract shall be promptly transferred to the State, and the Contractor shall promptly execute any documents necessary to transfer title to such property.

c. Notwithstanding Paragraph 49.b., any real property acquired or buildings constructed on real property with HB2003 funds for the purpose of providing housing for persons with serious mental illness, shall be governed by the provisions of Section C, Paragraph 70 (HB2003 services).

d. If the Contractor intends to obtain a mortgage or financing for the purchase of real property or construction of buildings on real property, the ADHS is under no obligation to assist, facilitate, or help the Contractor secure such mortgage or financing.

e. Notwithstanding Paragraph 49.b, any real property, including land, buildings and improvements purchased by the Contractor or its subcontractor with funds pursuant to Section D, Paragraph 800 (HB2003 funding), shall include a deed restriction and reversionary clause that requires the real property to be used solely for the benefit of enrolled persons. Prior to the purchase of any real property, the Contractor shall submit to the ADHS, for prior approval, a deed containing the use restrictions and a reversionary clause that ensures that the property is used for the benefit of enrolled persons and that failure to comply with the use restrictions allows the property to revert to the State.

50. ADHS RIGHT TO OPERATE CONTRACTOR:

a. In addition to any other rights provided by law or under this Contract, upon a determination by the ADHS that the Contractor has failed to perform any requirements of the Contract, the ADHS may, immediately upon written notice from the ADHS to the Contractor, directly operate the Contractor for so long as necessary to ensure the uninterrupted care to persons and accomplish the orderly transition of persons to a new or existing Contractor, or until the Contractor corrects the Contract performance failure to the satisfaction of the ADHS.

b. If the ADHS undertakes direct operation of the Contractor, the ADHS, through designees appointed by the director shall be vested, with the full and exclusive power of management and control of the Contractor as necessary to ensure the uninterrupted care to persons and accomplish the orderly transition of persons to a new or existing Contractor, or until the Contractor corrects the Contract performance failure to the satisfaction of the ADHS.

c. The ADHS shall have the power to employ any necessary assistants, to execute any instrument in the name of the Contractor, to commence, defend and conduct in its name any action or proceeding in which the Contractor may be a party.

d. All reasonable expenses of the ADHS relating the direct operation of the Contractor, including attorney fees, costs of preliminary or other audits of the Contractor and expenses relating to the management of any office or other asset of the Contractor, shall be paid by the Contractor or withheld from any payment due from the ADHS to the Contractor.

51. AUDITS AND INSPECTIONS:

The Contractor shall comply with all provisions specified in applicable AHCCCS Rule R9-22-519, -520 and –521, policies and procedures relating to the audit of Contractor's records and the inspection of Contractor's facilities. The Contractor shall fully cooperate with the ADHS staff and AHCCCS staff and allow them reasonable access to Contractor's staff, Subcontractors, enrolled persons and records.

At any time during the term of this Contract, the Contractor's or any Subcontractor's books and records shall be subject to audit by the ADHS and, where applicable, the Federal government, to the extent that the books and records related to the performance of the Contract or subcontracts.

The ADHS, 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.

52. CORPORATE COMPLIANCE:

In accordance with A.R.S. Section 36-2918.01, the Contractor or subcontracted providers are required to notify the ADHS/DBHS Office of Program Support and the AHCCCS Office of Program Integrity immediately of all suspected fraud or abuse. The Contractor agrees to promptly (within ten working days of discovery) inform the ADHS/DBHS Office of Program Support and the AHCCCS Office of Program Integrity in writing of instances of suspected fraud or abuse. This shall include acts of suspected fraud or abuse that were resolved internally but involved AHCCCS funds, ADHS, the Contractor or subcontracted providers.

As stated in A.R.S. Section 13-2310, incorporated herein by reference, any person who knowingly obtains any benefit by means of false or fraudulent pretenses, representations, promises, or material omissions is guilty of a Class 2 felony.

The Contractor agrees to permit and cooperate with any onsite review. A review by the ADHS/DBHS Office of Program Support or the AHCCCS Office of Program Integrity may be conducted without notice and for the purpose of ensuring program compliance.

The Contractor is responsible for complying with the ADHS/DBHS Program Support Procedures Manual that outlines the Contractor's requirements for a Corporate Compliance Program pertaining to fraud and abuse. The Contractor and its subcontracted providers must have a mandatory compliance program, supported by other administrative procedures, that is designed to guard against fraud and abuse. The compliance program, which shall both prevent and detect suspected fraud or abuse, must include:

a. The designation of a compliance officer and a compliance committee that are accountable to senior management.

b. Effective training and education.

c. Effective lines of communication between the compliance officer and the organization's employees.

d. Enforcement of standards through well-publicized disciplinary guidelines.

e. Provision for internal monitoring and auditing.

f. Provision for prompt response to problems detected.

g. Written policies, procedures, and standards of conduct that articulate the organization's commitment to comply with all applicable Federal and state standards.

The Contractor and its subcontracted providers are required to research potential overpayments identified by the ADHS Office of Program Support or the AHCCCS Office of Program Integrity. After conducting a cost benefit analysis to determine if such action is warranted, the Contractor and its subcontracted providers should attempt to recover any overpayments identified. The ADHS Office of Program Support or the AHCCCS Office of Program Integrity shall be advised of the final disposition of the research and advised of actions, if any, taken by ADHS or the Contractor.
It shall be the responsibility of the Contractor to report all cases of suspected fraud and abuse by Subcontractors, enrolled persons or employees. The Contractor shall provide written notification of all such incidents to the ADHS Fraud and Abuse Coordinator. The Contractor shall comply with the ADHS Provider Manual requirements for Corporate Compliance.

As stated in ARS § 13-2310, incorporated herein by reference, any person who knowingly obtains any benefit by means of false or fraudulent pretenses, representations, promises or material omissions is guilty of a class 2 felony.

