	CONTRACT AMENDMENT	ARIZONA DEPARTMENT OF HEALTH SERVICES 1740 W. Adams, Room 303 Phoenix, Arizona 85007 (602) 542-1040
	Contract No: ADHS13-033134 Amendment No:13	Procurement Specialist: Elena Beeman

PROGRAM: Behavioral Health Services Administration– **Cenpatico of Arizona, LLC**

It is mutually agreed that the Contract referenced is amended as follows:

1 Replace the current Capitation Price Sheet, with the Revised Capitation Price Sheet. Page 2. 3. 4 of this Amendment number thirteen (13).

All other provisions shall remain in their entirety.

Contractor hereby acknowledges receipt and acceptance of above amendment and that a signed copy must be filed with the Procurement Office before the effective date

Signature

10-10-12
Date

Authorized Signatory's Name and Title:

Terry Stevens, CEO

Cenpatico of Arizona, LLC
Contractor's Name

The above referenced Contract Amendment is hereby executed this
11 day of October 2012
at Phoenix, Arizona

Procurement Officer

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Capitation Rates for Cenpatico-GSA 2 Effective Dates 07/01/2012 through 06/30/2013	
	PMPM
Title XIX eligible children, under the age of 18 (represents the cost of providing covered behavioral health services to children), not enrolled in CMDP:	$41.57 pm/pm
Title XIX eligible children, under the age of 18 (represents the cost of providing covered behavioral health services to children), enrolled in CMDP:	$1,096.99 pm/pm
Title XIX eligible adults, age 18 and older (represents the cost of providing covered behavioral health services to SMI adults):	$34.88 pm/pm
Title XIX eligible adults, age 18 and older (represents the cost of providing covered behavioral health services to non-SMI adults):	$49.23 pm/pm
Title XXI eligible population (represents the cost of providing covered behavioral health services for all Title XXI eligibles):	$22.04 pm/pm
DES DD ALTCS eligible children representing the cost of providing covered behavioral health services to DES DD ALTCS children.	$98.55 pm/pm
DES DD ALTCS eligible adults representing the cost of providing covered behavioral health services to DES DD ALTCS adults.	$95.28 pm/pm

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Capitation Rates for Cenpatico-GSA 3 Effective Dates 07/01/2012 through 06/30/2013	
	PMPM
Title XIX eligible children, under the age of 18 (represents the cost of providing covered behavioral health services to children), not enrolled in CMDP:	$39.58 pm/pm
Title XIX eligible children, under the age of 18 (represents the cost of providing covered behavioral health services to children), enrolled in CMDP:	$1,636.44 pm/pm
Title XIX eligible adults, age 18 and older (represents the cost of providing covered behavioral health services to SMI adults):	$45.22 pm/pm
Title XIX eligible adults, age 18 and older (represents the cost of providing covered behavioral health services to non-SMI adults):	$31.70 pm/pm
Title XXI eligible population (represents the cost of providing covered behavioral health services for all Title XXI eligibles):	$27.36 pm/pm
DES DD ALTCS eligible children representing the cost of providing covered behavioral health services to DES DD ALTCS children	$71.92 pm/pm
DES DD ALTCS eligible adults representing the cost of providing covered behavioral health services to DES DD ALTCS adults	$72.04 pm/pm

Capitation Rates for Cenpatico-GSA 4 Effective Dates 07/01/2012 through 06/30/2013	
	PMPM
Title XIX eligible children, under the age of 18 (represents the cost of providing covered behavioral health services to children), not enrolled in CMDP:	$49.12 pm/pm
Title XIX eligible children, under the age of 18 (represents the cost of providing covered behavioral health services to children), enrolled in CMDP:	$721.82 pm/pm
Title XIX eligible adults, age 18 and older (represents the cost of providing covered behavioral health services to SMI adults):	$44.93 pm/pm
Title XIX eligible adults, age 18 and older (represents the cost of providing covered behavioral health services to non-SMI adults):	$56.70 pm/pm
Title XXI eligible population (represents the cost of providing covered behavioral health services for all Title XXI eligibles):	$29.84 pm/pm
DES DD ALTCS eligible children representing the cost of providing covered behavioral health services to DES DD ALTCS children	$118.76 pm/pm
DES DD ALTCS eligible adults representing the cost of providing covered behavioral health services to DES DD ALTCS adults	$134.81 pm/pm

- The FY2012 (07/01/11-06/30/12) capitation rates for DES DD ALTCS are still being used, until updated at a future date.

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A. Definition of Terms. As used in this Solicitation and any resulting Contract, the terms listed below are defined as follows:

1. *"Attachment"* means any item the Solicitation requires the Offeror to submit as part of the Offer.

2. *"Contract"* means the combination of the Solicitation, including the Uniform and Special Instructions to Offerors, the Uniform and Special Terms and Conditions, and the Specifications and Statement or Scope of Work; the Offer and any Best and Final Offers; and any Solicitation Amendments or Contract Amendments.

3. "*Contract Amendment"* means a written document signed by the Procurement Officer that is issued for the purpose of making changes in the Contract.

4. *"Contractor"* means any person who has a Contract with the State.

5. *"Days"* means calendar days unless otherwise specified.

6. *"Exhibit"* means any item labeled as an Exhibit in the Solicitation or placed in the Exhibits section of the Solicitation.

7. *"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.

8. "*Materials"* means all property, including equipment, supplies, printing, insurance and leases of property but does not include land, a permanent interest in land or real property or leasing space.

9. *"Procurement Officer"* means the person, or his or her designee, duly authorized by the State to enter into and administer Contracts and make written determinations with respect to the Contract.

10. *"Services"* means the furnishing of labor, time or effort by a contractor or subcontractor which does not involve the delivery of a specific end product other than required reports and performance, but does not include employment agreements or collective bargaining agreements.

11. *"Subcontract"* means any Contract, express or implied, between the Contractor and another party or between a subcontractor and another party delegating or assigning, in whole or in part, the making or furnishing of any material or any service required for the performance of the Contract.

12. *"State"* means the State of Arizona and ADHS or Agency of the State that executes the Contract.

13. *"State Fiscal Year"* means the period beginning with July 1 and ending June 30.

B. Contract Interpretation

1. Arizona Law. The Arizona law applies to this Contract including, where applicable, the Uniform Commercial Code as adopted by the State of Arizona and the Arizona Procurement Code, Arizona Revised Statutes (A.R.S.) Title 41, Chapter 23, and its implementing rules, Arizona Administrative Code (A.A.C.) Title 2, Chapter 7.

2. Implied Contract Terms. Each provision of law and any terms required by law to be in this Contract are a part of this Contract as if fully stated in it.

3. Contract Order of Precedence. In the event of a conflict in the provisions of the Contract, as accepted by the State and as they may be amended, the following shall prevail in the order set forth below:

   3.1 Special Terms and Conditions;

   3.2 Uniform Terms and Conditions;

3.3 Statement or Scope of Work;

3.4 Specifications;

3.5 Attachments;

3.6 Exhibits;

3.7 Documents referenced or included in the Solicitation.

4. Relationship of Parties. The Contractor under this Contract is an independent Contractor. Neither party to this Contract shall be deemed to be the employee or agent of the other party to the Contract.

5. Severability. The provisions of this Contract are severable. Any term or condition deemed illegal or invalid shall not affect any other term or condition of the Contract.

6. No Parole Evidence. This Contract is intended by the parties as a final and complete expression of their agreement. No course of prior dealings between the parties and no usage of the trade shall supplement or explain any terms used in this document and no other understanding either oral or in writing shall be binding.

7. 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. Contract Administration and Operation.

1. Records. Under A.R.S. § 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.

2. Non-Discrimination. The Contractor shall comply with State Executive Order No. 2009-09 and all other applicable Federal and State laws, rules and regulations, including the Americans with Disabilities Act.

3. Audit. Pursuant to ARS § 35-214, at any time during the term of this Contract and five (5) years thereafter, the Contractor's or any subcontractor's books and records shall be subject to audit by the State and, where applicable, the Federal Government, to the extent that the books and records relate to the performance of the Contract or Subcontract.

4. Facilities Inspection and Materials Testing. The Contractor agrees to permit access to its facilities, subcontractor facilities and the Contractor's processes or services, at reasonable times for inspection of the facilities or materials covered under this Contract. The State shall also have the right to test, at its own cost, the materials to be supplied under this Contract. Neither inspection of the Contractor's facilities nor materials testing shall constitute final acceptance of the materials or services. If the State determines noncompliance of the materials, the Contractor shall be responsible for the payment of all costs incurred by the State for testing and inspection.

5. 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 to the other and an amendment to the Contract shall not be necessary.

6. Advertising, Publishing and Promotion of Contract. The Contractor shall not use, advertise or promote information for commercial benefit concerning this Contract without the prior written approval of the Procurement Officer.

7. Property of the State. Any materials, including reports, computer programs and other deliverables, created under this 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.

8. Ownership of Intellectual Property. Any and all intellectual property, including but not limited to copyright, invention, trademark, trade name, service mark, and/or trade secrets created or conceived pursuant to or as a result of this contract and any related subcontract ("Intellectual Property"), shall be work made for hire and the State shall be considered the creator of such Intellectual Property. The agency, ADHS, division, board or commission of the State of Arizona requesting the issuance of the contract shall own (for and on behalf of the State) the entire right, title and interest to the Intellectual Property throughout the world. Contractor shall notify the State, within thirty (30) days, of the creation of any Intellectual Property by it or its subcontractor(s). Contractor, on behalf of itself and any subcontractor (s), agrees to execute any and all document(s) necessary to assure ownership of the Intellectual Property vests in the State and shall take no affirmative actions that might have the effect of vesting all or part of the Intellectual Property in any entity other than the State. The Intellectual Property shall not be disclosed by contractor or its subcontractor(s) to any entity not the State without the express written authorization of the agency, ADHS, division, board or commission of the State of Arizona requesting the issuance of this contract.

9. Federal Immigration and Nationality Act. The contractor shall comply with all federal, state and local immigration laws and regulations relating to the immigration status of their employees during the term of the contract. Further, the contractor shall flow down this requirement to all subcontractors utilized during the term of the contract. The State shall retain the right to perform random audits of contractor and subcontractor records or to inspect papers of any employee thereof to ensure compliance. Should the State determine that the contractor and/or any subcontractors be found noncompliant, the State may pursue all remedies allowed by law, including, but not limited to; suspension of work, termination of the contract for default and suspension and/or debarment of the contractor.

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

11. Scrutinized Businesses. In accordance with A.R.S. § 35-391 and A.R.S. § 35-393, Contractor certifies that the Contractor does not have scrutinized business operations in Sudan or Iran.

D. Costs and Payments

1. Payments. Payments shall comply with the requirements of A.R.S. Titles 35 and 41, Net 30 days. Upon receipt and acceptance of goods or services, the Contractor shall submit a complete and accurate invoice for payment from the State within thirty (30) days.

2. Delivery. Unless stated otherwise in the Contract, all prices shall be F.O.B. Destination and shall include all freight delivery and unloading at the destination.

3. Applicable Taxes.

   3.1 Payment of Taxes. The Contractor shall be responsible for paying all applicable taxes.

   3.2 State and Local Transaction Privilege Taxes. The State of Arizona is subject to all applicable state and local transaction privilege taxes. Transaction privilege taxes apply to the sale and are the responsibility of the seller to remit. Failure collect such taxes from the buyer does not relieve the seller from its obligation to remit taxes.

   3.3 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.

3.4 IRS W9 Form. In order to receive payment the Contractor shall have a current IRS W9 Form on file with the State of Arizona, unless not required by law.

4. Availability of Funds for the Next State fiscal year. Funds may not presently be available for performance under this Contract beyond the current state fiscal year. No legal liability on the part of the State for any payment may arise under this Contract beyond the current state fiscal year until funds are made available for performance of this Contract.

5. Availability of Funds for the current State fiscal year. Should the State Legislature enter back into session and reduce the appropriations or for any reason and these goods or services are not funded, the State may take any of the following actions:

5.1 Accept a decrease in price offered by the Contractor;

5.2 Cancel the Contract; or

5.3 Cancel the Contract and re-solicit the requirements.

E. Contract Changes

1. Amendments. This Contract is issued under the authority of the Procurement Officer who signed this Contract. The Contract may be modified only through a Contract Amendment within the scope of the 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 a person who is not specifically authorized by the procurement officer in writing or made unilaterally by the Contractor are violations of the Contract and of applicable law. Such changes, including unauthorized written Contract Amendments shall be void and without effect, and the Contractor shall not be entitled to any claim under this Contract based on those changes.

2. Subcontracts. The Contractor shall not enter into any Subcontract under this Contract for the performance of this contract without the advance written approval of the Procurement Officer. The Contractor shall clearly list any proposed subcontractors and the subcontractor's proposed responsibilities. The Subcontract shall incorporate by reference the terms and conditions of this Contract.

3. Assignment and Delegation. The Contractor shall not assign any right nor delegate any duty under this Contract without the prior written approval of the Procurement Officer. The State shall not unreasonably withhold approval.

F. Risk and Liability

1. 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 or Contract. Mere receipt does not constitute final acceptance. The risk of loss for nonconforming materials shall remain with the Contractor regardless of receipt.

2. Indemnification

2.1 Contractor/Vendor Indemnification (Not Public Agency) The parties to this contract agree that the State of Arizona, its' Departments, agencies, boards and commissions shall be indemnified and held harmless by the contractor for the vicarious liability of the State as a result of entering into this contract. However, the parties further agree that the State of Arizona, its' departments, agencies, boards and commissions shall be responsible for its' own negligence. Each party to this contract is responsible for its' own negligence.

2.2 Public Agency Language Only Each party (as 'indemnitor') agrees to indemnify, defend, and hold harmless the other party (as 'indemnitee'') from and against any and all claims, losses, liability, costs, or expenses (including reasonable attorney's fees) (hereinafter collectively referred to as 'claims') arising

out of bodily injury of any person (including death) or property damage but only to the extent that such claims which result in vicarious/derivative liability to the indemnitee, are caused by the act, omission, negligence, misconduct, or other fault of the indemnitor, its' officers, officials, agents, employees, or volunteers."

2.3 Indemnification - Patent and Copyright**.** The Contractor shall indemnify and hold harmless the State against any liability, including costs and expenses, for infringement of any patent, trademark or copyright arising out of Contract performance or use by the State of materials furnished or work performed under this Contract. The State shall reasonably notify the Contractor of any claim for which it may be liable under this paragraph. If the contractor is insured pursuant to A.R.S. § 41-621 and § 35-154, this section shall not apply.

3. Force Majeure.

3.1 Except for payment of sums due, neither party shall be liable to the other nor deemed in default under this Contract if and to the extent that such party's performance of this Contract is prevented by reason of force majeure. The term *"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; injunctions-intervention-acts; 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.

3.2 Force Majeure shall not include the following occurrences:

3.2.1 Late delivery of equipment or materials caused by congestion at a manufacturer's plant or elsewhere, or an oversold condition of the market;

3.2.2 Late performance by a subcontractor unless the delay arises out of a force majeure occurrence in accordance with this force majeure term and condition; or

3.2.3 Inability of either the Contractor or any subcontractor to acquire or maintain any required insurance, bonds, licenses or permits.

3.3 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 Amendment 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 Contract.

3.4 Any delay or failure in performance by either party hereto shall not constitute default hereunder 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.

4. Third Party Antitrust Violations. The Contractor assigns to the State any claim for overcharges resulting from antitrust violations to the extent that those violations concern materials or services supplied by third parties to the Contractor, toward fulfillment of this Contract.

G. Warranties

1. Liens. The Contractor warrants that the materials supplied under this Contract are free of liens and shall remain free of liens.

2. 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:

2.1 Of a quality to pass without objection in the trade under the Contract description;

2.2 Fit for the intended purposes for which the materials are used;

2.3 Within the variations permitted by the Contract and are of even kind, quantity, and quality within each unit and among all units;

2.4 Adequately contained, packaged and marked as the Contract may require; and

2.5 Conform to the written promises or affirmations of fact made by the Contractor.

3. 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.

4. Inspection/Testing. The warranties set forth in subparagraphs 5.1 through 5.2 of this paragraph are not affected by inspection or testing of or payment for the materials by the State.

5. Compliance with Applicable Laws. The materials and services supplied under this Contract shall comply with all applicable Federal, state and local laws, and the Contractor shall maintain all applicable licenses and permit requirements.

6. Survival of Rights and Obligations after Contract Expiration or Termination.

6.1 Contractor's Representations 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.

6.2 Purchase Orders. The Contractor shall, in accordance with all terms and conditions of the Contract, fully perform and shall be obligated to comply with all purchase orders received by the Contractor prior to the expiration or termination hereof, unless otherwise directed in writing by the Procurement Officer, including, without limitation, all purchase orders received prior to but not fully performed and satisfied at the expiration or termination of this Contract.

H. State's Contractual Remedies

1. Right to Assurance. If the State in good faith has reason to believe that the Contractor does not intend to, or is unable to perform or continue performing under this Contract, the Procurement Officer may demand in writing that the Contractor give a written assurance of intent to perform. Failure by the Contractor to provide written assurance within the number of Days specified in the demand may, at the State's option, be the basis for terminating the Contract under the Uniform Terms and Conditions or other rights and remedies available by law or provided by the contract.

2. Stop Work Order.

2.1 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 period(s) of days indicated by the State after the order is delivered to the Contractor. 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.

2.2 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.

3. Non-exclusive Remedies. The rights and the remedies of the State under this Contract are not exclusive.

4. Nonconforming Tender. Materials or services supplied under this Contract shall fully comply with the Contract. The delivery of materials or services or a portion of the materials or services that do not fully comply constitutes a breach of contract. On delivery of nonconforming materials or services, 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.

5. 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 damages assessed by the State concerning the Contractor's non-conforming performance or failure to perform the Contract, including expenses, costs and damages described in the Uniform Terms and Conditions.

I. Contract Termination

1. Cancellation for Conflict of Interest. Pursuant to A.R.S. § 38-511, the State may cancel this Contract within three (3) years after Contract execution 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. If the Contractor is a political subdivision of the State, it may also cancel this Contract as provided in A.R.S. § 38-511.

2. Gratuities. The State may, by written notice, terminate this Contract, in whole or in part, if the State determines that employment or a Gratuity was Offered or made by the Contractor or a representative of the Contractor to any officer or employee of the State for the purpose of influencing the outcome of the procurement or securing the Contract, an amendment to the Contract, or favorable treatment concerning the Contract, including the making of any determination or decision about contract performance. The State, 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.

3. Suspension or Debarment. The State may, by written notice to the Contractor, immediately terminate this Contract if the State determines that the Contractor has been debarred, suspended or otherwise lawfully prohibited from participating in any public procurement activity, including but not limited to, being disapproved as a subcontractor of any public procurement unit or other governmental body. Submittal of an Offer or execution of a contract shall attest that the contractor is not currently suspended or debarred. If the contractor becomes suspended or debarred, the contractor shall immediately notify the State.