53. LOBBYING:

No funds paid to the Contractor by the ADHS, or interest earned thereon, shall be used 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 in connection with awarding of any Federal or State Contract, the making of any Federal or State grant, the making of any Federal or State loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment or modification of any Federal or State Contract, grant, loan, or cooperative agreement. The Contractor shall disclose if any funds paid to the Contractor by the ADHS have been used or shall be used to influence the persons and entities indicated above and shall assist the ADHS in making such disclosures to CMS.

54. DECLARATION OF EMERGENCY:

Upon a declaration by the Governor that an emergency situation exists in the delivery of behavioral health services in which the health, safety or welfare of the public will be threatened without intervention by government agencies, ADHS may operate as the RBHA or undertake actions to negotiate and award, with or without bid, a Contract to an entity to operate as the RBHA. Contracts awarded under a declaration of emergency are exempt from the requirements of Title 41, Chapter 23. ADHS shall immediately notify the affected Contractor(s) of its intention.

55. LICENSES, ACCREDITATIONS AND PERMITS:

a. Licenses and Permits

The Contractor, unless otherwise exempt by law, shall obtain and continuously maintain and shall require all Subcontractors, unless otherwise exempt by law, to obtain and continuously maintain all licenses, permits, certifications, credentials and authority necessary to do business and render covered services under the Contract and all subcontracts, respectively.

b. Accreditation and Credentialing

The Contractor shall comply with and cause its Subcontractors to comply with all applicable accreditation, training, and credentialing requirements with respect to the Contractor, its Subcontractors and their employees, imposed or required by any quality assurance or improvement plan or program adopted by the ADHS.

56. ANTI-KICKBACK:

Neither the Contractor nor any director, officer, agent, employee or volunteer of the Contractor shall, directly or indirectly, request or receive any payment or other thing of value 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 entry by the Contractor into a subcontract with the Subcontractor or any referrals of eligible persons to the Subcontractor for the provision of covered services. The Contractor shall provide the ADHS with copies of all contracts and agreements, if any, between the Contractor and each Subcontractor in addition to the Subcontractor's subcontract within 15 working days from the date the agreement is executed. No such Contract or agreement shall provide or contemplate the provision of any payment or other thing of value by or on behalf of the Subcontractor to the Contractor or any other party except to the extent such payment or other thing of value constitutes fair and reasonable consideration for performance by the Contractor or each other party under that Contract or agreement received by or for the account of the Subcontractor.

57. PAYMENT OF PERFORMANCE OF OBLIGATIONS/JUDGEMENTS:

The Contractor shall pay and perform all of its obligations and liabilities when and as due; provided, however, that if and to the extent there exists a bona fide dispute with any party to whom the Contractor may be obligated, the Contractor may contest any obligation so disputed until final determination by a court of competent jurisdiction; provided, however that the Contractor shall not permit any judgment against it or any levy, attachment, or process against its property, the entry of any order or judgment of receivership, trusteeship or conservatorship or the entry of any order to relief or similar order under laws pertaining to bankruptcy, reorganization or insolvency, in any of the foregoing cases to remain undischarged or unstayed by good and sufficient bond, for more than 15 days.

58. OTHER CONTRACTS:

The ADHS may, directly or by Contract with others, provide covered services to other than eligible and enrolled persons or provide eligible and enrolled persons with covered services or services in addition to covered services furnished or to be furnished by or through the Contractor. The Contractor shall cooperate fully with other contractors and/or State employees in scheduling and coordinating its services with other related services for eligible and enrolled. The Contractor shall afford other contractors reasonable opportunity for the provision of their services and shall not commit or permit any act, which shall interfere with the performance of services by another Contractor or by State employees. This section shall be included in all subcontracts as well as contracts with other contractors. The ADHS shall equitably enforce this section as to all Contractors to prevent unreasonably burdening any Contractor. The Contractor shall notify the ADHS in advance of executing any Contract with any other agency, Department or instrumentality of the State, local or Federal government for behavioral health services. The Contractor shall disclose all revenue derived from these sources as part of their Certified Financial Audit, and consolidated financial statements.

59. LOCATIONS AND HOURS OF SERVICE:

The Contractor's and each Subcontractor's locations and hours of service listings shall be included in the subcontract with the Contractor.

60. NON-MATERIAL CHANGES:

Non-material changes to the Contract do not require written amendment.

a. Non-material alterations to the Contract which do not require written amendment are:

   i. change of address;

   ii. change of telephone number;

   iii. change of authorized signatory;

   iv. changes in the name and/or address of the person to whom notices are to be sent; or

   v. change in the name of the Contractor where the ownership remains the same.

b. The Contractor shall give notice to the ADHS of any non-material alterations to the Contract within 30 days.

c. Whenever notice is required pursuant to the terms of the Contract, said notice shall be in writing, shall be delivered in person or by certified mail, return receipt requested, and shall be directed to the person(s) and address(es) specified for such purpose on the execution page of this Contract or to such other person(s) and/or address(es) as either party may designate to the other party by written notice.

61. ASSIGNMENT/OVERCHARGES:

The Contractor, the ADHS and the State recognize that in actual practice overcharges resulting from antitrust violations are in fact borne by the purchaser. Therefore, the Contractor hereby assigns to the ADHS and the State any and all claims for such overcharges.