4. Termination for Convenience. The State reserves the right to terminate the Contract, in whole or in part at any time, when in the best interests of the State without penalty or recourse. Upon receipt of the written notice, the Contractor shall stop all work, as directed in the notice, notify all subcontractors of the effective date of the termination and minimize all further costs to the State. In the event of termination under this paragraph, all documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State upon demand. The Contractor shall be entitled to receive just and equitable compensation for work in progress, work completed and materials accepted before the effective date of the termination. The cost principles and procedures provided in A.A.C. R2-7-701 shall apply.

5. Termination for Default.

   5.1 In addition to the rights reserved in the contract, the State may terminate the Contract in whole or in part due to the failure of the Contractor to comply with any term or condition of the Contract, to acquire and maintain all required insurance policies, bonds, licenses and permits, or to make satisfactory progress in performing the Contract. The Procurement Officer shall provide written notice of the termination and the reasons for it to the Contractor.

   5.2 Upon termination under this paragraph, all goods, materials, documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State on demand.

5.3 The State may, upon termination of this Contract, procure, on terms and in the manner that it deems appropriate, materials or services to replace those under this Contract. The Contractor shall be liable to the State for any excess costs incurred by the State in procuring materials or services in substitution for those due from the Contractor.

6. Continuation of Performance through Termination. The Contractor shall continue to perform, in accordance with the requirements of the Contract, up to the date of termination, as directed in the termination notice.

J. **Contract Claims**

All contract claims or controversies under this Contract shall be resolved according to A.R.S. Title 41, Chapter 23, Article 9, and rules adopted thereunder.

K. Arbitration

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

L. Comments Welcome

The State Procurement Office periodically reviews the Uniform Terms and Conditions and welcomes any comments you may have. Please submit your comments to: State Procurement Administrator, State Procurement Office, 100 North 15th Avenue, Suite 104, Phoenix, Arizona, 85007.

Special Terms and Conditions
CONTRACT NO: HP032097

A. Purpose

Pursuant to provisions of the Arizona Procurement Code, A.R.S. 41-2501 Et Seq., the State of Arizona, Department of Health Services (ADHS) intends to establish a contract for the materials or services as listed herein.

B. Term of Contract (3 Years)

The term of any resultant contract shall commence on July 1, 2010 and shall continue for a period of three (3) years thereafter, unless terminated, canceled or extended as otherwise provided herein. The term of any resultant contract shall commence on December 1, 2010 for GSA #3 and shall continue for a period of three (3) years thereafter, unless terminated, canceled or extended as otherwise provided herein.

C. Contract Extensions 5 Year Maximum

The Contract term is for a three (3) year period subject to additional successive periods of twelve (12) months per extension with a maximum aggregate including all extensions not to exceed five (5) years.

D. Contract Type

[X] Fixed Price

E. Licenses

The Contractor shall maintain in current status, all federal, state and local licenses and permits required for the operation of the business conducted by the contractor.

F. Key Personnel

It is essential that the Contractor provide adequate experienced personnel, capable of and devoted to the successful accomplishment of work to be performed under this contract. The Contractor must agree to assign specific individuals to the key positions.

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

2. The Contractor shall have sufficient personnel working and operating in the GSA upon award in order to comply with implementation of this Contract.

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

G. Non-Exclusive Contract

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

H. Volume of Work

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

I. Information Disclosure

The Contractor shall establish and maintain procedures and controls that are acceptable to the State for the purpose of assuring that no information contained in its records or obtained from the state or from others in

carrying out its functions under the contract shall be used or disclosed by it, its agents, officers, or employees, except as required to efficiently perform duties under the Contract. Persons requesting such information should be referred to the State. The Contractor also agrees that any information pertaining to individual persons shall not be divulged other than to employees or officers of the Contractor as needed for the performance of duties under the Contract, unless otherwise agreed to in writing by the State.

J. Employees of the Contractor

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

K. Order Process

The award of a contract shall be in accordance with the Arizona Procurement Code. Any attempt to represent any material and/or service not specifically awarded as being under contract with ADHS is a violation of the Contract and the Arizona Procurement Code. Any such action is subject to the legal and contractual remedies available to the state inclusive of, but not limited to, contract cancellation, suspension and/or debarment of the Contractor.

L. Contractor Performance Reports

Program management shall document Contractor performance, both exemplary and needing improvements where corrective action is needed or desired. Copies of corrective action reports will be forwarded to the ADHS Procurement Office for review and any necessary follow-up. The Procurement Office may contact the Contractor upon receipt of the report and may request corrective action. The Procurement Office shall discuss the Contractor's suggested corrective action plan with the Procurement Specialist for approval of the plan.

M. Payment Procedures

ADHS accounting will not make payments to any Entity, Group or individual other than the Contractor with the Federal Employer Identification (FEI) Number identified in the Contract. Contractor invoices requesting payment to any Entity, Group or individual other than the contractually specified Contractor shall be returned to the Contractor for correction.

The Contractor shall review and insure that the invoices for services provided show the correct Contractor name prior to sending them to the ADHS Accounting Office for payment.

If the Contractor Name and FEI Number change, the Contractor must complete an "Assignment and Agreement" form transferring contract rights and responsibilities to the new Contractor. ADHS must indicate consent on the form. A written Contract Amendment must be signed by both parties and a new W-9 form must be submitted by the new Contractor and entered into the system prior to any payments being made to the new Contractor.

N. Financial Management

For all contracts, the practices, procedures, and standards specified in and required by the Accounting and Auditing Procedures Manual for Arizona Department of Health Services funded programs shall be used by the Contractor in the management of contract funds and by the ADHS when performing a contract audit. Funds collected by the Contractor in the form of fees, donations and/or charges for the delivery of these contract services shall be accounted for in a separate fund.

State Funding. Contractors receiving state funds under this contract shall comply with the certified Compliance provisions of A.R.S. § 35-181.03.

Federal Funding. Contractors receiving federal funds under this contract shall comply with the certified finance and compliance audit provision of the Office of Management and Budget (OMB) Circular A-133, if applicable. The federal financial assistance information shall be stated in a Change Order or Purchase Order.

O. Inspection and Acceptance

All services, data and required reports are subject to final inspection, review, evaluation and acceptance by the ADHS. The ADHS may withhold payment for services that are deemed to not meet contract standards.

P. Authorization for Services

Authorization for purchase of services under this contract shall be made only upon ADHS issuance of a Purchase Order that is signed by an authorized agent. The Purchase Order will indicate the contract number and the dollar amount of funds authorized. The Contractor shall only be authorized to perform services up to the amount on the Purchase Order. ADHS shall not have any legal obligation to pay for services in excess of the amount indicated on the Purchase Order. No further obligation for payment shall exist on behalf of ADHS unless a) the Purchase Order is changed or modified with an official ADHS Procurement Change Order, and/or b) an additional Purchase Order is issued for purchase of services under this Contract.

Q. Costs and Payments

1. Payment.

   ADHS shall pay the Contractor, subject to the availability of funds and provided that the Contractor's performance is in compliance with this Contract. Payments shall be in compliance with A.R.S. Title 35, Public Finance. ADHS reserves the option to make payments to the Contractor by wire or NACHA transfer and shall provide Contractor at least thirty (30) days notice prior to the effective date of any change. When payments are made by electronic funds transfer, ADHS shall not be liable for any error or delay in transfer or indirect or consequential damages arising from the use of the electronic funds transfer process. A payment error discovered by ADHS shall be subject to adjustment or repayment by the Contractor, by making a corresponding decrease in a current Contractor's payment or by making an additional payment to the Contractor. The Contractor shall not assign any payment due by ADHS. This section shall not prohibit ADHS, at its sole discretion, from making payment to a fiscal agent hired by the Contractor.

2. Availability of Funds.

   Payments made by ADHS pursuant to this Contract are conditioned upon the availability to ADHS of funds authorized for expenditure in the manner and for the purposes provided herein. ADHS shall not be liable for any purchases or subcontracts entered into by the Contractor or any subcontracted provider in anticipation of funding.

R. Computation of Time

Unless a provision of this Contract or document incorporated by reference explicitly states otherwise, periods of time referred to in this Contract shall be computed as follows:

1. The period of time shall not include the day of the act, event, or default from which the designated period of time begins to run.

2. The period of time shall include each day after the day of the act, event or default from which the designated period of time begins to run.

3. If the period of time prescribed or allowed is less than eleven (11) days, the period of time shall not include intermediate Saturdays, Sundays, and legal holidays.

4. If the period of time prescribed or allowed is eleven (11) days or more, the period of time shall include intermediate Saturdays, Sundays, and legal holidays.

5. If the last day of the period of time prescribed or allowed is not a Saturday, Sunday, or legal holiday, the period of time shall include the last day of the period of time.

6. If the last day of the period of time prescribed or allowed is a Saturday, Sunday, or legal holiday, the period of time shall extend until the end of the next day that is not a Saturday, Sunday, or legal holiday.

S. Contract Administration and Operation

1. The Contractor shall be separately incorporated in Arizona or be a separate legal entity from a parent, subsidiary or other affiliated company or corporation for the purpose of conducting business as a Contractor with ADHS.

2. Conflict of Interest.

   The Contractor shall not undertake any work that represents a potential or existing conflict of interest, or which is not in the best interest of ADHS or the State, without prior written approval by ADHS. The Contractor shall fully and completely disclose to ADHS a potential or existing conflict of interest.

3. Records.

   The Contractor shall maintain all forms, records, reports and working papers used in the preparation of reports, files, correspondence, financial statements, records relating to quality of care, medical records, prescription files, statistical information and other records specified by ADHS for purposes of audit and program management. The Contractor shall comply with all specifications for record keeping established by ADHS and Federal and State law. All books and records shall be maintained to the extent and in such detail as shall properly reflect each service provided and all net costs, direct and indirect, of labor, materials, equipment, supplies and services, and other costs and expenses of whatever nature for which payment is made to the Contractor.

   The Contractor shall also require its independent auditor of financial statements to maintain all working papers related to an audit for a minimum of five (5) years after the date of the financial statement.

   The Contractor shall preserve and make available all records for a period of six (6) years from the date of final payment under this Contract except in the following cases:

   3.1 If this Contract is completely or partially terminated, the records relating to the work terminated shall be preserved and made available for a period of six (6) years from the date of any such termination.

   3.2 Records which relate to disputes, litigation, or the settlement of claims arising out of the performance of this Contract, or costs and expenses of this Contract to which exception has been taken by the State, shall be retained by the Contractor until such disputes, litigation, claims, or exceptions have been disposed of, or as required by applicable law, whichever is longer.

4. Audits.

   Audits may be conducted periodically to determine the Contractor's and subcontractors' compliance with Federal and State codes, rules, regulations and requirements. The Contractor and its subcontractors shall comply with all applicable AHCCCS Rules and the Audit Guide, policies and procedures relating to the audit of Contractor's records, medical audit protocols, any inspection of Contractor's facilities, and the surveys of behavioral health recipients and providers and reviews. The Contractor shall submit data, reports and information for audits upon request from ADHS and in accordance with Attachment A of this Contract. These audits include, but are not limited to, the following:

   4.1 Auditor General Audits. Contractor and its subcontractors shall comply with and participate as required in the Performance Audit and other audits conducted by the Arizona Auditor General.

   4.2 Other Federal and State Audits. Contractor and its subcontractors shall comply with and participate as required in other Federal and State audits, including the audit of an inpatient facility.

5. Inspections.

   At any time during the term of this Contract, the Contractor and its subcontractors shall fully cooperate with inspections by ADHS, AHCCCS, the U.S. Department of Health and Human Services (including CMS) the Comptroller General, the U.S. Office of Civil Rights, or any authorized representative of the Federal or State governments. The Contractor and its subcontractors shall allow the authorized representative of the Federal and State government:

5.1 Access to the Contractor's and subcontractors' staff and behavioral health recipients.

5.2 Access to books and records related to the performance of the Contract or subcontracts for inspection, audit and reproduction. This shall include allowing ADHS to inspect the records of any employee who works on the Contract to ensure that the Contractor is in compliance with all Federal Immigration laws and regulations.

5.3 On-site inspection, or other means, for the purpose of evaluating the quality, appropriateness, timeliness, and safety of services performed under this Contract. This inspection shall be conducted at reasonable times unless the situation warrants otherwise.

6. Requests for Information.

ADHS may request financial or other information from Contractor. Upon receipt of a request for information, the Contractor shall provide complete and accurate information no later than thirty (30) days after the receipt of the request unless otherwise specified by ADHS. The Contractor shall provide all information requested by ADHS on a timely basis to facilitate ADHS obligations and functions.

T. Contract Changes

1. Changes within the General Scope of the Contract

1.1 ADHS may, at any time, by written notice to Contractor, make changes within the general scope of this Contract. If any change causes an increase or decrease in the cost of, or the time required for, performance of any part of the work under this Contract, the Contractor may assert its right to an adjustment in compensation paid under this Contract. Contractor shall assert its right to such adjustment within thirty (30) days from the date of receipt of the change notice. Any dispute or disagreement arising from the notice shall be treated as a Contract Claim and shall be settled in accordance with the Contract Claim Dispute Process in this Contract.

1.2 When ADHS issues an Amendment to modify the Contract, and the Contractor does not assert a right to an adjustment in Contract compensation and/or other dispute or disagreement with the ADHS notice to Contractor, the provisions of the Amendment shall be deemed to have been accepted sixty (60) days after the date of mailing by ADHS, even if Contractor has not signed the Amendment. If the Contractor refuses to sign the Amendment, ADHS may exercise its remedies under this Contract.

2. Merger, Reorganization and Change in Ownership

The Contractor shall obtain prior approval of ADHS and sign a written Contract Amendment for any merger, reorganization or change in ownership of Contractor, or of a subcontracted provider that is related or affiliated with the Contractor. The Contractor shall submit a detailed merger, reorganization and/or transition plan to ADHS for review and include strategies to ensure uninterrupted services to behavioral health recipients, evaluate the new entity's ability to support the provider network, ensure that services to behavioral health recipients are not diminished, and that major components of the organization and programs are not adversely affected by the merger, reorganization, or change in ownership.

3. Changes to Documents Incorporated by Reference

ADHS will notify the Contractor when changes are made to a document incorporated by reference. Changes to any of the documents incorporated by reference do not require a written Contract amendment. The Contractor shall have thirty (30) days to notify ADHS if it has any disagreement with the change.

U. Documents Incorporated by Reference

Documents incorporated by reference, and any subsequent amendments, modifications, and supplements adopted by or affecting ADHS or AHCCCS during the Contract period, are incorporated herein by reference and made a part of this Contract by reference.

V. Compliance Requirements for A.R.S. § 41-4401, Government Procurement: E-Verify Requirement

1. The Contractor warrants compliance with all Federal immigration laws and regulations relating to employees and warrants its compliance with Section A.R.S. § 23-214, Subsection A. (That subsection reads: "After December 31, 2007, every employer, after hiring an employee, shall verify the employment eligibility of the employee through the E-Verify program).

2. A breach of a warranty regarding compliance with immigration laws and regulations shall be deemed a material breach of the Contract and the Contractor may be subject to penalties up to and including termination of the Contract.

3. Failure to comply with a State audit process to randomly verify the employment records of Contractors and subcontractors shall be deemed a material breach of the Contract and the Contractor may be subject to penalties up to and including termination of the Contract.

4. The State Agency retains the legal right to inspect the papers of any employee who works on the Contract to ensure that the Contractor or subcontractor is complying with the warranty under paragraph One (1).

W. Offshore Performance of Work Prohibited

Any services that are described in the specifications or scope of work that directly serve the State of Arizona or its clients and involve access to secure or sensitive data or personal client data shall be performed within the defined territories of the United States. Unless specifically stated otherwise in the specifications, this paragraph does not apply to indirect or overhead services, redundant back-up services or services that are incidental to the performance of the contract. This provision applies to work performed by subcontractors at all tiers.

X. Indemnification Clause

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

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

Y. Insurance Requirements

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

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

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

1.1 Commercial General Liability – Occurrence Form

1.1.1 Policy shall include bodily injury, property damage, personal injury and broad form contractual liability coverage.

1.1.1.1 General Aggregate	$2,000,000
1.1.1.2 Products – Completed Operations Aggregate	$1,000,000
1.1.1.3 Personal and Advertising Injury	$1,000,000
1.1.1.4 Blanket Contractual Liability – Written and Oral	$1,000,000
1.1.1.5 Fire Legal Liability	$ 50,000
1.1.1.6 Each Occurrence	$1,000,000

1.1.2 The policy shall be endorsed to **include coverage for sexual abuse and molestation**.

1.1.3 The policy shall be endorsed to include the following additional insured language: ***"The Department of Health Services, the State of Arizona, its Departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor".***

1.1.4 Policy shall contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

1.2 Business Automobile Liability

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

1.2.1 Combined Single Limit (CSL)	$1,000,000

1.2.2 The policy shall be endorsed to include the following additional insured language: ***"The Department of Health Services, the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor, involving automobiles owned, leased, hired or borrowed by the Contractor".***

1.2.3 Policy shall contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

1.3 Worker's Compensation and Employers' Liability

1.3.1 Workers' Compensation	Statutory
1.3.2 Employers' Liability	
1.3.2.1 Each Accident	$ 500,000
1.3.2.2 Disease – Each Employee	$ 500,000

1.3.2.3 Disease – Policy Limit $1,000,000

1.3.3 Policy shall contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

1.3.4 This requirement shall not apply to: Separately, EACH Contractor or subcontractors exempt under A.R.S. 23-901, and when such Contractor or subcontractor executes the appropriate waiver (Sole Proprietor/Independent Contractor) form.

1.4 Professional Liability (Errors and Omissions Liability)

1.4.1 Each Claim $1,000,000

1.4.2 Annual Aggregate $2,000,000

1.4.3 In the event that the professional liability insurance required by this Contract is written on a claims-made basis, Contractor warrants that any retroactive date under the policy shall precede the effective date of this Contract; and that either continuous coverage will be maintained or an extended discovery period will be exercised for a period of two (2) years beginning at the time work under this Contract is completed.

1.4.4 The policy shall cover professional misconduct or lack of ordinary skill for those positions defined in the Scope of Work of this Contract.

2. **ADDITIONAL INSURANCE REQUIREMENTS:** The policies shall include, or be endorsed to include, the following provisions:

2.1 The State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees wherever additional insured status is required such additional insured shall be covered to the full limits of liability purchased by the Contractor, even if those limits of liability are in excess of those required by this Contract.

2.2 The Contractor's insurance coverage shall be primary insurance with respect to all other available sources.

2.3 Coverage provided by the Contractor shall not be limited to the liability assumed under the indemnification provisions of this Contract.

3 **NOTICE OF CANCELLATION:** Each insurance policy required by the insurance provisions of this Contract shall provide the required coverage and shall not be suspended, voided, canceled, or reduced in coverage or in limits except after thirty (30) days prior written notice has been given to the State of Arizona. Such notice shall be sent directly to **The Arizona Department of Health Services, 1740 West Adams, Room, 303, Phoenix, AZ 85007** and shall be sent by certified mail, return receipt requested.

4 **ACCEPTABILITY OF INSURERS:** Insurance is to be placed with duly licensed or approved non-admitted insurers in the state of Arizona with an "A.M. Best" rating of not less than A- VII. The State of Arizona in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency. If the Insurance Company is not rated by A.M. Best's, then the rating requirements do not apply.