62. FORCE MAJEURE:

Except for payment of sums due, neither party shall be liable to the other nor deemed in default under the Contract if and to the extent that such party's performance of the Contract is prevented by reason of force majeure.

a. Force majeure means an occurrence that is beyond the control of the party affected and occurs without its fault or negligence. Without limiting the foregoing, force majeure includes acts of God; acts of the public enemy; war; riots; strikes; mobilization; labor disputes; civil disorders; fire; flood; lockouts; or failures or refusals to act by government authority; and other similar occurrences beyond the control of the party declaring force majeure which such party is unable to prevent by exercising reasonable diligence. Force majeure shall not include the following occurrences:

   i. the late performance by a Subcontractor unless the delay arises out of a force majeure and the Contractor complies with (d) of this paragraph, or
   ii. the inability of the Contractor or any Subcontractor to acquire or maintain any required insurance, bond, licenses or permits.

b. Force majeure shall be deemed to commence when the party declaring force majeure notifies the other party of the existence of the force majeure and shall be deemed to continue as long as the results or effects of the force majeure prevent the party from resuming performance in accordance with this agreement.

c. Any delay or failure in performance by either party hereto shall not constitute default here under or give rise to any claim for damages or loss of anticipated profits if, and to the extent that such delay or failure is caused by force majeure.

d. If either party is delayed at any time in the progress of the work by force majeure, the delayed party shall notify the other party in writing of such delay, as soon as is practicable and no later than the following working day, of the commencement thereof and shall specify the causes of such delay in such notice. Such notice shall be delivered or mailed certified-return receipt and shall make a specific reference to this article, thereby invoking its provisions. The delayed party shall cause such delay to cease as soon as practicable and shall notify the other party in writing when it has done so. The time of completion shall be extended by Contract modification for a period of time equal to the time that results or effects of such delay prevent the delayed party from performing in accordance with this the Contract.

63. EFFECTIVE DATE:

The effective date of this Contract shall be 7/1/04.

64. APPLICABLE TAXES:

a. Applicable Taxes. The State shall pay only the rate and/or amount of taxes identified in the Offer and in any resulting Contract.

b. Tax Indemnification. Contractor and all subcontractors shall pay all Federal, state and local taxes applicable to its operation and any persons employed by the Contractor. Contractor shall, and require all subcontractors to hold the State harmless from any responsibility for taxes, damages and interest, if applicable, contributions required under Federal, and/or state and local laws and regulations and any other costs including transaction privilege taxes, unemployment compensation insurance, Social Security and Worker's Compensation.

c. IRS W9 Form. In order to receive payment under any resulting Contract, Contractor shall have a current IRS W9 Form on file with the State of Arizona.

65. RISK OF LOSS:

The Contractor shall bear all loss of conforming material covered under this Contract until received by authorized personnel at the location designated in the purchase order. Mere receipt does not constitute final acceptance. The risk of loss for nonconforming materials shall remain with the Contractor regardless of receipt.

66. NONCONFORMING TENDER:

Materials supplied under this Contract shall fully comply with the Contract. The delivery of materials or a portion of the

materials in an installment that do not fully comply constitutes a breach of contract. On delivery of nonconforming materials, the State may terminate the Contract for default under applicable termination clauses in the Contract, exercise any of its rights and remedies under the Uniform Commercial Code, or pursue any other right or remedy available to it.

67. WARRANTIES:

a. Liens. The Contractor warrants that the materials supplied under this Contract are free of liens.

b. Quality. Unless otherwise modified elsewhere in these terms and conditions, the Contractor warrants that, for one year after acceptance by the State of the materials, they shall be:

i. of a quality to pass without objection in the trade under the Contract description;

ii. fit for the intended purposes for which the materials are used;

iii. within the variations permitted by the Contract and are of even kind, quantity, and quality within

iv. each unit and among all units;

v. adequately contained, packaged and marked as the Contract may require; and

vi. conform to the written promises or affirmations of fact made by the Contractor.

c. Fitness. The Contractor warrants that any material supplied to the State shall fully conform to all requirements of the Contract and all representations of the Contractor, and shall be fit for all purposes and uses required by the Contract.

d. Inspection/Testing. The warranties set forth in subparagraphs a through c of this paragraph are not affected by inspection or testing of or payment for the materials by the State.

e. Year 2000

i. Notwithstanding any other warranty or disclaimer of warranty in this Contract, the Contractor warrants that all products delivered and all services rendered under this Contract shall comply in all respects to performance and delivery requirements of the specifications and shall not be adversely affected by any date-related data Year 2000 issues. This warranty shall survive the expiration or termination of this Contract. In addition, the defense of *force majeure* shall not apply to the Contractor's failure to perform specification requirements as a result of any date-related data Year 2000 issues.

ii. Additionally, notwithstanding any other warranty or disclaimer of warranty in this Contract, the Contractor warrants that each hardware, software, and firmware product delivered under this Contract shall be able to accurately process date/time data (including but not limited to calculation, comparing, and sequencing) from, into, and between the twentieth and twenty-first centuries, and the years 1999 and 2000 and leap year calculations, to the extent that other information technology utilized by the State in combination with the information technology being acquired under this Contract properly exchanges date-time data with it. If this Contract requires that the information technology products being acquired perform as a system, or that the information technology products being acquired perform as a system in combination with other State information technology, then this warranty shall apply to the acquired products as a system. The remedies available to the State for breach of this warranty shall include, but shall not be limited to, repair and replacement of the information technology products delivered under this Contract. In addition, the defense of *force majeure* shall not apply to the failure of the Contractor to perform any specification requirements as a result of any date-related data Year 2000 issues.

f. Exclusions. Except as otherwise set forth in this Contract, there are no express or implied warranties of merchantability or fitness.

68. SURVIVAL OF RIGHTS AND OBLIGATIONS AFTER CONTRACT EXPIRATION OR TERMINATION:

a. Offeror's Representation and Warranties. All representations and warranties made by the Contractor under this Contract shall survive the expiration or termination hereof. In addition, the parties hereto acknowledge that pursuant to A.R.S. § 12-510, except as provided in A.R.S. § 12-529, the State is not subject to or barred by any limitations of actions prescribed in A.R.S., Title 12, chapter 5.

b. Purchase Orders. In accordance with all terms and conditions of the Contract, the Contractor shall fully perform and be obligated to comply with all purchase orders received by the Contractor prior to the expiration or termination hereof, including, without limitation, all purchase orders received prior to but not fully performed and satisfied at the expiration or termination of this Contract, unless otherwise directed in writing by the Procurement Officer. Officer.

69. NOTICES:

Notices to the Contractor required by this Contract shall be made by the State to the person indicated on the Offer and Acceptance form submitted by the Contractor unless otherwise stated in the Contract. Notices to the State required by the Contract shall be made by the Contractor to the Solicitation Contact Person indicated on the Solicitation cover sheet, unless otherwise stated in the Contract. An authorized Procurement Officer and an authorized Contractor representative may change their respective person to whom notice shall be given by written notice and an amendment to the Contract shall not be necessary.

70. DELIVERY:

Unless stated otherwise in the Solicitation, all prices shall be F.O.B. Destination and shall include all delivery and unloading at the destinations identified in the Solicitation.

71. SANCTIONS AND UNALLOWABLE COSTS

ADHS may sanction the Contractor due to noncompliance with any of the requirements of this Agreement. ADHS shall notify the Contractor in writing regarding any non-compliance issues and the amount of and basis for any sanctions. In applying sanctions, ADHS may withhold future payments to the Contractor. Sanctions are to be reported on the financial statements as an administrative expense and not a reduction of revenue.

72. DATA CERTIFICATION

In accordance with 42 CFR 438.604,606,the Contractor shall certify that financial and encounter data submitted to ADHS is complete, accurate and truthful. Certification of financial data must be submitted concurrent with the data. Encounter data must be certified at least once per contract year. Certification may be provided by the Contractor's CEO, CFO or an individual who is delegated authority to sign for, and who reports directly to the Contractor's CEO or CFO.

SECTION F – ATTACHMENTS

ATTACHMENT A:
MINIMUM SUBCONTRACT PROVISIONS

1. ASSIGNMENT AND DELEGATION OF RIGHTS AND RESPONSIBILITIES

No payment due the Contractor under this subcontract may be assigned without the prior approval of Arizona Department of Health Services (ADHS). No assignment or delegation of the duties of this subcontract shall be valid unless prior written approval is received from ADHS. (AAC R2-7-305)

2. AWARDS OF OTHER SUBCONTRACTS

AHCCCSA and/or ADHS may undertake or award other contracts for additional or related work to the work performed by the contractor and the contractor shall fully cooperate with such other contractors, subcontractors or state employees. The Contractor shall not commit or permit any act, which will interfere with the performance of work by any other contractor, subcontractor or state employee. (AAC R2-7-308)

3. CERTIFICATION OF COMPLIANCE – ANTI-KICKBACK AND LABORATORY TESTING

By signing this contract, the Contractor certifies 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 (PL 101-239 and PL 101-432) and compensation therefrom. If the Contractor provides laboratory testing, it certifies that it has complied with 42 CFR §411.361 and has sent to AHCCCSA simultaneous copies of the information required by that rule to be sent to the Centers for Medicare and Medicaid Services. (42 USC §§1320a-7b; PL 101-239 and PL 101-432; 42 CFR §411.361)

4. CERTIFICATION OF TRUTHFULNESS OF REPRESENTATION

By signing this subcontract, the Contractor certifies that all representations set forth herein are true to the best of its knowledge.

5. CLINICAL LABORATORY IMPROVEMENT AMENDMENTS OF 1988

The Clinical Laboratory Improvement Amendment (CLIA) of 1988 requires laboratories and other facilities that test human specimens to obtain either a CLIA Waiver or CLIA Certificate in order to obtain reimbursement from the Medicare and Medicaid (AHCCCS) programs. In addition, they must meet all the requirements of 42 CFR 493, Subpart A.

To comply with these requirements, AHCCCSA requires all clinical laboratories to provide verification of CLIA Licensure or Certificate of Waiver during the provider registration process. Failure to do so shall result in either a termination of an active provider ID number or denial of initial registration. These requirements apply to all clinical laboratories.

Pass-through billing or other similar activities with the intent of avoiding the above requirements are prohibited. The Contractor may not reimburse providers who do not comply with the above requirements. (CLIA of 1988; 42 CFR 493, Subpart A)

6. COMPLIANCE WITH AHCCCSA RULES RELATING TO AUDIT AND INSPECTION

The Contractor shall comply with all applicable AHCCCS Rules and Audit Guide relating to the audit of the Contractor's records and the inspection of the Contractor's facilities. If the Contractor is an inpatient facility, the Contractor shall file uniform reports and Title XVIII and Title XIX cost reports with AHCCCSA. (ARS 41-2548; 45 CFR 74.48 (d))

7. COMPLIANCE WITH LAWS AND OTHER REQUIREMENTS

The Contractor shall comply with all federal, State and local laws, rules, regulations, standards and executive orders governing performance of duties under this subcontract, without limitation to those designated within this subcontract. (Requirement for FFP, 42 CFR 434.70)

8. CONFIDENTIALITY REQUIREMENT

Confidential information shall be safeguarded pursuant to 42 CFR Part 431, Subpart F, ARS §36-107, 36-509, 36-2903, 41-1959 and 46-135, AHCCCS Rules and Health Insurance Portability and Accountability Act (Public Law 107-191, 110 Statutes 1936).

9. CONFLICT IN INTERPRETATION OF PROVISIONS

In the event of any conflict in interpretation between provisions of this contract and the ADHS Minimum Subcontract Provisions, the latter shall take precedence.

10. CONTRACT CLAIMS AND DISPUTES

Contract claims and disputes arising under A.R.S. § Title 36, Chapter 29 shall be adjudicated in accordance with AHCCCS Rules. (A.R.S. § Title 36, Chapter 29; AAC R2-7-916; AAC R9-22-802)

11. ENCOUNTER DATA REQUIREMENT

If the Contractor does not bill ADHS (e.g., Contractor is capitated), the Contractor shall submit encounter data to ADHS in a form acceptable to AHCCCSA.