5 **VERIFICATION OF COVERAGE:** Contractor shall furnish the State of Arizona with certificates of insurance (ACORD form or equivalent approved by the State of Arizona) as required by this Contract. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

All certificates and endorsements are to be received and approved by the State of Arizona before work commences. Each insurance policy required by this Contract must be in effect at or prior to commencement

of work under this Contract and remain in effect for the duration of the project. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal, is a material breach of contract.

All certificates required by this Contract shall be sent directly to **The Arizona Department of Health Services, 1740 West Adams, Room 303, Phoenix, AZ 85007**. The State of Arizona project/contract number and project description shall be noted on the certificate of insurance. The State of Arizona reserves the right to require complete, certified copies of all insurance policies required by this Contract at any time**. DO NOT SEND CERTIFICATES OF INSURANCE TO THE STATE OF ARIZONA'S RISK MANAGEMENT SECTION.**

6. **SUBCONTRACTORS:** Contractors' certificate(s) shall include all subcontractors as insureds under its policies or Contractor shall furnish to the State of Arizona separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to the minimum requirements identified above.

7. **APPROVAL:** Any modification or variation from the *insurance requirements* in this Contract shall be made by the contracting agency in consultation with the Department of Administration, Risk Management Division. Such action will not require a formal Contract amendment, but may be made by administrative action.

8. **EXCEPTIONS:** In the event the Contractor or subcontractor(s) is/are a public entity, then the Insurance Requirements shall not apply. Such public entity shall provide a Certificate of Self-insurance. If the Contractor or subcontractor(s) is/are a State of Arizona agency, board, commission, or university, none of the above shall apply.

Z. Health Insurance Portability and Accountability Act of 1996

The Contractor warrants that it is familiar with the requirements of HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act (HITECH Act) of 2009, and accompanying regulations and will comply with all applicable HIPAA requirements in the course of this Contract. Contractor warrants that it will cooperate with the Arizona Department of Health Services (ADHS) in the course of performance of the Contract so that both ADHS and Contractor will be in compliance with HIPAA, including cooperation and coordination with the Government Information Technology Agency (GITA), Statewide Information Security and Privacy Office (SISPO) Chief Privacy Officer and HIPAA Coordinator and other compliance officials required by HIPAA and its regulations. Contractor will sign any documents that are reasonably necessary to keep ADHS and Contractor in compliance with HIPAA, including, but not limited to, business associate agreements.

If requested by the ADHS Procurement Office, Contractor agrees to sign a "Pledge To Protect Confidential Information" and to abide by the statements addressing the creation, use and disclosure of confidential information, including information designated as protected health information and all other confidential or sensitive information as defined in policy. In addition, if requested, Contractor agrees to attend or participate in HIPAA training offered by ADHS or to provide written verification that the Contractor has attended or participated in job related HIPAA training that is: (1) intended to make the Contractor proficient in HIPAA for purposes of performing the services required and (2) presented by a HIPAA Privacy Officer or other person or program knowledgeable and experienced in HIPAA and who has been approved by the GITA/SISPO Chief Privacy Officer and HIPAA Coordinator.

AA. Pandemic Contractual Performance

1. The State shall require a written plan that illustrates how the Contractor shall perform up to contractual standards in the event of a pandemic. The State may require a copy of the plan at any time prior or post award of a Contract. At a minimum, the pandemic performance plan shall include:

   1.1 Key succession and performance planning if there is a sudden significant decrease in Contractor's workforce.

   1.2 Alternative methods to ensure there are products in the supply chain.

   1.3 An up to date list of company contacts and organizational chart, upon request.

2. In the event of a pandemic, as declared the Governor of Arizona, U.S. Government or the World Health Organization, which makes performance of any term under this Contract impossible or impracticable, the State shall have the following rights:

   2.1 After the official declaration of a pandemic, the State may temporarily void the Contract(s) in whole or specific sections, if the Contractor cannot perform to the standards agreed upon in the initial terms.

   2.2 The State shall not incur any liability if a pandemic is declared and emergency procurements are authorized by the Director as per A.R.S. 41-2537 of the Arizona Procurement Code.

   2.3 Once the pandemic is officially declared over and/or the Contractor can demonstrate the ability to perform, the State, at is sole discretion, may reinstate the temporarily voided Contract(s).

3. The State, at any time, may request to see a copy of the written plan from the Contractor. The Contactor shall produce the written plan within seventy-two (72) hours of the request.

BB. Delivery of Behavioral Health Services

The Contractor shall manage the delivery of behavioral health services to the members as described in this Contract, as well as, all documents incorporated by reference.

CC. Scope of Responsibility

The Contractor shall be responsible for the performance of all contract requirements. The Contractor may delegate responsibility for services and related activities under this contract with permission from ADHS, but remains ultimately responsible for compliance with the terms of this contract [42 CFR 438.230(a)].

DD. Definition of Terms

All of the definitions related to activities required in the Scope of Work are incorporated herein.

EE. Implementation

1. Pre-Contract Execution Period

   During the Pre- Contract Execution Period, which is the time period between the contract award date, which is the date of signature by ADHS on the Offer Acceptance and Contract Award, and the Contract start date of July 1, 2010, the Contractor shall collaborate with ADHS in transition activities to prevent interruption of services and promote continuity of care to members. Collaboration activities shall include, at a minimum:

   1.1 Define project management and reporting standards,

   1.2 Establish communication protocols between the Contractor, ADHS and providers,

   1.3 Establish an implementation plan includes the schedule for key activities and milestones, and

   1.4 Define expectations for content and format of Contract deliverables.

2. Implementation Plan

   The Contractor shall develop a comprehensive Implementation Plan to be approved by ADHS. The Contractor shall provide ADHS with verbal and written Implementation Plan updates and shall cooperate and communicate with ADHS to resolve transition and implementation issues. The Contractor shall include in the Implementation Plan a detailed description of its implementation methods, staff assigned to be accountable for completing tasks and timetables.

3. Personnel

   No later than one (1) month after the date of contract award, the Contractor shall designate its Key Personnel. Prior to the Contract Start Date, the Contractor shall submit to ADHS the resumes of each Key

Personnel position for ADHS' approval and updated organizational charts. The Contractor shall have sufficient personnel working and operating in the GSA during the Pre-Contract Execution Period in order to comply with this Contract.

4. Transitioning of Behavioral Health Recipients and Operations

When applicable, the Contractor shall transition members receiving services so care is not disrupted. If directed by ADHS, the Contractor shall collaborate with providers to develop and implement a member's service plan during the transition and deliver all services contained in the plan. At a minimum, the Contractor shall provide service information, emergency telephone numbers and instructions on how to obtain additional services to each member involved in the transition of care.

The Contractor shall transition pending grievances, appeals, and customer service cases to assure timely resolution. The Contractor shall have a sufficient number of qualified staff to meet filing deadlines and attend all court or administrative proceedings.

5. Operational and Financial Readiness Reviews

Prior and subsequent to the Contract Start Date, the Contractor shall cooperate with ADHS' Operational and Financial Readiness Reviews to assess the Contractor's readiness and ability to deliver covered behavioral health services to members and to resolve previously identified operational deficiencies. Upon ADHS' request and approval, the Contractor shall develop and implement a corrective action plan in response to deficiencies identified during the Readiness Review. During the readiness reviews, the Contractor shall provide ADHS with access to staff, documentation and work space as requested by ADHS.

At a minimum, the Contractor shall cooperate with ADHS to review the operability of the functions set forth in this Contract.

FF. Anti-Kickback

The Contractor or any director, officer, agent, employee or volunteer of the Contractor shall not request nor receive any payment or other thing of value either directly or indirectly, from or for the account of any subcontractor (except such performance as may be required of a subcontractor under the terms of its subcontract) as consideration for or to induce the Contractor to enter into a subcontract with the subcontractor or any referrals of enrolled persons to the subcontractor for the provision of covered behavioral health services.

The Contractor certifies that it has not engaged in conduct that would violate the Medicare Anti-kickback statute (42 U.S.C. 130a-7b) or the "Stark I" and "Stark II" laws governing related-entity referrals (PL101-239 and PL 101-432) and compensation.

GG. Use of Funds for Lobbying

The Contractor shall not use funds paid to the Contractor by ADHS, or interest earned, for the purpose of influencing or attempting to influence any officer or employee of any State or Federal agency; or any member of, or employee of a member of, the United States Congress or the Arizona State Legislature 1) in which it asserts authority to represent ADHS or advocate the official position of ADHS in any matter before a State or Federal agency; or any member of, or employee of a member of, the United States Congress or the Arizona State Legislature; or 2) in connection with awarding of any Federal or State contract, the making of any Federal or State grant, the making of any Federal or State loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment or modification of any Federal or State contract, grant, loan, or cooperative agreement.

HH. Contract Claims

1. Resolution of Contract Claims.

Contract Claim is any claim or controversy, other than a claim dispute, arising out of the terms of this Contract. Except for Contractor Claim Disputes, all Contract Claims or controversies under this Contract shall

be resolved according to the Section titled "GRIEVANCE, APPEALS, AND CLAIMS DISPUTE DATA SUBMISSIONS".

2. Claim Disputes.

Contractor Claim Dispute is the Contractor's dispute of a payment, denial, or recoupment of a claim; the imposition of a sanction; or, the non-payment or partial payment of a performance incentive herein by ADHS. All Contractor Claim Disputes with ADHS shall be resolved in accordance with the process set forth in both the ADHS Policy on Contractor and Provider Claim Disputes and other documents incorporated herein by reference.

3. Payment Obligations.

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 fifteen (15) days. Behavioral health recipients may not be held liable for payment in the event of the Contractor's insolvency, ADHS' failure to pay the Contractor, or ADHS' or the Contractor's failure to pay a provider.

II. Contract Termination

1. Termination upon Mutual Agreement.

This Contract may be terminated by mutual written agreement of the parties effective upon the date specified in the written agreement. If the parties cannot reach agreement regarding an effective date for termination, ADHS will determine the effective date.

2. Voidability of Contract.

This Contract 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 Contract without the prior written approval of ADHS.

3. Contract Cancellation.

ADHS reserves the right to cancel this Contract, in whole or in part, due to a failure by the Contractor to carry out any material obligation, term or condition of the Contract. ADHS shall issue written notice to the Contractor of the intent to cancel the Contract for acting or failing to act, as in any of the following:

3.1 The Contractor fails to adequately perform the services set forth in the specifications of the Contract including the documents incorporated by reference;

3.2 The Contractor fails to complete the work required or to furnish required materials within the time stipulated by the Contract; or

3.3 The Contractor fails to make progress in improving compliance with the Contract or gives ADHS reason to believe that the Contractor will not or cannot improve performance to meet the requirements of the Contract.

4. Response to Notice of Intent to Cancel.

Upon receipt of the written notice of intent to cancel the Contract, the Contractor shall have ten (10) days to provide a satisfactory response to ADHS. Failure on the part of the Contractor to adequately address all

issues of concern may result in ADHS implementing any single or combination of the following remedies:

4.1 Cancel the Contract and send a Notice of Termination;

4.2 Reserve all rights or claims to damage for breach of any covenant of the Contract, and/or

4.3 Perform any test or analysis on materials for compliance with the specifications of the Contract. If the result of any test confirms a material non-compliance with the specifications, any reasonable expense of testing shall be borne by the Contractor.

5. ADHS' Rights Following Contract Cancellation.

If the Contract is cancelled, ADHS reserves the right to purchase materials or to complete the required work in accordance with the Arizona Procurement Code. ADHS may recover any reasonable excess costs resulting from these actions from the Contractor by:

5.1 Deduction from an unpaid balance;

5.2 Collection against the bid and/or performance bond or performance bond substitute; and

5.3 Any combination of the above or any other remedies as provided by law.

6. Contractor Obligations.

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 behavioral health recipients to another Contractor at its own expense. In addition, ADHS reserves the right to extend the term of the Contract on a month-to-month basis to assist in any transition of behavioral health recipients. The Contractor shall:

6.1 Make provisions for continuing all management and administrative services and the provision of direct services to behavioral health recipients until the transition of all behavioral health recipients is completed and all other requirements of this Contract are satisfied;

6.2 Designate a person with appropriate training to act as the transition coordinator. The transition coordinator shall interact closely with ADHS and the staff from the new Contractor to ensure a safe and orderly transition;

6.3 Upon ADHS' request submit for approval a detailed plan for the transition of its behavioral health recipients, including the name of the transition coordinator;

6.4 Provide all reports set forth in this Contract and necessary for the transition process. This includes providing to ADHS, until ADHS is satisfied that the Contractor has paid all such obligations: 1) a monthly claims aging report by provider/creditor including IBNR amounts, 2) a monthly summary of cash disbursement; and 3) copies of all bank statements received by the Contractor. These reports shall be due on the fifth (5th) day of each succeeding month for the prior month;

6.5 Notify subcontractors and behavioral health recipients of the Contract termination as directed by ADHS;

6.6 Complete payment of all outstanding obligations for covered behavioral health services rendered to behavioral health recipients. The Contractor shall cover continuation of services to enrollees for the duration of the period for which payment has been made, as well as for inpatient admissions up until discharge;

6.7 Cooperate with a successor Contractor during Transition Period including, at minimum, sharing and transferring behavioral health recipient information and records. ADHS will notify the Contractor with specific instructions and required actions at the time of transfer;

6.8 Return any funds advanced to the Contractor for coverage of behavioral health recipients for periods after the date of termination to ADHS within thirty (30) days of termination of the Contract; and

6.9 Supply all information necessary for reimbursement of outstanding claims.

7. Impact on Indemnification.

In the event of expiration or termination or suspension of the Contract by ADHS, the expiration or 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 by liable under this Contract.

8. Additional Obligations.

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

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

8.2 Upon receipt of the Notice of Termination, and until the effective date of the Notice of Termination, the Contractor shall perform work consistent with the requirements of this Contract and in accordance with a written plan approved by ADHS for the orderly transition of behavioral health recipients to another Contractor; and

8.3 Unless otherwise directed by ADHS, the Contractor shall direct subcontracted providers to continue to provide services consistent with the individual's service plan.

9. Disputes.

Any dispute by the Contractor with respect to termination or suspension of this Contract by ADHS shall be exclusively governed by the Resolution of Contract Claim provisions of this Contract.

10. Payment.

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

JJ. **ADHS' Contractual Remedies**

1. Declaration of Emergency.

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

2. ADHS Right to Operate Contractor.

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

KK. Performance Bond

The Contractor shall:

1. Obtain and maintain a performance bond, rated at least A by A.M. Best Company, be of a standard commercial scope from a surety company or companies holding a certificate of authority to transact surety business in Arizona issued by the Director of the Department of Insurance pursuant to A.A.C. Title 20, Chapter 2, Article 6, and in a form prescribed by A.A.C. Title 2, Chapter 7, Article 506. The Contractor may substitute a certified or cashier's check in lieu of a performance bond for as long as the Contractor has liabilities relating to performance of this Contract.

2. Obtain and maintain a Performance Bond that during the final contract year has an expiration date of at the least twelve (12) months after the contract expiration date. If the Contractor has additional liabilities outstanding twelve (12) months after the termination of the contract, the Contractor may request a reduction in the Performance Bond, subject to ADHS' approval, until all liabilities have been paid.

3. Have a performance bond or bond substitute to guarantee payment of the Contractor's obligations to providers, non-contracting providers, non-providers, and other subcontractors to satisfy its obligations under this Contract.

4. Submit the performance bond in a form acceptable to ADHS and payable to ADHS or its designee(s) and sent directly to the ADHS Office of Finance.

5. Include the ADHS Contract Number on the performance bond.

6. May substitute an irrevocable Letter of Credit to meet the performance bond requirement for the dollar amount and the length of time, provided the irrevocable Letter of Credit covers the entire fiscal year plus an additional twelve (12) months following fiscal year-end and is issued, upon ADHS approval, by:

   6.1 A bank doing business in Arizona and insured by the Federal Deposit Insurance Corporation; or

   6.2 A savings and loan association doing business in Arizona and insured by the Savings Association Insurance Fund; or

   6.3 A credit union doing business in Arizona and insured by the National Credit Union Administration.

7. Not leverage the bond as collateral for debt or use the bond as security to creditors. The Contractor shall be in material breach of this Contract if it fails to maintain or renew the performance bond as required by this Contract.

8. Maintain a performance bond in an amount equal to or greater than one hundred ten (110%) of the first monthly Title XIX and Title XXI Capitation and Non-Title XIX/XXI payment made to the Contractor. The Contractor may adjust the performance bond amount if notified by ADHS when the monthly Title XIX and Title XXI Capitation and Non-Title XIX/XXI payments are adjusted by plus or minus ten percent (10%) to an amount equal to or greater than one hundred ten (110%) of the adjusted monthly Title XIX and Title XXI capitation and Non-Title XIX/XXI payments. The Contractor shall obtain a performance bond with the adjusted amount no later than thirty (30) days after notification by ADHS of the amount required.

9. Reimburse ADHS for expenses exceeding the performance bond amount.

   ADHS shall:

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

      9.1.1 Paying damages sustained by subcontracted providers, non-contracting providers, and non-providers as a result of a breach of Contractor's obligations under this Contract;

9.1.2 Reimbursing ADHS for any payments made on behalf of the Contractor;

9.1.3 Reimbursing ADHS for any extraordinary administrative expenses incurred by a Contractor's breach including, expenses incurred after termination of this Contract; and

9.1.4 Making any payments or expenditures deemed necessary to ADHS, in its sole discretion, incurred by ADHS in the direct operation of the RBHA.

LL. Eligibility for State or local public benefits, documentation and violations:

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

Definitions
CONTRACT NO: HP032097

All the definitions contained in the solicitation and the resulting contract, including the definitions in the Uniform Terms and Conditions, Section A and in the Uniform Instructions to Offerors, Section A are incorporated herein and are defined as follows:

"638 Tribal Facility" or "*638 Provider"* means a facility owned and operated by an American Indian tribe authorized to provide services pursuant to Public Law 93-638, as amended.

"834 Transaction Enrollment/Disenrollment" means the HIPAA-compliant transmission, by a behavioral health provider to a T/RBHA and by a T/RBHA to ADHS/DBHS, of information to establish or terminate a person's enrollment in the ADHS/DBHS behavioral health service delivery system.

"A.A.C." means the Arizona Administrative Code.

"A.R.S." means the Arizona Revised Statutes.

"ACOM" means the *AHCCCS Contractor Operations Manual,* available on the AHCCCS Website at: http://www.azahcccs.gov/shared/ACOM.aspx?ID=contractormanuals

"Action" means the denial or limited authorization of a requested service, including the type or level of service; 1) The reduction, suspension or termination of a previously authorized service; 2) The denial, in whole or in part, of payment of service; 3)The failure to provide services in a timely manner; 4) The failure to act within established timeframes for resolving an appeal or complaint and providing notice to affected parties; and 5)The denial of the Title XIX/XXI eligible person's request to obtain services outside the network.