12. EVALUATION OF QUALITY, APPROPRIATENESS, OR TIMELINESS OF SERVICES

AHCCCSA, ADHS or the U.S. Department of Health and Human Services may evaluate, through inspection or other means, the quality, appropriateness or timeliness of services performed under this subcontract. (ARS 36-2903. C., (8.); ARS 36-2903.02; AAC 9-22-522)

13. FRAUD AND ABUSE

If the Contractor discovers, or is made aware, that an incident of potential fraud or abuse has occurred, the Contractor shall report the incident to the ADHS or the AHCCCSA, Office of Program Integrity. Incidents involving potential member eligibility fraud should be reported to AHCCCSA, Office of Managed Care, Member Fraud Unit. All other incidents of potential fraud should be reported to AHCCCSA, Office of the Director, Office of Program Integrity. (ARS 36-2918.01; AAC R9-22-511)

14. GENERAL INDEMNIFICATION

The parties to this contract agree that AHCCCS shall be indemnified and held harmless by the Contractor and ADHS for the vicarious liability of AHCCCS as a result of entering into this contract. However, the parties further agree that AHCCCS shall be responsible for its own negligence. Each party to this contract is responsible for its own negligence.

15. INSURANCE

(This provision applies only if the Contractor provides services directly to AHCCCS members)

The Contractor shall maintain for the duration of this subcontract a policy or policies of professional liability insurance, comprehensive general liability insurance and automobile liability insurance in amounts that meet AHCCCS requirements. The Contractor agrees that any insurance protection required by this subcontract, or otherwise obtained by the Contractor, shall not limit the responsibility of Contractor to indemnify, keep and save harmless and defend the State and AHCCCSA, ADHS, their agents, officers and employees as provided herein. Furthermore, the Contractor shall be fully responsible for all tax obligations, Worker's Compensation Insurance, and all other applicable insurance coverage, for itself and its employees, and AHCCCSA shall have no responsibility or liability for any such taxes or insurance coverage. (45 CFR Part 74)

16. LIMITATIONS ON BILLING AND COLLECTION PRACTICES

The Contractor shall not bill, nor attempt to collect payment directly or through a collection agency from a person claiming to be AHCCCS eligible without first receiving verification from AHCCCSA that the person was ineligible for AHCCCS on the date of service, or that services provided were not AHCCCS covered services. (AAC R9-22-702)

17. MAINTENANCE OF REQUIREMENTS TO DO BUSINESS AND PROVIDE SERVICES

The Contractor shall be registered with AHCCCSA and shall obtain and maintain all licenses, permits and authority necessary to do business and render service under this subcontract and, where applicable, shall comply with all laws regarding safety, unemployment insurance, disability insurance and worker's compensation.

18. NON-DISCRIMINATION REQUIREMENTS

The Contractor shall comply with State Executive Order No. 99-4, which mandates that all persons, regardless of race, color, religion, sex, national origin or political affiliation, shall have equal access to employment opportunities, and all other applicable Federal and state laws, rules and regulations, including the Americans with Disabilities Act and Title VI. The Contractor shall take positive action to ensure that applicants for employment, employees, and persons to whom it provides service are not discriminated against due to race, creed, color, religion, sex, national origin or disability. (Federal regulations, State Executive order # 99-4 & AAC R9-22-513)

People with disabilities may request special accommodations such as interpreters, alternative formats or assistance with physical accessibility. Requests for special accommodations must be made with at least three days prior notice by calling Michael Veit at (602) 417-4762.

19. PRIOR AUTHORIZATION AND UTILIZATION REVIEW

The Contractor and ADHS shall develop, maintain and use a system for Prior Authorization and Utilization Review that is consistent with AHCCCS Rules and the ADHS Provider Manual. (AAC R9-22-522)

20. RECORDS RETENTION

The Contractor shall maintain books and records relating to covered services and expenditures including reports to AHCCCSA and working papers used in the preparation of reports to AHCCCSA. The Contractor shall comply with all specifications for record keeping established by AHCCCSA. All books and 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 AHCCCSA.

The Contractor agrees to make available at its office at all reasonable times during the term of this contract and the period set forth in the following paragraphs, any of its records for inspection, audit or reproduction by any authorized representative of AHCCCSA, State or Federal government.

The Contractor shall preserve and make available all records for a period of five years from the date of final payment under this contract.

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 five years from the date of any such termination. Records which relate to grievances, 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 AHCCCSA, shall be retained by the Contractor for a period of five years after the date of final disposition or resolution thereof. (45 CFR 74.53; ARS 41-2548)

21. SEVERABILITY

If any provision of these standard subcontract terms and conditions is held invalid or unenforceable, the remaining provisions shall continue valid and enforceable to the full extent permitted by law.

22. SUBJECTION OF CONTRACT

The terms of this contract shall be subject to the applicable material terms and conditions of the contract existing between ADHS and AHCCCSA for the provision of covered services.

23. TERMINATION OF CONTRACT

ADHS may, by written notice to the Contractor, terminate this subcontract if it is found, after notice and hearing by the State, that gratuities in the form of entertainment, gifts, or otherwise were offered or given by the Contractor, or any agent or representative of the Contractor, to any officer or employee of the State with a view towards securing a contract or securing favorable treatment with respect to the awarding, amending or the making of any determinations with respect to the performance of the Contractor; provided, that the existence of the facts upon which the state makes such findings shall be in issue and may be reviewed in any competent court. If the subcontract is terminated under this section, unless the Contractor is a governmental agency, instrumentality or subdivision thereof, ADHS shall be entitled to a penalty, in addition to any other damages to which it may be entitled by law, and to exemplary damages in the amount of three times the cost incurred by the Contractor in providing any such gratuities to any such officer or employee. (AAC R2-5-501; ARS 41-2616 C.; 42 CFR 434.6, a. (6))

24. VOIDABILITY OF CONTRACT

This subcontract is voidable and subject to immediate termination by ADHS upon the Contractor becoming insolvent or filing proceedings in bankruptcy or reorganization under the United States Code, or upon assignment or delegation of the subcontract without ADHS' prior written approval.

25. WARRANTY OF SERVICES

The Contractor, by execution of this contract, warrants that it has the ability, authority, skill, expertise and capacity to perform the services specified in this contract.

26. OFFSHORE PERFORMANCE OF WORK PROHIBITED

Due to security and identity concerns, all services under this Contract shall be performed within the borders of the United States. All storage and processing of information shall be performed within the borders of the United States. This provision applies to work performed by the Contractor and to all subcontractors.

ATTACHMENT B: RESERVED

ATTACHMENT C: MANAGEMENT SERVICES SUBCONTRACTOR STATEMENT

INSTRUCTIONS: A Management Services Subcontractor is defined as a marketing organization or any other organization or person agreeing to perform any administrative function or service for the Contractor specifically related to securing or fulfilling the Contractor's obligations to the ADHS. This includes, but is not limited to, third-party administrators, firms or persons who manage operations of the Contractor such as marketing, automatic data processing, claims processing, quality management, utilization management, prior authorization and other management functions.

All Management Services Subcontractors are required to have an annual financial audit. A copy of this audit shall be filed with the ADHS within 120 days of the Subcontractor's fiscal year end. Failure to file a copy may result in withdrawal of the ADHS approval.

Attach to this proposal, a signed copy of the *Management Subcontract* in addition to all information requested below. If the existing subcontract is for multiple terms, attach the original management subcontract and all amendments. When making attachments to this section, please refer to the question number and the item heading.

MANAGEMENT SERVICES SUBCONTRACTOR STATEMENT

NAME OF BUSINESS ____

ADDRESS ______________________________________ CITY ______________ State ____ ZIP_____

PHONE NO. ____

1. Type of Business (check appropriate box):

   [ ] Individual [ ] Partnership [ ] Corporation [ ] Joint Venture [ ] Government [ ] Other (Describe)

   If a corporation, indicate type:____

2. Incorporated in the State of:____.

   If incorporated in a State other than Arizona, do you have a certificate to do business in the State of Arizona? Yes_____ No_____. If yes, type of certificate and with what agency or administration is it filed: ____.

3. Who is your Statutory Agent for the State of Arizona:

   Name____Phone_______________________

   Address____State:_______________ Zip:____________

4. Parent Company and Employer Identification Number:

   For the purpose of this Contract, a parent company is defined as one, which either owns or controls the activities and basic business policies of the Management Services Subcontractor. To own another company means the parent company shall own at least a majority (more than 50%) of the voting rights in the company. To control another company, such ownership is not required if such company is able to formulate, determine, or veto business policy decisions of the Management Services Subcontractor, such other company is considered the parent company of the Management Services Subcontractor.

   Is the Management Services Subcontractor owned or controlled by a parent company as described above? Yes_____ No_____ If yes, insert in the space below the name and main office address of the parent company.

   Name____

   Address____ State _________ Zip________

5. Organization Chart:

   Attach a copy of your staff functional organizational chart, setting forth lines of authority, responsibility and communication, which shall pertain to this proposal.

6. If other than a government agency, when was your organization formed?________________________

   If your organization is a corporation, attach a list of the names and addresses of the Board of Directors.

7. License/Certification:

   Attach a list of all licenses and certifications your organization is required to maintain. Use a separate sheet of paper using the following format:

   SERVICE COMPONENT LICENSE/REQUIREMENT RENEWAL DATE

   If any licenses have been denied, revoked or suspended within the past 10 years, please explain.

8. Administrative Agents:

   Is your agency acting as the administrative agent for any other agency organization? Yes____ No____

   If yes, describe the relationship in both legal and functional aspects.

9. Civil Rights Compliance Data:

   Has any Federal or State agency ever made a finding of noncompliance with any relevant civil rights requirement with respect to your company? Yes_____ No_____ If yes, please explain.

10. Prior Convictions:

    Are there any felony convictions of any key personnel (i.e., Chief Executive Officer, Plan Managers, Financial Officers, major stockholders or those with controlling interest, etc.) within the past 15 years? Yes_____ No_____ If yes, please explain.

11. Does your company have any ownership or control interest of 5% or more (i.e., able to formulate, determine, vote or influence business policy decisions, etc.) in another organization?

    Yes______ No______ If yes, list each organization's name, address and the percentage of ownership and/or control.

NAME	ADDRESS	PERCENT OF OWNERSHIP OR CONTROL

12. Do those who own or control your company have any ownership or control interest of 5% or more (i.e., able to formulate, determine, veto or influence business policy decisions, etc.) in another organization? Yes_____ No_____ If yes, list each organization's name and address, the percentage of ownership or control, and the names of those with the common ownership or control interest:

NAME	ADDRESS	PERCENT OF OWNERSHIP OR CONTROL

13. Has your company ever been suspended or excluded from any Federal program for any reason? Yes_____ No_____ If yes, please attach an explanation.

14. Subcontractor's Customer Description: For each of your principal customers (i.e. one that generates 5% or more of Subcontractor's gross annual revenue), please provide the following information:

    a. Customer's name and address

    b. Customer's percentage of Subcontractor revenue

    c. Percent of Subcontractor's time managing customer

    d. Customer's principal business

15. Subcontractor's Personnel Experience Statement:

    Please provide resumes for all key personnel describing professional experience and education including continuing educational courses taken during the last three years.

16. Subcontractor Controlling Interest Statement:

    Please provide the name and address of any individuals or organizations with an ownership or controlling interest in the Subcontractor company (i.e., able to formulate, determine or veto business policy decisions, etc.). You may include those whose ownership or control interest is less than 5%.

NAME	ADDRESS	PERCENT OF OWNERSHIP OR CONTROL

17. Subcontractor Financial Statement:

    a. Is your accounting system based on a cash or accrual method?

       Cash [ ]

       Accrual [ ]

       Other [ ] (Give a brief explanation)

    b. Does your organization prepare an annual financial statement? Yes_____ No _____ If yes, provide a copy of the latest report.

    c. Are interim financial statements prepared? Yes_____ No _____ If yes, how often are they prepared? ___________________________________

Are footnotes and supplementary schedules an integral part of the statements?
Yes _____ No _____

Provide a copy of the latest statements including all necessary data to support your answers above.

d. Is your organization audited by an independent accounting firm or accountant?
Yes_____ No _____ If yes, how often are audits conducted? ________________.