"Acute Care Services" means medically necessary services that are covered for AHCCCS members. These services are provided through contractual agreements with the AHCCCS Health Plans, ALTCS Program Contractors or on a limited fee-for-service basis through AHCCCS.

"Acute Health Plan and Provider Coordinator(s)" means a behavioral health professional or a behavioral health technician who has been credentialed by the T/RBHA or their designee in accordance with ADHS/DBHS' requirements to perform this function. The Acute Health Plan and Provider Coordinator(s): (1) Assumes the primary responsibility of clinical oversight of the person's care (2) Ensures the clinical soundness of the assessment/treatment process (3) 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.

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

"ADES" means the Arizona Department of Economic Security.

"ADHS" means the Arizona Department of Health Services.

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

"ADHS/DBHS" means the Arizona Department of Health Services, Division of Behavioral Health Services.

"ADJC" means the Arizona Department of Juvenile Corrections.

"Administrative Costs" means administrative expenses incurred 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. Administrative costs do not include expenses related to direct provision of behavioral health services including case management.

"ADOA" means the Arizona Department of Administration.

"ADOC" means the Arizona Department of Corrections.

"Appeal" A request for review of an action.

"ADOE" means the Arizona Department of Education.

"Adult" means a person eighteen (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.

"Agent" any person who has been delegated the authority to obligate or act on behalf of another person or entity.

"AHCCCS" means the Arizona Health Care Cost Containment System which is composed of the Administration, Contractors, and other arrangements through which health care services are provided to an eligible person, as defined by A.R.S. § 36-2902, et seq.

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

"AHCCCS Prepaid Medical Management Information System (PMMIS)" means the electronic information system maintained by AHCCCS to determine Title XIX/XXI eligibility and AHCCCS Health Plan enrollment information.

"ALTCS" means the Arizona Long Term Care System, a program under AHCCCS that delivers long term, acute and behavioral health care and case management services to members, as authorized by A.R.S. § 36-2932 et seq.

"American Indian Health Program" means an acute care FFS program administered by AHCCCS for eligible American Indians which reimburses for services provided by and through the Indian Health Service (IHS), tribal health programs operated under PL 93-638 or any other AHCCCS registered provider. "AIHP" was formerly known as AHCCCS IHS.

"AMPM" means the AHCCCS Medical Policy Manual, available on the AHCCCS website at www.azahcccs.gov

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

"Arizona Administrative Code (A.A.C.)" means the Rules filed with the Arizona Secretary of State.

"Arizona Long Term Care System (ALTCS)" means a program under AHCCCS that delivers long term, acute and behavioral health care and case management services to members, as authorized by A.R.S. §36-2932 et seq.

"Arizona Revised Statute (A.R.S.)" means the laws of the State of Arizona.

"Attachment" means any item labeled as an Attachment in the Solicitation or placed in the Attachment section of the Solicitation.

"BBA" means the Balanced Budget Act of 1997, which are the Medicaid Managed Care regulations under, 42 CFR Part 438.

"Behavioral Health Disorder" means any behavioral or mental diagnosis and/or substance use (abuse/dependence) diagnosis found in the most current version of the Diagnostic and Statistical Manual or International Classification of Disorders.

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

"Behavioral Health Paraprofessional" means a staff member of a licensed behavioral health service agency as specified in A.A.C. 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 (1) year of full time behavioral health work experience and who meets the requirements of A.A.C. Title 9, Chapter 20.

"Behavioral Health Provider" means any individual or facility that delivers behavioral health services in Contractor's provider network.

"Behavioral Health Recipient" means any adult or child receiving services in/through ADHS/DBHS funded programs. See also "member".

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

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

"Best Practices" means evidence-based practices, promising practices, or emerging practices.

"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.

"Capitation" is 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.

"Centers for Medicare and Medicaid Services" (CMS, formerly HCFA) means the organization within the United States Department of Health and Human Services, which administers the Medicare and Medicaid program and the State Children's Health Insurance Program.

"CFR" means the Code of Federal Regulations.

"Child" means an eligible person who is under the age of eighteen (18), unless the term is given a different definition by statute, rule or policies adopted by the ADHS/DBHS or AHCCCS.

"Child and Family Team" means a defined group of people that includes, at a minimum, the child and his/her family, a behavioral health representative, and any individuals important in the child's life and who are identified and invited to participate by the child and family. This may include, for example, teachers, extended family members, friends, family support partners, healthcare providers, coaches, community resource providers, representatives from churches, synagogues or mosques, agents from other service systems like CPS or DDD, etc. The size, scope and intensity of involvement of the team members are determined by the objectives established for the child, the needs of the family in providing for the child, and by which individuals are needed to develop an effective service plan, and can therefore expand and contract as necessary to be successful on behalf of the child.

"CIS" means the Client Information System.

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

"Claim Dispute" means a dispute involving a payment of a claim, denial of a claim, or imposition of a sanction or reinsurance.

"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 review for medical necessity.

"Client Information System (CIS)" means the data system used by ADHS/DBHS.

"Clinical Supervision" means the oversight, guidance and direction for the delivery of behavioral health treatment services that are provided by a licensed psychiatrist, a psychologist, licensed behavioral health professional or clinical supervisor meeting the requirements of AAC Title 9, Chapter 20.

"CMDP" means the Comprehensive Medical and Dental Plan.

"CMHS" means the Community Mental Health Services Block Grant Pursuant to Division B, Title XXXII, Section 3204 of the Children's Health Act of 2000.

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

"Community Service Agency" means an agency as defined in the ADHS/DBHS Covered Behavioral Health Services Guide.

"Comprehensive Medical and Dental Plan" (CMDP) is an AHCCCS Health Plan administered through DES who provide for medical needs of children in the care and custody of the state.

"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), and mental hospitals (42 CFR 456.233 to 238) are reviewed to determine the medical 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, and the Specifications and Statement or Scope of Work; the Offer and any Best and Final Offers; and any Solicitation Amendments or Contract Amendments.

"Contract Amendment" means a written document signed by the Procurement Officer that is issued for the purpose of making changes in the Contract.

"Contract Year" means a period from July 1 of a calendar year through and including June 30 of the following year. For the Contract Year starting 7/1/12, the year has been extended to 9/30/13.

"Contractor" means the RBHA awarded this Contract.

"Copayment" (AHCCCS) means a monetary amount which the member pays directly to a provider at the time a covered service is rendered, as defined in R9-22-711.

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

"CPS" means the Child Protective Services within the ADES Administration for Children Youth and Families.

"Credentialing" means the process of obtaining, verifying and assessing information including applicable licensure, accreditation and certification requirements to determine whether a behavioral health professional, a behavioral health technician or a behavioral health provider has the required credentials to deliver behavioral health services to members.

"Cultural Competence" means a set of congruent behaviors, attitudes and policies that come together in a system, agency, or among professionals which enables that system, agency or those professionals to work effectively in cross-cultural situations.

"Days" means calendar days unless otherwise specified.

"DBHS" means the Division of Behavioral Health Services within ADHS.

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

"Deficit Reduction Act (DRA)" means the Deficit Reduction Act (DRA) Public Law 109-171 that works to eliminate fraud, waste and abuse in Medicaid.

"Department" means the Arizona Department of Health Services.

"Deputy Director" means the Deputy Director for the ADHS/DBHS or his or her duly authorized representative.

"DHS" means the Arizona Department of Health Services.

"Dual Eligible" means a person eligible for Medicare who is also eligible for Medicaid (dual eligible) is in a medical institution that is funded by Medicaid for a full calendar month, the dual eligible person is not required to pay co-payments for their Medicare covered prescription medications for the remainder of the calendar year.

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

"Emergency Medical Condition" means a medical condition manifesting itself by acute symptoms of sufficient severity (including severe pain) 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 placing the health of the individual (or, with respect to a pregnant woman, the health of the woman or her unborn child) in serious jeopardy, serious impairments to bodily functions, or serious dysfunction of any bodily organ or part. What constitutes an emergency medical condition may not be limited on the basis of lists of diagnoses or symptoms.

"Emergency Medical Service" Covered inpatient and outpatient services provided after the sudden onset of an emergency medical condition furnished by a qualified provider that are necessary to evaluate or stabilize the emergency medical condition [42 CFR 438.114 (a)].

"Emerging Practices" means new innovations in clinical or administrative practice that address critical needs of a particular program, population or system, but do not yet have scientific evidence or broad expert consensus support.

"Encounter" means a record of a covered service rendered by a provider to a person enrolled with a capitated RBHA on the date of service.

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

"Enrollment" means the process by which an eligible person becomes a member of a Contractor's plan.

"Evidence-based Practice" means an intervention that is an integration of science-based evidence; the skill and judgment of health professionals; and the unique needs, concerns and preferences of the person receiving services.

"Exhibit" means any item labeled as an Exhibit in the Solicitation or placed in the Exhibits section of the Solicitation.

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

"Fee-for-Service Member" means a Title XIX or Title XXI eligible individual who is not enrolled with an AHCCCS Acute Care Health Plan, ALTCS Contractor or Tribal RBHA.

"Formulary" means a list of Contractor's medications available for members that include all medications on the ADHS/DBHS minimum list of medications.

"Fraud" means an intentional deception or misrepresentation made by a person with the knowledge that the deception could result in some unauthorized benefit to the person or some other person. It includes any act that constitutes fraud under applicable Federal or State Law.

"GAAP" means Generally Accepted Accounting Principles.

"General Mental Health Adults" means a classification of adult persons age eighteen and older who have general behavioral health issues and have not been determined to have a serious mental illness.

"Geographic Service Area" means a specific region defined by zip codes to which this contract applies.

"GMH" means General Mental Health and is used to designate adult fund type.

"GMH/SA" means General Mental Health and Substance Abuse and is used to designate adult fund type.
"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.

"Grievance or Request for Investigation" For purposes of this section means a complaint that is filed by a person with Serious Mental Illness (SMI) or other concerned person's regarding a violation of the person with a SMI rights or a condition requiring an investigation.

"GSA" means Geographic Service Area.

"HB2003" means House Bill 2003 enacted 2000 Arizona Session Laws, Chapter 2, Section 1 (5th Special Session).

"Health Insurance Portability and Accountability Act of 1996 (HIPAA)" means Public Law 104-191 Title II Subtitle F and regulations published by the United States Department of Health and Human Services, the administrative simplification provisions and modifications thereof, and the Administrative Simplification Compliance Act of 2001.

"Health Plan Behavioral Health Coordinator" means a contact person and resource for behavioral health providers when problems arise concerning a person's medical care or any other health plan related issue.

"HIPAA" means Health Insurance Portability and Accountability Act of 1996.

"HUD" means the United States Department of Housing and Urban Development.

"IBNR" means claims for covered services that have been Incurred But Not Reported.

"IGA" means an Intergovernmental Agreement.

"IHS" means the Indian Health Service of the United States Department of Health and Human Services.

"IMD" means an Institution for Mental Disease.

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

"Indian Health Service (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 in accordance with treaties with Tribal Governments.

"Institution for Mental Disease (IMD)" means a hospital, nursing facility, or other institution of more than sixteen (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 435.1010). In the State of Arizona, Level I facilities with more than sixteen (16) beds are IMDs except when licensed as a unit of a General Medical Hospital.

"Interagency Service Agreement (ISA)" 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 (IGA)" means an agreement conforming to the requirements of A.R.S. Title 11, Chapter 7, Article 3 (A.R.S. § 11-952.A et. seq.).

"ISA" means an Interagency Service Agreement.

"KidsCare" means 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). Individuals under the age of 19 are eligible under the SCHIP program, in households with income at or below 200% FPL. All members, except American Indian members, are required to pay a premium amount based on the number of children in the family and the gross family income.

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

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

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

"*Level IV Behavioral Health Facility*" means a behavioral health agency as defined in A.A.C. Title 9, Chapter 20.

"Managed Care" means systems that integrate the financing and delivery of health care services to covered individuals by means of arrangements with selected providers to furnish comprehensive services to members; establish explicit criteria for the selection of health care providers; have financial incentives for members to use providers and procedures associated with the plan; and have formal programs for quality and medical management and the coordination of care.

"Management Services Agreement" means a type of subcontract with an entity in which the owner of the Contractor delegates some or all of the comprehensive management and administrative services necessary for the operation of the Contractor.

"Material Change" means an alteration or development within a provider network that may reasonably be foreseen to affect the quality or delivery of behavioral health services provided under this contract.

"Material Gap" means a temporary change in a provider network that may reasonably be foreseen to jeopardize the delivery of behavioral health services to an identifiable segment of the AHCCCS member population.

"Materials" means all property including equipment, supplies, printing, insurance and leases of property but does not include land, a permanent interest in land or real property or leasing space.

"Medical institutions" For purposes of the medical institution notification, medical institutions are defined as acute hospitals, psychiatric hospital-Non IMD, psychiatric hospital–IMD, residential treatment center–Non IMD, residential treatment center–IMD, skilled nursing facilities, and Intermediate Care Facilities for Persons with Intellectual Disabilities.

"Medical Management" means an integrated process or system that is designed to assure appropriate utilization of health care resources, in the amount and duration necessary to achieve desired health outcomes, across the continuum of care (from prevention to end of life care).

"Medically Necessary Covered 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. Medically necessary services are aimed at achieving the following: The prevention, diagnosis, and treatment of behavioral health impairments; the ability to achieve age-appropriate growth and development; and the ability to attain, maintain, or regain functional capacity.

"Medical Services" means medical care and treatment provided by a Primary Care Provider, attending physician or dentist or by a nurse or other health related professional and technical personnel at the direction/order of a licensed physician or dentist.

"Medicare" means a Federal program authorized by Title XVIII of the Social Security Act, as amended.

"Medicare Modernization Improvement Act" The Medicare Modernization Improvement Act of 2003 created a prescription drug benefit called Medicare Part D for individuals who are eligible for Medicare Part A and/or enrolled in Medicare Part B.

"Medicare Part D excluded drugs" Medicare Part D is the Prescription Drug Coverage option available to Medicare beneficiaries, including those also eligible for Medicaid. Medications that are available under this benefit will not be covered by AHCCCS for dual eligible members. Certain drugs that are excluded from coverage by Medicare will continue to be covered by AHCCCS. Those medications are barbiturates, benzodiazepines, and over the counter medication as defined in the AMPM. Prescription medications that are covered under Medicare, but are not on a Part D Health Plans formulary are not excluded drugs, and will not be covered by AHCCCS.

"Member" means a person who is eligible for or receiving behavioral health services.

"Member Information Materials" means any materials given to behavioral health recipients and includes, but is not limited to: member handbooks, member newsletters, surveys, health related brochures, videos, templates of form letters, and website content.

"Member Appeal" means a request for a review of an action in accordance with 42 CFR 438.400, and for a person with an SMI, an appeal of an SMI eligibility determination; decisions regarding eligibility for behavioral health services, including Title XIX services, fees and waivers; assessments and further evaluations; service and treatment plans and planning decisions; and the implementation of those decisions.

"Network Material Change" means a material change.

"Non-Title XIX/XXI Funding" means fixed, non-capitated funds, including funds from CMHS and SAPT, State appropriations, excluding state appropriations to support 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 programs.

"Non-Title XIX/XXI 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.

"Offer" means bid, proposal or quotation.

"Offeror" means a vendor who responds to a Solicitation.

"Outreach" means activities to identify and encourage individuals who may be in need of behavioral health services to receive them.

"PCP" means a Primary Care Provider; an individual who meets the requirements of A.R.S. §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 A.R.S. Title 32, Chapter 13 or Chapter 17, or a practitioner defined as physician assistant licensed under A.R.S. Title 32, Chapter 25, or a certified nurse practitioner licensed under A.R.S. Title 32, Chapter 15.

"Physician Incentive Plan" means any compensation arrangement to pay a physician or physician group that may directly or indirectly have the effect of reducing or limiting the services provided to any plan enrollee.

"Post Stabilization Services" means medically necessary services, related to an emergency medical condition, provided after the member's condition is sufficiently stabilized in order to maintain, improve or resolve the member's condition so that the member could alternatively be safely discharged or transferred to another location. [42 CFR 438.114 (a)].

"PMMIS" means the AHCCCS Prepaid Medical Management Information System.

"Primary Care Provider/Practitioner (PCP)" is an individual who meets the requirement of A.R.S. 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 A.R.S. Title 32, Chapter 13 or Chapter 17, or a practitioner defined as physician assistant licensed under A.R.S. Title 32, Chapter 25, or a certified nurse practitioner licensed under A.R.S. Title 32, Chapter 15.

"Potential Enrollee" means a Medicaid eligible recipient who is not enrolled with a Contractor [42 CFR 438.10(a)].

"Prior Authorization" means an action taken by ADHS/DBHS, a RBHA or a subcontracted provider that approves the provision of a covered service prior to the service being provided

"Prior Period" means the period prior to a member's enrollment, during which the member is eligible for covered services. The time frame is from the effective date of eligibility to the day a member is enrolled with a Contractor.

"Procurement Officer" means the person, or his or her designee, duly authorized by the State to enter into and administer Contracts and make written determinations with respect to the Contract. [1, 2]

"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.

"Promising Practices" means clinical or administrative practices for which there is considerable evidence or expert consensus and which show promise in improving client outcomes, but which are not yet proven by the highest or strongest scientific evidence.

"Provider" means an organization or behavioral health professional that provides behavioral health services to members.

"Provider Network" means the agencies, facilities, professional groups or professionals under subcontract to the Contractor to provide covered services to behavioral health recipients.

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

"Qualified Health Care Professional" means a qualified health care professional that 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.

"RBHA" means a Regional Behavioral Health Authority.

"Referral for Behavioral Health Services" means any oral, written, 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" means an organization under contract with the ADHS/DBHS to coordinate the delivery of behavioral health services to members in a designated geographic service area.

"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, at a minimum, agents, managing employees or 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.

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

"RTC" means Level 1 Residential Treatment Center.

"SA" means Substance Abuse and is used to designate adult fund type.

"SAPT" means Substance Abuse Prevention and Treatment. Substance Abuse Prevention and Treatment Block Grant pursuant to Division B. Title XXXIII, Section 3303 of The Children's Health Act of 2000 pursuant to Section 1921 – 1954 of the Public Health Service Act and 45 CFR Part 96 Interim Final Rules.

"Serious Mental Illness" means a condition of persons who are eighteen (18) years of age or older and who, as a result of a mental disorder as defined in A.R.S §36-550, 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 service of a long term or indefinite duration. In these persons mental disability is severe and persistent, resulting in long term limitation of their functional capacities for primary activities of daily living such as interpersonal relationships, homemaking, self-care, employment and recreation.

"Service Provider" means an organization or behavioral health professional who meets the criteria established in this contract, has a contract with ADHS/DBHS or a subcontractor, AHCCCS Health Plan, Program Contractor or Tribal Government, as applicable, and is registered with AHCCCS to provide behavioral health services.

"Services" means covered behavioral health services.

"SMI" means Serious Mental Illness.

"Special Health Care Needs" means members with special health care needs are those members who have serious and chronic physical, developmental or behavioral conditions, and who also require medically necessary health and related services of a type or amount beyond that required by members generally.

"State" means the State of Arizona and Department or Agency of the State that executes the contract.

"State Fiscal Year" means the period beginning with July 1 and ending June 30.