By whom are they conducted? Provide name, address and telephone number and attach a copy of the latest audited financial statements.

e. Do you have any uncorrected audit exceptions? Yes_____ No _____

If yes, please explain the action being taken to correct the exceptions.

f. Does your organization have an accounting manual? Yes_____ No _____

If no, please explain if you have proper accounting policies and procedures, and how you provide for the dissemination of such accounting policies and procedures within your organization and what controls exist to ensure the integrity of your financial information. The Subcontractor agrees to furnish copies of such written accounting policies and procedures for inspection upon request from the ADHS.

g. Are management letters on internal controls issued by the accounting firm? Yes_____ No _____

If yes, attach a copy of the management letter from the latest audit. This shall be on the auditor's letterhead and the Subcontractor, by its submission, certifies the letter is unaltered.

If no, please provide a comprehensive description of internal control systems. (You are responsible for instituting adequate procedures against irregularities and improprieties and enforcing adherence to generally accepted accounting principles.)

h. Does your organization have a formal basis to distribute or allocate costs reflected in your financial statement? Yes_____ No _____ Please explain principal allocation techniques used or proposed to be used. Indicate the allocation base used for each type of cost allotment.

i. Indicate the types of liability insurance your organization maintains. State the amount of coverage and the name and address of the carrier.

j. Please attach a complete analysis of revenues and expenses by business segment (lines of business) and by geographic area (within Arizona and outside Arizona) for your company or your company's owners.

k. Are there any suits, judgments, tax deficiencies, or claims pending against your organization?
Yes_____ No _____

If yes, briefly describe each item and indicate the dollar amount, either actual or estimated.

l. In the last 12 months has your firm or organization paid any bonuses, provided any gifts over a dollar value of $500, or in any other way provided a financial reward, over and above salary, to any staff person, board person or other personnel associated with the firm or organization?
Yes_____ No _____ If yes, describe to whom it was given, the type of reward, its value and source(s) of revenue.

18. Subcontractor's Background Check Information:

All Management Services Subcontractors shall provide sufficient information concerning key personnel to enable the ADHS to conduct background checks. Please provide a list of all key personnel giving the following information for each:

a. Name;

b. All other names ever used;

c. Social Security Account Number;

d. Date of Birth;

e. Place of Birth;

f. All addresses for the last 10 years; and

g. Ever suspended from any Federal program for any reason? If yes, please explain.

19. Subcontractor Restriction of Competition Statement:

In connection with the Management Services Subcontractor's participation in this procurement, the Management Services Subcontractor (to include its employees) to the best of its knowledge and belief:

a. has not disclosed and shall not knowingly disclose the prices, or any matter relating to such prices, to any other Offeror, Subcontractor or competitor; and

b. has not attempted and shall not make any attempt to induce any other person or firm to submit or not to submit a proposal for the purpose of restricting competition.

____
Management Services Subcontractor Signature

____
Print Name and Title

The Management Services Subcontractor shall insert in the applicable space below, if the Management Services Offeror has no parent company, its own employer's identification number (Federal social security number used on employer's quarterly Federal tax return, U.S. Treasury Department Form 941), or, if the Subcontractor has a parent company, the employer's identification number of the parent company.

Management Services Subcontractor

Employer Identification No. ____.

Parent Company's Employer Identification No. ___________________________________.

ATTACHMENT D:
PERIODIC REPORT REQUIREMENTS FOR THE RBHA

The following table is a summary of the periodic reporting requirements for the Contractor and is subject to change at any time during the term of the Contract. The table is presented for convenience only and should not be construed to limit the Contractor's responsibilities in any manner.

REPORT	WHEN DUE	SOURCE/REFERENCE	ADHS CONTACT
Administrative Cost Allocation Plan	Annually, 60 days prior to the beginning of the fiscal year if the Contractor has made changes from the previous year	OMB Circular A-122 RBHA Reporting Guide	Office of Financial Review
Draft Audited Financial Statements	Annually,75 days after fiscal year end	RBHA Contract RBHA Reporting Guide	Office of Financial Review
Final Audited Financial Statements	Annually, 100 days after fiscal year end	RBHA Contract RBHA Reporting Guide	Office of Financial Review
Annual Disclosure Statements	Annually, 100 days after fiscal year end	RBHA Contract RBHA Reporting Guide	Office of Financial Review
Incurred But Not Reported (IBNR) Claims Report (LAG report)	Quarterly, 25th day after quarter end	RBHA Reporting Guide	Office of Financial Review
Statement of Cash Flows	Monthly, 25th day after month end Quarterly, 25th day after quarter end	RBHA Reporting Guide	Office of Financial Review
Schedule of Deferred Revenue	Monthly, 25th day after month end	RBHA Reporting Guide	Office of Financial Review
Financial Analysis	Quarterly, 25th day after month end Annually, 100 days after fiscal year end	RBHA Contract	Office of Financial Review
OMB Circular A-133 Reports	Annually, 100 days after fiscal year end	RBHA Reporting Guide	Office of Financial Review
Statement of Financial Position	Monthly, 25th day after month end Quarterly, 25th day after quarter end	RBHA Reporting Guide	Office of Financial Review
Statement of Activities	Monthly, 25th day after month end	RBHA Reporting Guide	Office of Financial Review
Statement of Activities and Changes in Net Assets	Quarterly, 25th day after quarter end	RBHA Reporting Guide	Office of Financial Review
Statement of Financial Position Reconciliation	Annually, 75 days after year end and 100 days after year end	RBHA Reporting Guide	Office of Financial Review
Restated Fourth Quarter Statement of Activities	Annually, 75 days after year end and 100 days after year end	RBHA Reporting Guide	Office of Financial Review
Management Reports	Annually, 100 days after year end	RBHA Reporting Guide	Office of Financial Review
PASARR Invoice	Monthly, by the 10th	AHCCCS Contract	Office of Business and Personnel

REPORT	WHEN DUE	SOURCE/REFERENCE	ADHS CONTACT
Prevention Report	Annually, 90 days after fiscal year end (Sept 30)	RBHA Contract (Grant Funding section)	Office of Prevention
APRC Inventory of Substance Abuse Treatment Programs	Annually, by November 1	RBHA Contract	Bureau For Substance Abuse Treatment & Prevention Services
Annual Quality Management Plan including prior year evaluation summary	Annually, by November 30th	RBHA Contract IGA - Section V IGA - Section XVII	Bureau of Quality Management and Evaluation
Medical Care Evaluation: Study Results Study Methodology	Annually, by September 1 October 1	RBHA Contract	Bureau of Quality Management and Evaluation
Member Satisfaction Survey Plan, Survey Implementation and Evaluation	Every other calendar year. Next due date 1/1/2001 through 8/31/2001	ADHS/ Quality Management Plan	Bureau of Quality Management and Evaluation
Quarterly Showing Report and Statistical Appendix Form (UR Reports)	Quarterly, 10 days after quarter end	RBHA Contract IGA - Section XIV	Bureau of Quality Management and Evaluation
SMI Seclusion/Restraint	Monthly, by the10th	Ariz. Rev. Stat. Chapter 21	Bureau of Quality Management and Evaluation
Client Mortality Report	Within 40 days following Incident Report	Ariz. Rev. Stat. Chapter 21	Bureau of Quality Management and Evaluation
Advise of significant incidents/accidents	Within 1 day of RBHA awareness	RBHA Contract	Bureau of Quality Management and Evaluation
Annual Provider Network Evaluation and Provider Network Sufficiency Plan	Annually, by March 1st	RBHA Contract	Clinical Services
Provider Network Status Report Update	Quarterly, January 31st, April 30th, July 31st and October 31st	RBHA Contract	Clinical Services
Complete and Valid Certificate of Insurance	Prior to contract activity and when certificate is renewed	RBHA Contract	Office of Financial Review
Member Handbook	Annually by August 1st	RBHA Contract	Policy Office
Minimum Network Standards and Credentialing Criteria	In advance of implementation for prior approval by ADHS/DBHS	RBHA Contract	Clinical Services
Personnel Changes	Within 7 days of change in any key staff	RBHA Contract	Office of the Deputy Director
Data and Records Related to Contract	Due Upon Request	ADHS Provider Manual	Bureau of Quality Management and Evaluation
Incidents of Potential Fraud or Abuse	Due As Occurring	RBHA Contract ADHS Provider Manual	Office of Program Support Services
Unexpected Changes That	Within 1 Working Day of	RBHA Contract	Clinical Services

REPORT	WHEN DUE	SOURCE/REFERENCE	ADHS CONTACT
Could Impair the Provider Network	the Unexpected Change		
Provider Selection Criteria and Credentialing	In advance of implementation for prior approval by ADHS	RBHA Contract	Clinical Services
Vocational Plan	Update as necessary	RBHA Contract	Bureau for Adult Services
SMI Homeless Report: Programmatic (NARBHA and CPSA only)	Quarterly	PATH Grant	Bureau for Adult Services
SMI Homeless Annual Report (NARBHA and CPSA only)	Annually by December 1st	PATH Grant	Bureau for Adult Services
HB2003 Reporting Requirements	January 1st and July 1st	RBHA Contract	Bureau for Adult Services
Notice of Real Property Transactions	As Occurring	RBHA Contract	Office of Financial Review
Expected Material Change in Network	Must be approved in advance by ADHS	RBHA Contract	Clinical Services
Failure of subcontractor to meet licensing criteria or if subcontract is being terminated or suspended	Within 5 days of learning of the licensing deficiency, or of deciding to terminate or suspend	RBHA Contract	Clinical Services
COOL Quarterly Report	Quarterly, 30 days after quarter end	ADHS Guidelines for ADC/Correctional Officer/Liaison Program	Bureau For Substance Abuse Treatment & Prevention Services
Title XIX and Title XXI Screening and Referral Report	15th day of month for the prior month	Legislative Requirement	Clinical Services
Annual Administrative Review Corrective Action Plan Update	Annually on the 15th day of June	RBHA Contract	Office for Compliance

ATTACHMENT E - CAPITATION RATES

CPSA 3 and 5 shall provide services as described in this Contract. ADHS will pay monthly capitation to CPSA 3 and 5 in accordance with the terms of this contract at the following rates:

Title XIX eligible children, under the age of 18 (represents the cost of Providing covered behavioral health services to Title XIX children):	CPSA 3 $25.47 pmpm* CPSA 5 $31.79 pmpm*
Title XIX eligible adults, age 18 and older (represents the cost of providing Covered behavioral health services to Title XIX SMI adults):	CPSA 3 $45.36 pmpm* CPSA 5 $57.45 pmpm*
Title XIX eligible adults, age 18 and older (represents the cost of providing Covered behavioral health services to Title XIX non-SMI adults):	CPSA 3 $16.35 pmpm* CPSA 5 $29.44 pmpm*
Title XXI eligible children, under age 18 (represents the cost of providing Covered behavioral health services to Title XXI children):	CPSA 3 $8.50 pmpm* CPSA 5 $16.19 pmpm*
Title XXI eligible adults, age 18 (represents the cost of providing Covered behavioral health services to Title XXI adults):	CPSA 3 $31.50 pmpm* CPSA 5 $31.50 pmpm*
Title XXI waiver group eligible adults, age 18 (represents the cost of providing Covered behavioral health services to Title XXI SMI adults):	CPSA 3 $45.36 pmpm* CPSA 5 $57.45 pmpm*
Title XXI waiver group eligible adults, age 18 (represents the cost of providing Covered behavioral health services to Title XXI non-SMI adults):	CPSA 3 $ 16.35 pmpm* CPSA 5 $29.44 pmpm*