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

"Statistical Significance" means a mathematical measure of change within the sample population, when the sample population is large enough to be considered representative of the overall population. The change is said to be statistically significant if it is greater than what might be expected to happen by chance alone. The mathematical threshold is a statistically significant change would occur less than 5% of the time by chance alone.

"Subcontract" means any Contract, express or implied, between the Contractor and another party or between a subcontractor and another party delegating or assigning, in whole or in part, the making or furnishing of any material or any service required for the performance of the Contract.

"Subcontractor" means any third party under contract with the Contractor, in a manner conforming to the ADHS/DBHS requirements.

"Substance Abuse Adults" means a classification of adults age eighteen and older who have a substance use disorder and have not been determined to have a serious mental illness.

"Substance Use Disorders" means a range of conditions that vary in severity over time, from problematic, short-term use/abuse of substances to severe and chronic disorders requiring long-term and sustained treatment and recovery management.

"Support Services" means covered services as defined the ADHS/DBHS Covered Behavioral Health Services Guide.

"T/RBHA" describes both a RBHA and Tribal RBHA.

"Team" means a group of individuals working in collaboration who are actively involved in a person's assessment, service planning and service delivery. At a minimum, the team consists of the person, family members as appropriate in the case of children and a qualified behavioral health clinician. As applicable, the team would also include representatives from other state agencies, clergy, other relevant practitioners involved with the person and any other individuals requested by the person.

"Third Party" means an individual, entity or program that is or may be liable to pay all or part of the medical cost of injury, disease or disability of an AHCCCS applicant or member as defined in R9-22-1001.

"*Third Party Liability*" means the resources available from a person or entity that is, or may be, by agreement, circumstances or otherwise liable to pay all or part of the medical expenses incurred by 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 which is administered by the AHCCCS.

"*Title XIX Covered Services"* means those covered services identified in the ADHS/DBHS 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, and Title XIX Waiver Groups, Medicare Cost Sharing groups, Breast and Cervical Cancer Treatment Program and Freedom to Work.

"Title XIX Waiver Member" means all Medical Expense Deduction (MED) members, and adults or childless couples at or below one hundred percent (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 and are eligible for MED.

"Title XXI" means Title XXI of the Social Security Act known as the State Children's Health Insurance Program (SCHIP) or KidsCare Plan in Arizona. Title XXI provides funds to States to enable them to initiate and expand the provision of child health assistance to uninsured, low-income children.

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

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

"Title XXI Member" means a person 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 the SCHIP is referred to as KidsCare.

"Treatment" means the range of behavioral health care received by a behavioral health recipient 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 Liaison" means the single point of contact regarding delivery of behavioral health services to American Indian members.

"Tribal RBHA" means an American Indian tribe that has an IGA with ADHS/DBHS to coordinate the delivery of behavioral health services to members of a federally recognized Tribal Nation.

ACRONYMS
CONTRACT NO: HP032097

Acronym List	
Acronym	**Definition**
A.A.C	Arizona Administrative Code
A.R.S	Arizona Revised Statues
ACOM	Arizona Healthcare Cost Containment System Contractor Operational Manual
ADA	Americans with Disabilities Act
ADE	Arizona Department of Education
ADES/CPS	Arizona Department of Economic Security, Child Protective Services
ADES/RSA	Arizona Department of Economic Security Rehabilitation Services Administration
ADES/DCYF	Arizona Department of Economic Security, Division of Children, Youth and Families
ADHS	Arizona Department of Health Services
ADHS/DBHS	Arizona Department of Health Services/Division of Behavioral Health
ADJC	Arizona Department of Juvenile Correction
ADOC	Arizona Department of Corrections
ADOH	Arizona Department of Housing
AHCCCS	Arizona Healthcare Cost Containment System
ALTCS	Arizona Long Term Care System
AMPM	Arizona Healthcare Cost Containment System Medical Policy Manual
ASAM	American Society of Addiction Medicine
ASDB	Arizona State Schools for the Deaf and Blind
ASIST	Applied Suicide Intervention Skills Training
AzEIP	Arizona Early Intervention Program
BHP	Behavioral Health Professional
CAP	Corrective Action Plan
CCO	Chief Clinical Officer
CCP	Cultural Competency Plan
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CFR	Code of Federal Regulations
CFT	Child Family Team
CIS	Client Information System
CLAS	National Culturally Linguistically and Appropriate Service Standards
CLEAR	Council on Licensure, Enforcement and Regulation
CLIA	Clinical Laboratory Improvement Amendments
CMHS	Community Mental Health Services
CMO	Chief Medical Officer
CMS	Center for Medicare and Medicaid Services
CPHQ	Certified Professional in Healthcare Quality
CPR	Cardio Pulmonary Resuscitation Certification
CSA	Community Services Agency
DASIS	Drug and Alcohol Services Information System

ACRONYMS
CONTRACT NO: HP032097

Acronym List	
Acronym	**Definition**
DBHS	Division of Behavioral Health
DDD	Division of Developmental Disabilities
DES	Arizona Department of Economic Security
DIG	Data Infrastructure Grants
DRA	Deficit Reduction Act of 2005
DUI	Driving Under the Influence
EMS	Emergency Medical Services
EPLS	Excluded Provider List System
F.I.R.S.T.	Families in Recovery Succeeding Together
FTP	File Transfer Protocol
GAAP	Generally Accepted Accounting Principles
GAAS	Generally Accepted Auditing Standards
GMH	General Mental Health Adults
GSA	Geographical Service Area
HB 2003	House Bill 2003
HCTC	Home Care Training to Home Care Client
HHS	Health and Human Services
HIE	Health Information Exchange
HIPAA	Health Insurance Portability and Accountability Act
HIV	Human Immunodeficiency Virus
HMIS	Homeless Management Information System
HRC	Human Rights Committees
HUD	Housing and Urban Development
ID	Identification
IDEA	Individuals with Disabilities Act
IGA	Intergovernmental Agreement
IHS	Indian Health Services,
IMD	Institution for Mental Disease
ISA	Inter-Service Agreements
ISP	Individual Service Plan
IVR	Medicaid Eligibility Verification Service
LEIE	List of Excluded Individuals/Entities
LEP	Limited English Proficiency
MCE	Medical Care Evaluation
MEVS	Medicaid Eligibility Verification Service
MIS	Management Information System
MM/UM	Medical Management Utilization Management
MPS	Minimum Performance Standard
NACHA	National Automated Clearing House Association
OHR	Office of Human Rights

ACRONYMS
CONTRACT NO: HP032097

Acronym List	
Acronym	**Definition**
NPI	National Provider Identifier
OIG	Office of Inspector General
OMB	Office of Management and Budget
OPI	Office Program Integrity
PASRR	Pre-Admission Screening and Resident Review
PATH	Project for Assistance in Transition from Homelessness
PCP	Primary Care Physician
PDSA	Plan Do Study Act
PHA	Public Housing Authorities
PIP	Performance Improvement Plan, Process or Projects
PMMIS	AHCCCS Prepaid Medical Management Information System
QM	Quality Management
QOC	Quality of Care Concerns
RBHA	Regional Behavioral Health Authority
RFP	Request for Proposals
RSA	Rehabilitation Services Administration
RTC	Residential Treatment Center
SA	Substance Abuse
SAMHSA	Substance Abuse and Mental Health Services Administration
SAPT	Substance Abuse Prevention and Treatment
SED	Seriously Emotional Disturbance
SMI	Serious Mental Illness
SSI-MAO	Social Security Income Management Administration Office
SSL	Secure Sockets Layer
TDD	Telecommunications Device for the Deaf
TRBHA	Tribal Regional Behavioral Health Authority
UR	Utilization Review
ZIP	Zone Improvement Plan

SCOPE OF WORK
CONTRACT NO: HP032097

A. PURPOSE

1. The purpose of this Contract is for the Arizona Department of Health Services/Division of Behavioral Health Services (ADHS/DBHS) to contract with organizations to become the Regional Behavioral Health Authority (RBHA) to administer integrated managed behavioral health care in the specified geographic service areas.

B. GEOGRAPHICAL SERVICE AREA (GSA)

The Contractor shall

1. Administer managed care behavioral health delivery systems in the designated GSA defined by geographic service area(s) pursuant to its awarded contract. The requirements stated herein are applicable to the ZIP codes. A GSA is not specifically defined by the county. Each GSA roughly corresponds to the counties and may not perfectly align with the county lines. The five (5) GSA's and the counties that generally correspond to the GSA are as follow:

GSA	Counties
1	Apache, Coconino, Mohave, Navajo, Yavapai
2	La Paz, Yuma
3	Cochise, Graham, Greenlee, Santa Cruz
4	Gila, Pinal
5	Pima

GSA 1

GSA 1 ZIP CODES										
85920	86506	86556	86038	86402	86434	85912	85926	86301	86326	86343
85924	86507	85931	86040	86403	86436	85923	85941	86302	86327	
85925	86508	86001	86046	86404	86438	85928	85943	86303	86329	
85927	86509	86002	86052	86405	86439	85929	86030	86304	86330	
85932	86511	86003	86339	86406	86440	85933	86031	86305	86331	
85936	86514	86004	86351	86409	86441	85934	86033	86312	86332	
85938	86515	86011	86020	86411	86442	85935	86034	86313	86333	
85940	86520	86015	86035	86413	86443	85937	86039	86314	86334	
86028	86535	86016	86044	86426	86444	85939	86042	86315	86335	
86502	86538	86017	86045	86427	86445	85942	86043	86320	86336	
86512	86540	86018	86053	86429	86446	86025	86054	86321	86337	
85930	86544	86022	86435	86430	86412	86029	86510	86322	86338	
86503	86545	86023	85360	86431	86437	86032	85324	86323	86340	
86504	86547	86024	86021	86432	85901	86047	85332	86324	86341	
86505	86549	86036	86401	86433	85902	85911	85362	86325	86342	

GSA 2

GSA 2 ZIP CODES										
85325	85334	85346	85357	85371	85336	85349	85352	85364	85366	85369
85328	85344	85348	85359	85333	85347	85350	85356	85365	85367	

GSA 3

GSA 3 ZIP CODES										
85602	85608	85616	85627	85638	85670	85543	85530	85611	85640	
85603	85609	85617	85630	85643	85671	85546	85533	85621	85645	
85605	85610	85620	85632	85644	85531	85548	85534	85624	85646	
85606	85613	85625	85635	85650	85535	85551	85540	85628	85648	
85607	85615	85626	85636	85655	85536	85552	85922	85637	85662	

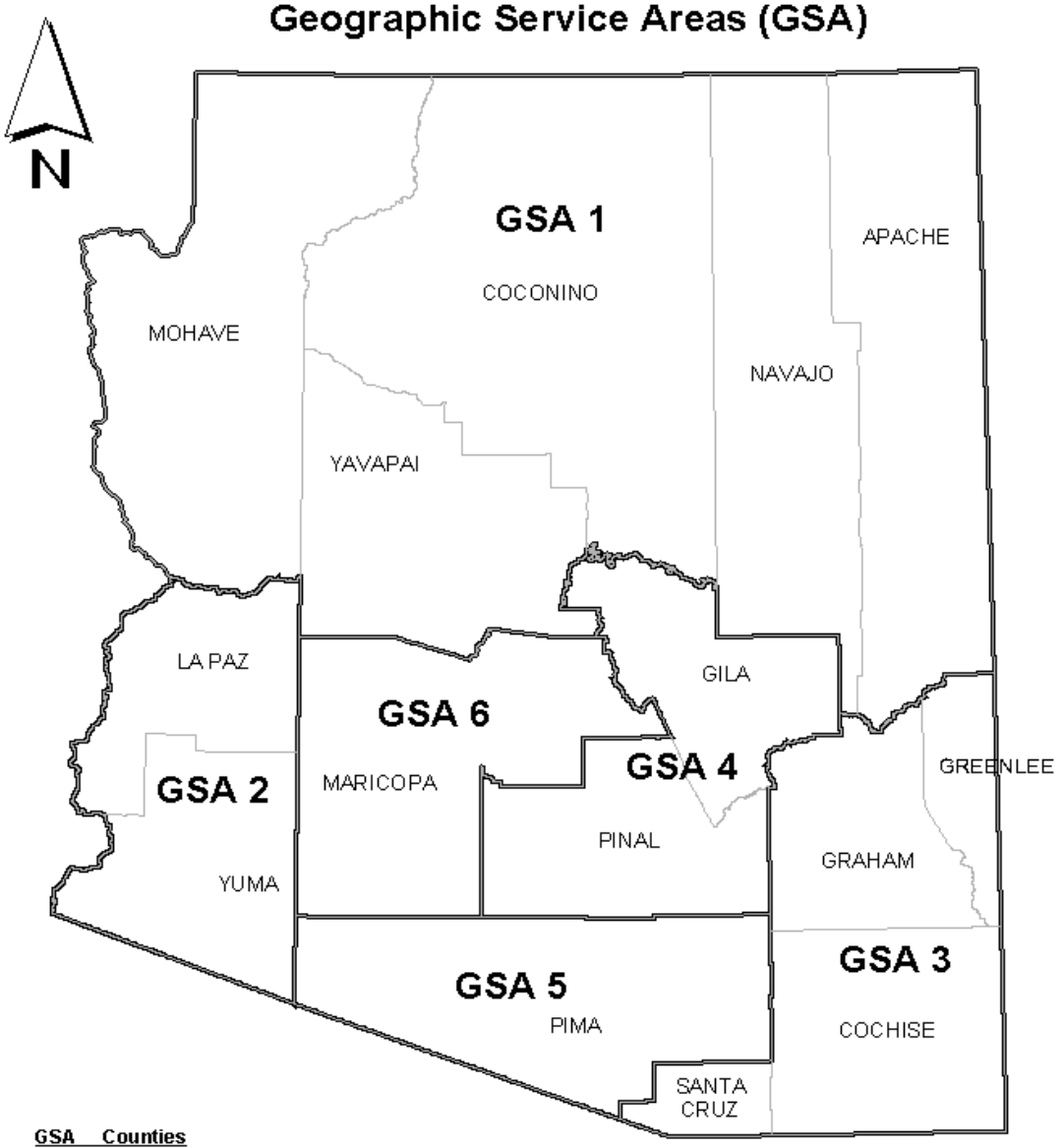
GSA 4

GSA 4 ZIP CODES										
85192	85539	85554	85122	85137	85173	85218	85231	85245	85293	85147
85235	85541	85542	85123	85138	85178	85219	85232	85272	85294	85221
85292	85544	85550	85128	85139	85191	85222	85237	85273	85618	85247
85501	85545	85117	85130	85141	85193	85223	85238	85278	85623	85135
85502	85547	85118	85131	85145	85194	85228	85239	85279	85631	
85532	85553	85119	85132	85172	85217	85230	85241	85291	85121	

GSA 5

GSA 5 ZIP CODES										
85321	85633	85702	85709	85716	85723	85732	85739	85746	85754	85757
85341	85641	85703	85710	85717	85724	85733	85740	85747	85755	
85601	85652	85704	85711	85718	85725	85734	85741	85748	85756	
85614	85653	85705	85712	85719	85726	85735	85742	85749	85775	
85619	85654	85706	85713	85720	85728	85736	85743	85750	85777	
85622	85658	85707	85714	85721	85730	85737	85744	85751	85634	
85629	85701	85708	85715	85722	85731	85738	85745	85752	85639	

Arizona Department of Health Services
Division of Behavioral Health Services
Geographic Service Areas (GSA)



GSA	Counties
GSA 1	Apache, Coconino, Mohave, Navajo, Yavapai
GSA 2	La Paz, Yuma
GSA 3	Cochise, Graham, Greenlee, Santa Cruz
GSA 4	Gila, Pinal
GSA 5	Pima
GSA 6	Maricopa (not included in this solicitation)

C. BACKGROUND

1. The Arizona Health Care Cost Containment System (AHCCCS) is the single State agency that administers the Medicaid program for Title XIX and Title XXI eligible members including behavioral health service benefits. AHCCCS contracts with the Arizona Department of Health Services (ADHS) to administer Arizona's behavioral health programs and services for children, adults and their families. ADHS contracts with RBHAs to coordinate the delivery of behavioral health services in designated GSAs. In addition to the Medicaid funds, ADHS also receives additional funds through other Federal, State and local grants and appropriations.

2. ADHS currently contracts with four (4) RBHAs to administer integrated managed behavioral health care in six (6) GSAs throughout Arizona. ADHS also has intergovernmental agreements (IGAs) with five (5) Federally recognized Tribal Nations to deliver behavioral health services to eligible members in Gila River, Pascua Yaqui, White Mountain Apache, Navajo Nation and Colorado River Indian Tribes.

D. SCOPE OF SERVICES OVERVIEW

1. SCOPE OF SERVICES REQUIREMENTS

The Contractor shall:

1.1 Be responsible for the provision of all medically necessary covered behavioral health services described in this Contract in accordance with applicable federal, state and local laws, rules, regulations and policies, and applicable documents incorporated by reference.

1.2 Distribute all policies, procedures, protocols and guidance documents to all subcontractors, through web postings or hard copy.

1.3 Provide technical assistance to subcontractors, on covered services, encounter submissions, and documentation requirements on an as needed basis.

1.4 Provide services described in the ADHS Covered Behavioral Health Services Guide, ADHS Provider Manual, ADHS Policy and Procedure Manual, AHCCCS Rules 9 A.A.C.22, Articles 2 and 12, and 9 A.A.C.31, Article 12, the AHCCCS Behavioral Health Services Guide, and the AHCCCS Medical Policy Manual (AMPM), all of which are incorporated herein by reference.

1.5 Provide medically necessary covered behavioral health services delivered by appropriately licensed or certified providers, registered with AHCCCS and operating within their scope of practice.

1.6 Provide covered behavioral health services that are sufficient in amount, duration and scope to reasonably be expected to achieve the purpose for which the services are furnished. Medically necessary 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 capacity.

1.7 Not arbitrarily deny or reduce the amount, duration, or scope of a required behavioral health service solely because of the diagnosis, type of illness, or condition.

The Contractor may:

1.8 Place appropriate limits on a service on the basis of criteria such as medical necessity, or for utilization control, provided the services furnished can reasonably be expected to achieve their purpose [42 CFR 438.210(a)(1),(3),and (4)].

2. COVERED SERVICES

The Contractor shall:

2.1 Provide covered services in accordance with this contract.

2.2 Provide covered services in accordance with the ADHS Covered Behavioral Health Services Guide. Covered services include:

2.2.1 Treatment Services,

2.2.2 Rehabilitation Services,

2.2.3 Medical Services,

2.2.4 Support Services,

2.2.5 Crisis Intervention Services,

2.2.6 Inpatient Services,

2.2.7 Residential Services,

2.2.8 Behavioral health Day Programs, and

2.2.9 Prevention

2.3 Pay charges for covered services provided for Title XIX/XXI enrolled persons, under the age of twenty-one (21) and over sixty-four (64) years of age, in the same manner as other covered services rendered to Title XIX/XXI eligible persons. Pay charges for covered services for Title XIX/XXI enrolled persons age twenty-one (21) through sixty-four (64) subject to the Title XIX Institution for Mental Disease (IMD) benefit limitations in accordance with the ADHS/DBHS Covered Behavioral Health Services Guide and ADHS/DBHS Policy and Procedures Manual.

2.4 Notify ADHS if, on the basis of moral or religious grounds, the Contractor or a subcontractor elects not to provide, reimburse for, or provide coverage of a covered counseling or referral service pursuant to 42 CFR 438.102(a)(2). If the Contractor or any of its subcontractors elects not to provide, reimburse for, or provide coverage of a covered counseling or referral service pursuant to 42 CFR 438.102(a)(2), Contractor shall require its subcontractor to make alternative arrangements with another entity to provide the service.

2.5 Notify ADHS prior to entering into a contract or adopting a policy as described in 2.4 above during the term of this contract. The notification and policy must be consistent with the provisions of 42 CFR 438.10; must be provided to members during their initial appointment; and must be provided to members at least thirty (30) days prior to the effective date of the policy.

2.6 Make available all covered behavioral health services to all Title XIX/XXI eligible American Indians, whether they live on or off reservation. Eligible American Indian members may choose to receive services through a RBHA, TRBHA or at an IHS or 638 tribal providers.

2.7 Cover costs of emergency services and medically necessary behavioral health services for eligible American Indian members when members are referred off reservation and services are rendered at non-IHS facilities. The Contractor has no responsibility for payment for medically necessary behavioral health services provided at an IHS or 638 facilities even if the member is enrolled with the Contractor. AHCCCS is responsible for these payments except Title XXI eligible members.

2.8 Work in collaboration with the tribes in the Contractor's GSA to ensure that appropriate and accessible behavioral health services are available.

2.9 Provide medically necessary covered behavioral health services to eligible American Indians through agreements with tribes, IHS facilities, and other providers of behavioral health services. Contractor may serve eligible American Indians on reservation with agreement from the tribe.

E. CONTRACT REQUIREMENTS

1. In partnership with ADHS, the Contractor shall deliver Covered Services that incorporates the Arizona System Principles for Delivery of Behavioral Health Services:

   1.1 Easy Access to Care.

   1.2 Member and Family Involvement.

   1.3 Collaborate with the Greater Community.

   1.4 Effective Innovation utilizing Peer Support and Best Practices.

   1.5 Expectation for Improvement.

   1.6 Cultural Diverse Services.

2. Contractor shall deliver Covered Services consistent with the ADHS/DBHS Vision, Mission, and Values.

   2.1 VISION: All Arizona residents touched by the public behavioral health system are easily able to access high quality prevention, support, rehabilitation and treatment services that have resiliency and recovery principles at their core, which assist them in achieving their unique goals for a desired quality of life in their homes and communities.

   2.2 MISSION: The mission of the Arizona Department of Health Services, Division of Behavioral (ADHS/DBHS) Health Services is to provide strong clinical and administrative leadership for Arizona that:

      2.2.1 Recognizes and promotes behavioral health as an integral factor in overall health and wellness;

      2.2.2 Promotes innovative, high-quality, culturally responsive, outcome-based services provided to a diverse population who may face multiple challenges;

      2.2.3 Promotes and fosters recovery, independence and empowerment;

      2.2.4 Increases meaningful peer and family voice and involvement;

      2.2.5 Emphasizes the importance of accountability for the timeliness and quality of services provided;

      2.2.6 Emphasizes the importance of accountability for the responsible use of finite financial resources;

      2.2.7 Attracts and retains a caring and highly competent workforce;

      2.2.8 Delivers superior customer service; and

      2.2.9 Facilitates ongoing and effective clinical supervision for the workforce in the community.

   2.3 VALUES

      2.3.1 Integrity and Honesty;

      2.3.2 Collaboration and Communication;

      2.3.3 Responsibility;

      2.3.4 Respect and Empowerment;

      2.3.5 Quality;

      2.3.6 Accountability and Responsiveness;

2.3.7 Diversity; and

2.3.8 Credibility and Competency.

3. Covered Services for American Indians

3.1 SERVICES TO AMERICAN INDIAN MEMBERS

The Contractor shall:

3.1.1 Provide access to all covered behavioral health services to all Title XIX/XXI eligible American Indians within the GSA, whether they live on or off the reservation.

3.1.2 Make available all covered behavioral health services to all Title XIX/XXI eligible American Indians, whether they live on or off reservation. Eligible American Indian members may choose to receive services through a RBHA, TRBHA or at an IHS or from 638 tribal providers.

3.1.3 Cover costs of emergency services and medically necessary behavioral health services for eligible American Indian members when members are referred off reservation and services are rendered at non-IHS facilities. The Contractor has no responsibility for payment for medically necessary behavioral health services provided at an IHS or 638 facilities to its members. AHCCCS is responsible for these payments except Title XXI eligible members.

3.1.4 Not pay for medically necessary transportation (both emergent and non-emergent) when an American Indian T/RBHA member is enrolled in the AHCCCS American Indian Health Plan (AIHP) and the diagnosis code on the claim is unspecified (799.9). These claims are the responsibility of AHCCCS. AHCCCS requires prior authorization for non-emergency medical transportation claims when the mileage is over 100 miles, and will be responsible for the prior authorization requests. Claims that meet medical necessity and have been prior authorized, if applicable, will be paid for by AHCCCS.

3.1.5 Provide medically necessary covered behavioral health services to eligible American Indians through agreements with tribes, IHS facilities, and other providers of behavioral health services. Contractor may serve eligible American Indians on reservation with agreement from the tribe.

3.1.6 Develop and maintain a network of providers that can deliver culturally appropriate behavioral health services to American Indian members.

3.1.7 Allow American Indian members the choice to receive behavioral health services from a RBHA, TRBHA; or at an IHS or 638 tribal providers.

3.2 COLLABORATION WITH TRIBAL NATIONS

The Contractor shall:

3.2.1 Consult with each Tribal Nation within the GSA to ensure availability of appropriate and accessible behavioral health services.

3.2.2 Coordinate eligibility and service delivery with IHS facilities and 638 provider facilities owned and operated by an American Indian Tribe and authorized to provide services pursuant to Public Law 93-638, as amended.

3.2.3 Participate at least annually in behavioral health meetings or forums with the IHS, the Veterans Administration, 638 tribal providers and behavioral health providers that serve American Indian members.

3.2.4 Communicate and collaborate with the Tribal, County and State behavioral health service delivery and legal systems and with the Tribal and IHS behavioral health providers to coordinate the involuntary commitment process for American Indian members.

4. Cultural Competency Requirements

4.1 CULTURAL COMPETENCY

The Contractor shall:

4.1.1 Create and implement a comprehensive cultural competency program and describe in a written Cultural Competency Plan (CCP) how care and services will be delivered in a culturally competent manner.

4.1.2 Have a full time Cultural Sensitivity Administrator responsible for:

4.1.2.1 Contractor's CCP;

4.1.2.2 Implementation and oversight of the ADHS Cultural Competency Plan; and

4.1.2.3 Implementation and oversight of ADHS Cultural Competency Policies and Procedures and the ADHS Provider Manual Section 3.23 *Cultural Competence.*

4.1.3 Provide cultural competency information to members, including notification about Title VI of the Civil Rights Act of 1964, Prohibition against National Origin Discrimination.

4.1.4 Inform subcontractors and providers how to access interpretation services to assist members who speak a language other than English or who use sign language.

4.1.5 Develop and maintain an orientation and training program that includes specific methods to train its staff to effectively provide services to members of all cultures. Mandatory training topics include Cultural Competency standards, National Culturally Linguistically and Appropriate Service Standards (CLAS) and Limited English Proficiency (LEP). Contractor's orientation and training must be customized for staff based on the relationships and contact they have with culturally diverse providers, members or stakeholders.

4.1.6 Develop, maintain and implement a training program for its staff, subcontractors and providers with direct member contact to deliver culturally competent services. Training shall be designed to make providers and subcontractors aware of the importance of providing services in a culturally competent manner and teach culturally appropriate skills for responding to the individual needs of members and their families.

4.1.7 Maintain a sufficient number of accessible qualified oral interpreters and bilingual staff, and licensed sign language interpreters to deliver oral interpretation, translation, sign language, disability related services, provide auxiliary aids and alternative formats.

4.1.8 Subcontract with a sufficient number of providers to deliver sign language, translation and interpretation services.

4.1.9 Monitor providers for the effective delivery of culturally competent covered behavioral health services in accordance with this Contract and the Cultural Competence requirements referenced in the Provider Manual Section 3.23 *Cultural Competence*.

4.2 CULTURAL COMPENTENCY PLAN (CCP)

The Contractor shall:

4.2.1 Create and implement a CCP that contains the following requirements:

4.2.1.1 An outcome based format including expected results, measurable outcomes and outputs;

4.2.1.2 An effectiveness assessment of current services provided in the GSA that focuses on culturally competent care in evaluating the network, outreach services and other programs to improve accessibility and quality of care;

4.2.1.3 Data and the data sources utilized to determine goals and objectives;

4.2.1.4 Strategies to deliver services in a culturally competent manner, including methods for evaluating the cultural diversity of its membership and to assess needs and priorities in order to continually improve provision of culturally competent care; and

4.2.1.5 Methods to deliver linguistic and disability-related services by proficient and skilled personnel.

4.2.2 The Contractor shall provide translation services in the following manner:

4.2.2.1 Translate all member informational materials when a language other than English is spoken by 3,000 individuals or ten percent (10%), whichever is less, of members in a geographic area who also have LEP; and

4.2.2.2 Translate all vital material when a language other than English is spoken by 1,000 or five percent (5%) (Whichever is less) of members in a geographic area who also have LEP [42 CFR 438.10(c)(3)].

4.2.3 Require vital materials to include, at a minimum, notices for denials, reductions, suspensions or terminations of services; consent forms; communications requiring a response from the member; informed consent and all grievance, appeal and request for state fair hearing information included in the Provider Manual Section 5.1 *Notice Requirements and Appeal Process for Title XIX/XXI Eligible Persons and Section 5.5 Notice and Appeal Requirements (SMI and Non-SMI/Non-Title XIX/XXI)* [42 CFR 438.404(a) and 42 CFR 438.10(c)].

4.3 CULTURAL COMPETENCY PERIODIC REPORTING

The Contractor shall:

4.3.1 Annually evaluate the Cultural Competency Plan for effectiveness and submit a copy of the evaluation to ADHS fifteen (15) days after each Contract year.

4.3.2 Submit the Annual Cultural Competency Plan to ADHS no later than fifteen (15) days after each Contract year. This plan should address all provider types and types of staff delivering behavioral health services [42 CFR 438.206(c) (2)].

4.3.3 Submit a Cultural Competency and Workforce Development Report on a quarterly basis due thirty (30) days after the quarter end.

4.3.4 Submit Language Services Report semi-annually on, January 30th and July 30th.

5. Eligibility Requirements

5.1 DELIVERY OF SERVICES TO POPULATIONS

The Contractor shall:

5.1.1 Be responsible for delivering covered behavioral health services to the following populations:

5.1.1.1 Title XIX/XXI eligible children and adults; and

5.1.2.1 Non-Title XIX and Non-XXI persons in the following five populations:

5.1.2.1.1 Persons determined to have a Serious Mental Illness (SMI);

5.1.2.1.2 General Mental Health Adults (GMH) who are adult persons age eighteen (18) and older who have general behavioral health issues and have not been determined to have a SMI, subject to available funding and allocated to the Contractor;

5.1.2.1.3 Substance Abuse Adults (SA) who are adult persons age eighteen (18) and older who have a substance abuse disorder, are a member of a priority population under the Substance Abuse Prevention and Treatment (SAPT) Block Grant, or are referred for DUI screening, education and treatment, and have not been determined to have a SMI, subject to available funding and allocated to the Contractor;

5.1.2.1.4 Non-Title XIX/XXI Children through the age of seventeen (17) who are in need of behavioral health services subject to available funding and allocated to the Contractor;

5.1.2.1.5 Prevention Participants, defined as any child or adult who participates in prevention programs provided by the Contractor subject to available funding and allocated to the Contractor; and

5.1.2.1.6 All Title XIX/XXI eligible American Indians, whether they live on or off reservation. Eligible American Indian members may choose to receive services through a RBHA, TRBHA or at an IHS or 638 tribal providers.

5.2 ELIGIBILITY DETERMINATION

The Contractor shall:

5.2.1 Access Title XIX/XXI eligibility information electronically in accordance with the Provider Manual Section 3.1 *Eligibility Screening for AHCCCS Health Insurance, Medicare Part D Prescription Drug Coverage, and the Limited Income Subsidy Program* including web based inquiries.

5.2.2 Access the AHCCCS Prepaid Medical Management Information System (PMMIS) to determine Title XIX/XXI eligibility and AHCCCS Health Plan enrollment information.

5.2.3 Collaborate with ADHS to receive technical assistance, log on clearance and training regarding the use and interpretation of the PMMIS data screens.

5.2.4 Conduct SMI Eligibility Determinations in accordance with the SMI Eligibility Determination policy requirements in the Provider Manual Section 3.10 *SMI Eligibility Determination*.

6. Eligibility and Member Verification Requirements

6.1 ELIGIBILITY AND MEMBER VERIFICATION

The Contractor shall:

6.1.1 Verify the Title XIX/XXI eligibility status for persons referred for behavioral health services.

6.1.2 Coordinate with AHCCCS acute care Contractors, PCPs, ALTCS Contractors, service providers, subcontractors and eligible persons to share specific information to determine eligibility for Title XIX /XXI services and behavioral health coverage.

6.1.3 Notify ADHS of a member's death, incarceration or relocation out-of-state that may affect a member's eligibility status.

6.1.4 Utilize one (1) or more of the following systems to verify eligibility twenty-four (24) hours a day, seven (7) days a week:

6.1.4.1 AHCCCS' web-based verification;

6.1.4.2 AHCCCS' contracted Medicaid Eligibility Verification Service (MEVS); and

6.1.4.3 AHCCCS' Interactive Voice Response (IVR) system.

6.1.5 Prior to billing and before attempting to collect fees from a member in accordance with the Provider Manual Section 3.4 *Co-payments*, verify that a person claiming to be AHCCCS eligible is ineligible for AHCCCS on the date of service, or that services provided were not covered services. The Contractor is required to apply copayments for AHCCCS members in accordance with AHCCCS policy and directives. Most AHCCCS members remain exempt from copayments while others are subject to an optional copayment. Those populations exempt or subject to optional copayments may not be denied services for the inability to pay the copayment [42 CFR 438.108].

7. Network Requirements

7.1 PROVIDER NETWORK

7.1.1 Provider Network Development

The Contractor shall:

7.1.1.1 Develop and maintain a network of providers that is sufficient in size, scope and types of providers to deliver all covered behavioral health services and satisfy all the service delivery requirements in this contract, the Provider Manual, the Behavioral Health Covered Services Guide, the requirement of the Substance Abuse Prevention and Treatment Block Grant and other documents incorporated by reference on Attachment B [42 CFR 438.206].

7.1.1.2 Develop and maintain a network of providers to deliver culturally and linguistically appropriate services, in-home and community-based services for the American Indian members and other culturally diverse populations.

7.1.1.3 In developing a network, at a minimum utilize the following:

7.1.1.3.1 The number of current and anticipated Title XIX/XXI eligible members;

7.1.1.3.2 The number of current and anticipated Non-Title XIX SMI eligible members;

7.1.1.3.3 The number of current and anticipated non-SMI, Non-Title XIX/XXI members;

7.1.1.3.4 Current and anticipated utilization of services;

7.1.1.3.5 Cultural and linguistic needs of members considering the prevalent language(s), including sign language, spoken by populations in the geographic service area. [42 CFR 432.10(c)];

7.1.1.3.6 The number of network providers not accepting new referrals;

7.1.1.3.7 The geographic location of providers and their proximity to members, considering distance, travel time, the means of available transportation and access for persons with disabilities;

7.1.1.3.8 Member Satisfaction Survey data;

7.1.1.3.9 Complaint, grievance and appeal data;

7.1.1.3.10 Issues, concerns and requests brought forth by other state agency personnel that have involvement with persons covered under this contract; and

7.1.1.3.11 Demographic data.

7.1.1.4 Develop and maintain a network that:

7.1.1.4.1 Responds to referrals twenty-four (24) hours per day, seven (7) days per week [42 CFR 438.206(c)(1)(iii)];

7.1.1.4.2 Responds to routine, immediate, and urgent needs within the timeframes in the Provider Manual Section 3.2 *Appointment Standards and Timeliness of Services*[42 CFR 438.206(c)(1)(i)];

7.1.1.5 Develop and maintain a network that provides emergency care on a twenty-four (24) hours a day, seven (7) days a week basis [42 CFR 438.206(c)(1)(iii)] and that provides timely accessibility for routine and emergency services for Title XIX/XXI members [42 CFR 438.206(c)(1)(i)];

7.1.1.6 Develop and maintain a network with providers that offer evening or weekend access to appointments [42 CFR 438.206(c)(1)(ii)];

7.1.1.7 Develop and maintain a network that delivers services, including crisis telephone services, in the member's primary or preferred language or when the preferred language is a rare language spoken in the geographic service area, deliver services using qualified interpreters;

7.1.1.8 Develop and maintain a network of trained family members of peer and family support specialists;

7.1.1.9 Develop and maintain a network that includes the Arizona State Hospital;

7.1.1.10 Pay charges for covered services provided by or at the Arizona State Hospital for Title XIX/XXI enrolled persons, under the age of 21 and over 64 years of age, in the same manner as other covered services rendered to Title XIX/XXI eligible persons, subject to the Title XIX Institution for Mental Disease (IMD) benefit limitations in accordance with the Covered Behavioral Health Services Guide and Policy and Procedures Manual;

7.1.1.11 Develop and maintain a network of providers that delivers twenty-four (24) hour substance use disorder/psychiatric crisis stabilization services;

7.1.1.12 Develop and maintain a network with providers co-located at ADES/CPS offices or has another written agreement with ADES/CPS, in lieu of co-location;

7.1.1.13 Develop and maintain a network that offers members a choice of providers and complies with enrollment/disenrollment procedures in the Provider Manual Section 3.8 Outreach, *Engagement, Re-engagement and Closure*;

7.1.1.14 Develop and maintain a network with same providers that have the ability to deliver services to children and adults so that members reaching the age of majority are provided continuity of care without service disruptions or mandatory changes in service providers;

7.1.1.15 Develop and maintain a network that has both consumer and family operated organizations as service providers;

7.1.1.16 Develop and maintain a network that has providers with specialized behavioral health competencies to deliver services to children, adolescents and adults with developmental or cognitive disabilities; sexual offenders; sexual abuse trauma victims; individuals with substance use disorders; individuals in need of dialectical behavior therapy; and infants and toddlers under the age of five (5) years [42 CFR 438.214(c)];

7.1.1.17 Develop and implement an Annual Children's System of Care Plan that incorporates the goals and objectives of ADHS; and

7.1.1.18 Develop and implement an Annual Adult System of Care Plan that incorporates the goals and objectives of ADHS.

7.1.2 Network Management

The Contractor shall:

7.1.2.1 Have a sufficient number of qualified staff to manage the network. Unless approved in advance by ADHS, the Contractor shall not delegate the function of network management, network reporting and assurance of network sufficiency except for credentialing of providers.

7.1.2.2 Monitor providers to demonstrate that the network is sufficient in size, scope and types of providers to deliver all covered behavioral health services and satisfy all the service delivery requirements in accordance with the terms of this Contract, the Provider Manual, the Behavioral Health Covered Services Guide, the requirement of the Substance Abuse Prevention and Treatment Block Grant and other documents incorporated by reference. [42 CFR 438.206(1)(iv)].

7.1.2.3 Monitor providers, to deliver services within the lawful scope of practice.

7.1.2.4 Eliminate barriers that prohibit or restrict advocacy for:

7.1.2.4.1 The member's health status, medical care or treatment options, including any alternative treatment that may be self-administered [42 CFR 438.102(a)(1)(i)];

7.1.2.4.2 Any information the member needs in order to decide among all relevant treatment options [42 CFR 438.102(a)(1)(ii)], the risks, benefits, and consequences of treatment or non-treatment [42 CFR 438.102(a)(1)(iii)];

7.1.2.4.3 The member'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 [42 CFR 438.102(a)(1)(iv)];

7.1.2.4.4 All communication regarding the member in regard to the above areas will be clearly documented in the member's medical record as outlined in the Provider Manual Section 4.2 B*ehavioral Health Medical Records Standards.*

7.1.2.5 Monitor retention of providers, including regular technical assistance and support to Community Service Agencies (CSA) and consumer-and family-run organizations.

7.1.2.6 Oversee the provider credentialing process.

7.1.2.7 Monitor the member's distance traveled, location, time scheduled, and member's response to an offered appointment for services.

7.1.2.8 Monitor the status of providers' required license, registration, certification or accreditation in accordance with the ADHS/DBHS Covered Behavioral Health Services Guide or state or federal law, rules and regulations.

7.1.2.9 Utilizing multiple data sources to monitor appointment standards, complaints, grievance and appeals, Title XIX/XXI eligibility utilization of services, penetration rates, member satisfaction surveys, demographic data requirements, to assess further network development needs.

7.1.3 Out of Network Providers

The Contractor shall:

7.1.3.1 If the network is unable to provide timely and adequate services required under this contract, provide timely and adequate coverage of medically necessary covered behavioral health services through an out of network provider when needed until a network provider is available or

contracted in accordance with the Provider Manual Section 3.2 *Appointment Standards and Timeliness of Services* [42 CFR 438.206.b (4-5)].

7.1.4 Assurance of Network Adequacy and Sufficiency

The Contractor shall:

7.1.4.1 Annually submit to ADHS by April 1st an Assurance of Network Adequacy and Sufficiency Report supported by data to demonstrate the adequacy and sufficiency of its provider network. The report shall include an assurance, signed by Contractor's Chief Executive Officer, to verify that its network:

7.1.4.1.1 Offers a full array of covered behavioral health service providers to meet the needs of the actual and anticipated number of Title XIX/XXI members and non-Title XIX persons with SMI in the geographic service area;

7.1.4.1.2 Is sufficient in number, mix, and geographic distribution of providers including crisis providers to meet the accessibility and service needs of the actual and anticipated number of Title XIX/XXI and non-Title XIX SMI persons in the geographic service area;

7.1.4.1.3 Will be maintained, expanded and developed in conformance with the goals and objectives in both the Adult System of Care Plan and the Children's System of Care Plan;

7.1.4.1.4 Will notify ADHS when there is a material network change in operations that affects the provider network or network capacity, including at a minimum:

7.1.4.1.4.1 Changes in Services;

7.1.4.1.4.2 Changes in covered benefits;

7.1.4.1.4.3 Changes in geographic service areas;

7.1.4.1.4.4 Changes in payments; or

7.1.4.1.4.5 Addition of new eligibility populations; and

7.1.4.1.4.6 Change in service capacity to meet the needs of the SAPT Block Grant priority populations.

7.1.5 Notification of Changes To The Network

The Contractor shall:

7.1.5.1 Notify and obtain written approval from ADHS before making any material changes in the size, scope or configuration of the Contractor's provider network that differ from the most recent network inventory.

7.1.5.2 Notify ADHS in writing within one (1) day of knowledge of or anticipation of any unexpected network material change, a network deficiency, any material change to a subcontracted provider's license, certification or registration, or any condition which terminates, suspends or limits a subcontracted provider from effectively participating in the network, including the necessity for transition of members to a different provider. The Contractor shall issue notice in writing to providers denied from participating in the Contractor's network, including a reason for the Contractor's decision [42 CFR 438.12]. The notice to ADHS shall include information on:

7.1.5.2.1 How the change, deficiency or condition affects service delivery;

7.1.5.2.2 The Contractor's plan to minimize disruption to member care, service delivery and for consultation with member treatment teams to discuss the available alternative service delivery options and to revise treatment plans to address changes in services or service providers;

7.1.5.2.3 The Contractor's plan to address the change, deficiency or condition in order to restore the network to full capacity;

7.1.5.2.4 The number of Title XIX/XXI and Non-Title XIX/XXI members affected by the network change, deficiency or condition in each program category; and

7.1.5.2.5 The Contractor's plan to communicate network change, deficiency or condition to members and stakeholders.

7.1.5.3 Upon ADHS request, submit a written plan to transition members affected by the change deficiency or condition to a different provider and to restore the network to full capacity.

7.1.5.4 Document all activities for each member transitioned to a different provider. Documentation shall include: Name, Title XIX/XXI eligibility status, SMI eligibility status, date of birth, program category, description of all services the member receives or will receive, the name of the new provider date and method of member notification, service disruption or termination found or resulting from the transition the date of first appointment and re-engagement activities provided to members who miss their first appointment with the new provider.

7.1.6 Network Periodic Reporting Requirements

The Contractor shall submit to ADHS:

Quarterly Reports:

7.1.6.1 A Children's System of Care Plan Status Update Report due the 15th of the month following the quarter in a format approved by ADHS that contains:

7.1.6.1.1 Progress to date in implementing priority development areas in the Children's System of Care Plan including barriers experienced in implementation and actions to address the barriers.

7.1.6.2 Provider Terminations Due to Rates Report and the DBHS Providers that Diminish Scope of Services or Close their Panel Reports are due on a quarterly basis, 10 days following the end of each quarter.

Semi-Annual Reports:

7.1.6.3 An Adult System of Care Plan Status Update Report in a format approved by ADHS that contains:

7.1.6.3.1 Progress to date in implementing priority development areas in the Adult System of Care Plan Status Update Report including barriers experienced in implementation and actions to address the barriers, in accordance with Attachment A of this Contract.

Annual Reports:

7.1.6.4 Network Analysis and Inventory due April 1st

7.1.6.4.1 Assurance of Network Adequacy and Sufficiency by April 1st signed by the Contractor's Chief Executive Officer.

7.1.6.4.2 The Network Inventory submitted in a format approved by ADHS by April 1st.

7.1.6.4.3 An Analysis of the Children's System of Care and the Adult System of Care subject to ADHS approval by April 1st, that identifies the current status of the network sufficiency at all levels in order to determine network development and address the needs for the upcoming plan and contract year, based on a methodology approved by ADHS. The Analysis for each Plan shall include:

7.1.6.4.3.1 A narrative analysis that describes the provider network sufficiency for services to Title XIX/XXI and Non-Title XIX/XXI SMI members. The analysis shall utilize multiple data sources to monitor appointment standards, complaints, grievance and appeals, Title XIX/XXI eligibility utilization of services, penetration rates, member satisfaction surveys, demographic data requirements, to assess further network development needs;

7.1.6.4.3.2 A description of any material gaps and any barriers in meeting the goals and objectives of the prior year plan and strategies to resolve any material gaps and barriers in network development;

7.1.6.4.3.3 A description of subcontracts for substance abuse prevention and treatment through the SAPT Block Grant utilizing capacity data including wait list management methods for SAPT Block Grant Priority populations;

7.1.6.4.3.4 A list of providers in a format approved by ADHS to be posted on the Contractor's website;

7.1.6.4.3.5 Minimum network standards in a format approved by ADHS including the number of providers, and Contractor's actual accessibility to services, beds or units and not merely the licensed capacity of a provider. The Contractor's minimum network standards shall be subject to ADHS approval; and

7.1.6.4.3.6 Minimum total number of full time equivalent staff that will be working within agencies or operating independently.

7.1.6.4.3.7 A description of providers in each category of covered behavioral health services as identified by ADHS;

7.1.6.4.3.8 A description of specialty behavioral health service providers, including providers with expertise to deliver services to children, adolescents and adults with developmental or cognitive disabilities; sexual offenders; sexual abuse trauma victims; individuals with substance use disorders; individuals in need of dialectical behavior therapy; and infants and toddlers under the age of five (5) years [42 CFR 438.214(c)]; and

7.1.6.4.3.9 A description of peer support providers, family support providers and providers that deliver consumer and family support services.

7.1.6.5 Subject to ADHS approval, an Annual Children's System of Care Plan and Adult System of Care Plan in accordance with Attachment A of this contract that includes the following:

7.1.6.5.1 Specific action steps and measurable outcomes that are aligned with the goals and objectives in each statewide ADHS Annual Children's System of Care Plan and Adult System of Care Plan;

7.1.6.5.2 Each Plan shall address regional needs and incorporate region-wide, network-specific goals and objectives; and

7.1.6.5.3 The Contractor shall align the Plan with ADHS, network expansion goals in the ADHS Children's System of Care Plan and the Adult System of Care Plan. The Contractor shall participate in the Annual Children's and Adult planning process and shall invite family members and other community stakeholders to participate.

Ad Hoc Reports:

7.1.6.6 Notify and obtain written approval from ADHS before making any material changes in the size, scope or configuration of the Contractor's provider network that differ from the most recent network inventory.

7.1.6.7 Notify ADHS in writing within one (1) day of knowledge of or anticipation of any unexpected network material change, a network deficiency, any material change to a subcontracted provider's license, certification or registration, or any condition which terminates, suspends or limits a subcontracted provider from effectively participating in the network, including the necessity for transition of members to a different provider.

7.1.6.8 Upon ADHS request, submit a written plan to transition members affected by the change deficiency or condition to a different provider and to address a network change, deficiency or condition to restore the network to full capacity.

8. Provider Registration Requirements

8.1 PROVIDER REGISTRATION

The Contractor shall:

8.1.1 Require subcontracted providers to have a license, registration, certification or accreditation in accordance with the Covered Behavioral Health Services Guide or other state or federal law and regulations.

8.1.2 Require subcontracted providers to:

8.1.2.1 Register with AHCCCS or ADHS as applicable; and

8.1.2.2 Obtain a unique National Provider Identifier (NPI).

9. Training Requirement

9.1 TRAINING OF CONTRACTOR PERSONNEL, SUBCONTRACTORS AND PROVIDERS

The Contractor shall develop and implement a training program to educate the behavioral health workforce with the knowledge, skill and expertise to improve and strengthen behavioral health practices and increase professional development at all levels. The Contractor shall design the training program to complement the clinical and administrative supervision needs of Contractor staff. The Contractor's training program shall be designed to train Clinical Supervisors to be committed to operationalizing the Arizona Children's Vision and Principles and Guiding Principles for Recovery-Oriented Adult Behavioral Health Services and Systems. The Contractor shall monitor the effectiveness of all trainings. The Contractor shall adjust training content and delivery to increase its efficacy for all persons within the system.

The Contractor's Training Program shall:

9.1.1 Hire a sufficient number of qualified staff and allocate sufficient financial resources to maintain a comprehensive training program to enhance the knowledge and skills of all personnel, qualified service providers, behavioral health recipients, family members (who provide peer support), and other key stakeholder groups. Qualified staff is determined by Contractor to be a subject matter expert in the training topic with ability to effectively facilitate trainings.

9.1.2 Provide training, coaching, modeling, technical assistance and observation to meet the minimum training requirements in the Provider Manual Section 9.1 *Training Requirements*.

9.1.3 Have processes to identify the training needs of its personnel, service providers, behavioral health recipients and family members and provide effective trainings, orientation, and technical assistance.

9.1.4 Seek input from and include members and family members in the development and delivery of trainings.

9.1.5 Conduct training feedback forums for families, provider staff, behavioral health recipients, peer support providers and State agency staff to identify needs and successes and to monitor system training needs.

9.1.6 Include and address in all trainings; the cultural relevance and considerations pertinent to each training topic representative of the geographical service area.

9.1.7 Demonstrate evidence of all training and orientation to personnel, service providers and members which may include; pre/post tests, evaluations, assessments, the number of participants, participant list, training calendars and sign in sheets.

9.1.8 Coordinate and deliver trainings initiated by ADHS/DBHS based on identified needs, to include ADHS/DBHS Strategic Plans and needs identified in collaboration with other State Agencies.

9.1.9 As a part of routine processes, provide required orientation and training for all providers entering the field of behavioral health including subcontracted providers new to the Contractor's network with training on compliance with Federal and State laws, standards of conduct and the requirements in this Contract, including documents incorporated by reference.

9.1.10 Collect and analyze data from care management reviews, medical record reviews, complaint data, encounter data, utilization data, and grievance and appeal data to identify providers that require additional training or technical assistance.

9.1.11 Provide training to child serving state agencies; Department of Economic Security (DES), Arizona Department of Juvenile Corrections (ADJC), Arizona Department of Corrections (ADOC) and Arizona Department of Education (ADE) on the Arizona model for delivering services and for coaching state agency personnel in working with children and families who have behavioral health needs.

9.1.12 Develop and implement an annual training plan that addresses all training requirements and technical assistance requirements that relate to all personnel, service providers, behavioral health recipients and family members that express an interest, regarding new initiatives and best practices, including ADHS/DBHS Clinical Practice Protocol Documents/Strategic Plans that affect behavioral health service delivery.

9.1.13 Be consistent with and support the behavioral health delivery system in achieving the Arizona System Principles, Recovery and Resilience Principles, Arizona Children's Vision and Guiding Principles for Recovery-Oriented Adult Behavioral Health Services and Systems including education for Clinical Supervisors, and service providers to apply Practice Guidelines.

9.1.14 Require training program staff to attend the ADHS Quarterly Training Coordinators Meeting.

9.2 TRAINING PERIODIC REPORTING

The Contractor shall:

9.2.1 Submit the Annual Training Plan, forty-five (45) days after contract year end.

9.2.2 Submit Annually, the training curriculums and updated curriculum developed to meet the training requirements in Provider Manual Section 9.1, *Training Requirements* for review and approval in accordance with Attachment A of this Contract.

9.2.3 Submit a Quarterly Cultural Competency and Workforce Development Report in accordance with Attachment A of this Contract. (see also, Cultural Competency section)

10. Clinical Service Delivery Requirements

10.1 GENERAL CLINICAL SERVICE DELIVERY

The Contractor shall:

10.1.1 Deliver covered behavioral health services in accordance with the requirements contained within this Contract and the following documents, which are incorporated herein by reference:

10.1.1.1 ADHS/DBHS Policies and Procedures Manual;

10.1.1.2 ADHS/DBHS Covered Behavioral Health Services Guide; and

10.1.1.3 ADHS/DBHS Provider Manual.

10.1.2 Provider Manual

The Contractor shall:

10.1.2.1 Incorporate the Contractor's specific provider operational requirements and information into its Provider Manual using the ADHS/DBHS Provider Manual template.

10.1.2.2 Obtain prior approval from ADHS for any Contractor changes to the Provider Manual.

10.1.3 Best Practices and Practice Protocols

The Contractor shall:

10.1.3.1 Educate providers and require providers to use evidence-based best practices, promising practices, and emerging best practices.

10.1.3.2 Adopt and implement the following evidence-based best practices, promising practices, and emerging practices:

10.1.3.2.1 ADHS/DBHS Clinical Practice Protocols with required service expectations selected by ADHS for targeted implementation on an annual basis; and incorporated by reference into this contract at www.azdhs.gov/bhs/guidance;

10.1.3.2.2 American Society of Addiction Medicine Patient Placement Criteria (ASAM);

10.1.3.2.3 Substance Abuse and Mental Health Services Administration's (SAMHSA) Illness Management and Recovery:

10.1.3.2.3.1 SAMHSA's Family Psychoeducation;

10.1.3.2.3.2 SAMHSA's Supported Employment; and

10.1.3.2.3.3 SAMHSA's Integrated Dual Disorders Treatment.

10.1.3.3 Consider implementation of the SAMHSA's evidence based practice on Assertive Community Treatment, based upon local population size and demographics.

10.1.3.4 Develop, adopt and implement additional best and promising practices [(42CFR 438.236 (b)] that are:

10.1.3.4.1 Based on valid and reliable clinical evidence or are generally supported by a consensus of behavioral health care professionals in a particular field;

10.1.3.4.2 Tailored to meet member needs;

10.1.3.4.3 Adopted in consultation with behavioral health care professionals;

10.1.3.4.4 Reviewed and updated periodically as appropriate; and

10.1.3.4.5 Able to provide a basis for consistent decisions for utilization management, member education, coverage of services and other areas to which the guidelines apply [42 CFR 438.236 (d)].

10.1.3.5 Disseminate best practices and practice protocols to all affected providers and upon request to members [42 CFR 438.236(c)].

10.1.3.6 Monitor the effectiveness of ADHS/DBHS Clinical Practice Protocols with required service expectations selected by ADHS for targeted implementation on an annual basis using ADHS approved tools and methodologies.

10.1.3.7 Monitor the effectiveness of other evidenced based best practices using monitoring processes and methodologies approved by ADHS and developed in collaboration with ADHS.

10.1.4 Choice of Providers

The Contractor shall:

10.1.4.1 Provide each member a choice in selecting behavioral health providers.

10.1.4.2 Allow members to exercise their right to services from an alternative in-network provider.

10.2 ASSESSMENT, SERVICE PLANNING AND SERVICE DELIVERY FOR GENERAL MENTAL HEALTH

10.2.1 Requirements

The Contractor shall:

10.2.1.1 Provide all members with comprehensive assessments and medically necessary covered behavioral health services that are:

10.2.1.1.1 In accordance with Provider Manual Sections 3.0, *Clinical Operations*;

10.2.1.1.2 In accordance with the ADHS/DBHS System Principles in Provider Manual Section 2.0, *Introduction*;

10.2.1.1.3 Identified in collaboration with the member and other persons identified by the member that (a) determine strengths, needs and goals of the member and (b) identify the need for further evaluations necessary for service plan development;

10.2.1.1.4 Identified with clinical involvement by a credentialed and trained clinician who is either a behavioral health professional or a behavioral health technician under the supervision of a behavioral health professional. [42 CFR 438.208(c)(2) and (3)]; and

10.2.1.1.5 Strengths based and include an emphasis on goals to increase member's quality of life and involvement in meaningful community activities, including goals related to living, learning, working, and social connectedness. Goals shall reflect the member's hopes, dreams, and recovery vision.

10.2.1.2 Demonstrate evidence of strengths based, goal oriented, and member driven service planning through chart reviews in accordance with the ADHS/DBHS Psychosocial Rehabilitation, Quarterly and Annual Progress Reports.

10.2.1.2 Assign a credentialed and trained clinician, to:

10.2.1.2.1 Provide clinical oversight in the member's care;

10.2.1.2.2 Work in collaboration with the member, the member's family and significant others in treatment;

10.2.1.2.3 Implement the services in the member's service plan and monitor progress towards meeting goals in the service plan;

10.2.1.2.4 Serve as the primary point of contact for clinical needs and inquiries; and

10.2.1.2.5 Coordinate and communicate with other systems where clinical knowledge of the member's care is important. [42 CFR 438.208(b)(1)].

10.2.1.3 Deliver the following services or engage in the following activities:

10.2.1.3.1 Document ongoing efforts to engage the member, family and significant others in treatment to meet the behavioral health needs of the member, including active participation in decision-making processes.

10.2.1.3.2 Demonstrate regular, frequent and active involvement with the member's treatment team through a review of the initial assessment, treatment and service recommendations including consultation with a licensed medical practitioner with prescribing privileges for members referred or identified as needing ongoing psychotropic medications.

10.2.1.3.3 Deliver all covered services as identified on the member's service plan and in accordance with Provider Manual Section 3.14, *Securing Services and Prior Authorization.*

10.2.1.3.4 Determine if an adult member qualifies as a person with SMI, in accordance with Provider Manual Section 3.10 *SMI Eligibility Determination*.

10.2.1.3.5 Collaborate with the member, the member's family and significant others identified by the member to revise the member's service plan as necessary through evaluation of the effectiveness of treatment in accordance with Provider Manual Section 3.9 *Intake, Assessment and Service Planning*.

10.2.1.3.6 Collaborate in accordance with the Provider Manual Section 4.4, *Coordination of Care with other Government Entities*, by communicating appropriate clinical information, to individuals or entities that are involved in the member's care including primary care providers, schools, child welfare, juvenile or adult probations, ADES/DDD, ADOC, ADJC, ADES/RSA, ADES/CPS and other service providers.

10.2.1.3.7 Provide continuity of care between inpatient and outpatient settings, services and supports.

10.2.1.3.8 Transition members to an out-of-area, out-of-state, or to an ALTCS contractor, as applicable and in accordance with Provider Manual Section 3.17 *Transition of Persons*.

10.2.1.3.9 Develop and implement transition, discharge, and aftercare plans prior to discontinuation of behavioral health services in accordance with Provider Manual Section 3.17 *Transition of Persons*.

10.2.2 Employment Services for General Mental Health

10.2.2.1 Employment/Vocational Service Delivery

The Contractor shall:

10.2.2.1.1 Develop and manage a continuum of vocational employment and business development services to assist Title XIX/XXI eligible members, including transition age youth to achieve their employment goals.

10.2.3 Community Resources for General Mental Health

The Contractor shall:

10.2.3.1 Develop a community resource guide to be updated quarterly and distributed to all direct service providers and staff.

10.2.3.2 Demonstrate its commitment to the local communities in which it operates, through community reinvestment activities and regularly obtaining community input on local and regional needs.

10.2.4 Periodic Reporting for Community Resources for General Mental Health

The Contractor shall:

10.2.4.1 Provide an updated copy of its community resource guide to ADHS in the Quarterly Psychosocial Rehabilitation Progress Report due the 15th of the month following quarter end.

10.3 SERVICE DELIVERY FOR PERSONS WITH SERIOUS MENTAL ILLNESS

The Contractor shall:

10.3.1 Deliver services in accordance with the service delivery requirements in Arizona Administrative Code R9-21: *Behavioral Health Services for Persons with SMI.*

10.3.2 Deliver services in accordance with the Guiding Principles for Recovery-Oriented Adult Behavioral Health Services and Systems.

10.3.3 Utilize peer support, self help and rehabilitation services.

10.3.4 Screen all persons determined to have a SMI for Title XIX eligibility in accordance with Provider Manual Section 3.1 *Eligibility Screening for AHCCCS Health Insurance, Medicare Part D Prescription Drug Coverage, and the Limited Income Subsidy Program.*

10.3.5 Notify the ADHS/DBHS Office of Human Rights of all individuals deemed to be in need of special assistance in accordance with Provider Manual Section 5.4 *Special Assistance for Persons Determined to have a SMI.*

10.3.6 Require subcontractors and providers to employ at least one Rehabilitation Services Specialist with each adult services provider. The Rehabilitation Services Specialist job responsibilities include coordinating services with the ADES/RSA.

10.3.7 Require subcontractors and providers to apply the Substance Abuse and Mental Health Services Administration (SAMHSA) Evidence Based Practice in Supported Employment model in the provision of vocational/employment services.

10.3.8 Demonstrate compliance with outcomes and minimum performance standards for employment rates, in accordance with the ADHS/DBHS Quarterly and Annual Psychosocial Rehabilitation Progress Report Specifications.

10.3.9 Provide Employment Services for Persons with Serious Mental Illness

10.3.9.1 Employment/Vocational Service Delivery

The Contractor shall:

10.3.9.1.1 Develop and manage a continuum of vocational employment and business development services to assist Persons with Serious Mental Illness to achieve their employment goals.

10.3.9.1.2 Provide priority to those providers under contract with ADES/RSA when entering into subcontracts for vocational/employment services.

10.3.9.1.3 Make all reasonable efforts to increase the number of providers who are mutually contracted with ADES/RSA.

10.3.10 Periodic Reporting for Employment Services for Persons with Serious Mental Illness

The Contractor shall:

10.3.10.1 Submit quarterly, and annually, the ADHS/DBHS Psychosocial Rehabilitation Progress Reports.

10.3.11 Community Resources for Persons with Serious Mental Illness

The Contractor shall:

10.3.11.1 Develop a community resource guide to be updated quarterly and distributed to all direct service providers and staff.

10.3.11.2 Demonstrate its commitment to the local communities in which it operates, through community reinvestment activities and regularly obtaining community input on local and regional needs.

10.3.12 Periodic Reporting for Community Resources for Persons with Serious Mental Illness

The Contractor shall:

10.3.12.1 Provide an updated copy of its community resource guide to ADHS in the Quarterly Psychosocial Rehabilitation Progress Report due the 15th of the month following quarter end.

10.4 PEER INVOLVEMENT IN SERVICE DELIVERY FOR PERSONS WITH SERIOUS MENTAL ILLNESS

The Contractor shall:

10.4.1 Require subcontractors and providers to demonstrate documentary evidence to show participation of at least one peer during the interview process when hiring for all direct service staff positions.

10.4.2 Develop a process for members to have regular and ongoing input to assist in decision making, development, and enhancement of customer service at each provider site where case management services are delivered.

10.4.3 Develop a written description of the process for members to have regular and ongoing input, its make-up, and its purpose, and submit the written description to ADHS for review and approval. The description shall include:

10.4.3.1 A requirement that the members attend regular meetings with clinical leadership; and

10.4.3.2 Be authorized to make recommendations.

10.4.3 Require subcontractors and providers to employ one (1) Peer Support Specialist/Recovery Support Specialist on each adult recovery team to provide Self Help/Peer Services. Services shall be provided in accordance with Section II, Part D of the Covered Behavioral Health Services Guide.

10.5 PERIODIC REPORTING FOR PEER INVOLVEMENT FOR PERSONS WITH SERIOUS MENTAL ILLNESS

The Contractor shall:

10.5.1 Demonstrate that Peer Support Specialist/Recovery Support Specialists have met the training requirements and are employed on each adult recovery team on a quarterly basis by the 15th of the following month.

10.5.2 Submit Ad Hoc the written description of the process for member input.

10.6 HOUSING FOR PERSONS WITH SERIOUS MENTAL ILLNESS

The Contractor shall:

10.6.1 Develop and maintain a continuum of housing options for members with SMI.

10.6.2 Collaborate with community stakeholders, state agency partners, federal agencies and others entities to identify, apply for or leverage alternative funding sources for housing programs.

10.6.3 Develop and manage State and Federal housing programs and deliver housing related services.

10.7 FEDERALLY FUNDED HOUSING PROGRAM REQURIEMENTS FOR PERSONS WITH SERIOUS MENTAL ILLNESS

The Contractor shall:

10.7.1 Subcontract with a non-profit organization within the GSA that is eligible to serve as a grantee for HUD funded grant programs under the McKinney-Veto Homeless Continuum of Care, Mainstream 811, Rural Development and other federal programs.

10.7.2 Require subcontractors to employ a sufficient number of staff with knowledge, expertise and experience to participate in and administer a variety of affordable housing programs for persons with disabilities.

10.7.3 Monitor non-profit housing subcontractors for compliance with federal requirements of the HUD homeless grants.

10.7.4 Require housing subcontractors to employ a sufficient number of staff with financial management, screening and referral skills, knowledge of federal wait lists, grant writing knowledge for applying for new funds, and provide the dollar for dollar cash match, in the form of supportive services, required by HUD to maintain current HUD grants as they come up for renewal, and to fund future grants.

10.7.5 Participate in the HUD Homeless Continuum of Care process in the region and obtain data required by HUD and timely submit required match/leveraging letters for renewal and new applications.

10.7.6 Report data to the local Homeless Management Information System (HMIS) project manager on contract, to administer the HMIS data collection for that geographical region.

10.7.7 Collaborate and partner with other agencies participating in the HUD Homeless Continuum of Care Planning Process, HMIS Advisory and User's committees to maintain and expand housing resources.

10.7.8 Develop and maintain an accounting system of all members in its housing program and of its housing and support service providers and submit the data in a format approved by ADHS on a monthly basis.

10.7.9 Provide a dollar for dollar cash match in the form of supportive services in order to qualify for federal rent subsidy and submit commitment letters to the HUD Continuum of Care committee as part of its annual application to HUD.

10.8 STATE FUNDED HOUSING PROGRAM REQUIREMENTS FOR PERSONS WITH SERIOUS MENTAL ILLNESS

The Contractor shall:

10.8.1 Subject to available funding, develop, maintain and expand state funded housing units for members with SMI and describe its housing service continuum in an annual Housing Plan.

10.8.2 Not place a person with a SMI in a homeless environment or to an unlicensed Board and Care facility, Supervisory Care Home or other similar facility.

10.8.3 Deliver a range of housing services and present available options for housing to persons with SMI consistent with the member's individual goals and needs in the Individual Service Plan.

10.8.4 Administer the DBHS Property Acquisition Program, through subcontracts with or partnerships with non-profit entities that have the capacity, experience, and knowledge of low-income housing programs; available funding streams and resources for supportive housing for adults with a SMI.

10.8.5 Administer State funding housing programs through subcontracts or partnerships with non-profit agencies that have the financial capacity to operate a project based housing program and who manage a variety of affordable housing programs for people with disabilities.

10.8.6 Maintain a sufficient number of dedicated staff of housing professionals with knowledge, expertise, experience and skills to comply with the terms of this contract and to collaborate with behavioral health service and housing providers, ADOH and AHCCCS.

10.8.7 Conduct a quarterly Housing Inventory of housing providers and tenants, this inventory shall include the number and types of housing programs, number of units, fund source, and population serve.

10.8.8 Maintain all housing units currently in use in the GSA, including units acquired through the use of HB2003 funding, Community Living, State Housing Trust funds, and other State of Arizona housing funds specifically for members with SMI.

10.8.9 Provide members with SMI discharged from the Arizona State Hospital, supervisory care homes or unlicensed board and care homes with housing options that promote independent living.

10.8.10 Conduct regular inspections of housing units including tenant living situations to determine whether the member has access to basic needs and whether the living environment is safe, secure and the least restrictive environment consistent with the treatment goals in the member's ISP.

10.8.11 Conduct randomly selected inspections of units each year and maintain all State funded housing programs in accordance with standards of the local planning and zoning authorities and standards in the ADHS/DBHS Housing Guide.

10.8.12 Collaborate with State, County and local government agencies to support housing initiatives and resolve housing issues, concerns and complaints that affect members.

10.8.13 Demonstrate that annual training was provided to staff on the following topics: Property acquisition; maintaining units on Housing Quality Standards; fair housing laws; and the Arizona Residential Landlord Tenant Act.

10.8.14 Notify and obtain ADHS approval prior to program implementation, property acquisition or placing members with a SMI in a residential program that occupies more than eight (8) adults or where more than twenty-five percent (25%) of an apartment complex houses members with SMI.

10.8.15 Demonstrate that for real property, housing for members or buildings and improvements to buildings purchased by the Contractor or its subcontractor with funds provided by ADHS under this Contract, excluding net profits earned under the Contract have the following:

10.8.15.1 A use restriction in the deed, and;

10.8.15.2 Covenants, Conditions and Restrictions, or;

10.8.15.3 Another legal instrument subject to prior written approval by ADHS that requires the property to be used solely for the benefit of members; and

10.8.15.4 An application for funding consisting of an intended use plan.

10.8.16 Submit, notwithstanding the funding source used, prior to the purchase of any new property leveraged with funds provided under this Contract, a Notice of Real Property Transactions, which shall include the following:

10.8.16.1 The funding source used to purchase the property, specifically whether the purchase is to be made with funds provided under this Contract or other funds.

10.8.16.2 The financing arrangements made prior to purchase the property.

10.8.16.3 Prior approval from ADHS if the property is purchased with funds provided under this Contract.

10.8.16.4 A deed containing the use restrictions and covenants, conditions, or restrictions, or another legal instrument that ensures the property is used solely for the benefit of members and that failure to comply with the use restrictions allows the State to take title to the property or otherwise enforce the restrictions.

10.8.17 Develop and submit an Annual Housing Spending Plan for development, maintenance, use and acquisition of housing properties in a format specified by ADHS. The Annual Housing Spending Plan shall meet requirements of the Housing Guidelines Manual; a document incorporated by reference and is subject to approval of the ADHS Housing Committee. The plan shall contain;

10.8.17.1 Barriers, trends and accomplishments in housing identified during the reporting period; and

10.8.17.2 Evidenced based best practices to improve housing capacity in responding to unmet housing needs and related issues by completing a community needs assessment with housing providers, stakeholders, tenant and community input.

10.8.18 Develop new housing program initiatives and options when needed in collaboration with the ADHS/DBHS Housing Unit and the ADOH.

10.8.19 Collaborate with Public Housing Authorities (PHA) contracted through the piloted Housing Bridge Subsidy Program to:

10.8.19.1 Provide program oversight, monitoring, technical assistance and training to contacted Public Housing Authorities and service providers.

10.8.19.2 Monitor and report utilization of affordable housing options on Bridge Subsidy Program tenants connected to Section 8 vouchers or independence through self-sufficiency to ADHS Housing Department.

10.8.19.3 Advocate for members with SMI who are homeless and those released from Residential Treatment and Board and Care facilities to obtain housing units.

10.8.19.4 Identify and screen members with SMI that satisfy Section 8 criteria and refer the prospective tenant to contracted Public Housing Authority.

10.8.20 Use the monitoring tools approved by ADHS to evaluate adult residential services and community living housing programs to assist individuals in stepping down to a lower level of care. Submit a summary of the evaluation to the ADHS/DBHS Housing Department.

10.8.21 Upon ADHS request, participate in the ADHS Housing Review Committee.

10.8.22 Participate in the ADHS Quarterly Housing Meetings.

10.8.23 Require providers to participate in the member's treatment team in order to identify available housing units to the member and to place member in affordable appropriate living environment upon discharge from an institutional setting.

10.8.24 Accept all persons with a SMI into a State Funded Housing Program subject to funding availability.

10.8.25 Collaborate with the Contractor's Network Development Department to have capacity for persons with a SMI.

10.9 PERIODIC REPORTING REQUIREMENTS FOR HOUSING FOR PERSONS WITH SERIOUS MENTAL ILLNESS

The Contractor shall:

Annually

10.9.1 Submit an Annual Housing Spending Plan for development, maintenance, use and acquisition of housing properties in a format specified by ADHS no later than thirty (30) days from notification by ADHS that state funds have been allocated for housing development.

Monthly

10.9.2 Submit the report utilization of affordable housing options on Bridge Subsidy Program tenants connected to Section 8 vouchers or independence through self-sufficiency by the 15th of the following month.

Quarterly

10.9.3 Submit quarterly the Housing Inventory to the ADHS by the 15th day after quarter end.

Ad Hoc

10.9.4 Submit the initial Housing Plan sixty (60) days prior to contract start date after execution of the RBHA contract and upon ADHS request thereafter. The Housing Plan shall include a description of its housing continuum, housing options for persons with SMI including those with co-occurring disorders and a description of protocols, program and operating procedures that meet the requirements of the ADHS/DBHS Housing Guidelines Manual. Contractor shall obtain ADHS' approval of all housing plans, policies and procedures for State Funded Properties including procedures for admissions and evictions prior to the implementation of the plans.

10.9.5 Submit ad hoc, notwithstanding the funding source used, prior to the purchase of any new property leveraged with State Department of Health Services funds, a Notice of Real Property Transactions.

10.10 REQUIREMENTS FOR SERVICE DELIVERY TO CHILDREN AND ADOLESCENTS

In addition to the requirements in .Section 10.1 and Section 10.2, the Contractor shall:

10.10.1 Deliver services in accordance with the Arizona Vision and Arizona Children's Principles in Provider Manual Section 2.0, *Introduction*.

10.10.2 Obtain and document child and family input in treatment decisions.

10.10.3 Collaborate with family members, including family-run organizations to facilitate child and family involvement in all aspects of the assessment process, service planning, and service delivery.

10.10.4 Collaborate with family members, including family-run organizations to facilitate evaluation of behavioral health services and the behavioral health system.

10.10.5 Monitor the effectiveness of the Child and Family Team Practice in accordance with the ADHS Practice Protocol, *The Child and Family Team.*

10.10.6 Assign a designated Case Manager to each high complexity/high intensity child to comply with the caseload ratios established by ADHS.

10.10.7 Monitor compliance with the high complexity/high intensity child case load ratios established by ADHS.

10.10.8 Deliver outpatient treatment services, support services and rehabilitation services in a timeframe manner and with the intensity and duration identified by the child and family team in the service plan.

10.10.9 Deliver in-home and out-of-home respite services identified in the service plan.

10.10.10 Deliver services to the extent possible, in the child's home and community in order to minimize out of home placements.

10.10.11 Facilitate a rapid return to the home and community when a child is in an out of home placement.

10.10.12 Deliver services to address the unique service needs for children in the care and custody of the State.

10.10.13 Make every reasonable effort to provide services outside of regular school hours for any child who is placed in out-of-home care pursuant to A.R.S. Title 8, Chapter 10. Services include appointments and activities not related to school [A.R.S. § 36-3435(B) and (C)].

10.10.14 Demonstrate participation in the CFT practice review process including at a minimum:

10.10.14.1 Attendance at all practice review feedback sessions;

10.10.14.2 Participation in subcontractor performance improvement plan development;

10.10.14.3 Monitoring of subcontractor Performance Improvement Process (PIP) progress and completion; and

10.10.14.4 Provision of technical assistance and coaching for subcontractors as needed.

10.10.15 Monitor subcontractor and provider performance with the Children's System Practice Model and Principles, by at a minimum:

10.10.15.1 By participating and / or using the ADHS review protocol, method and processes including in-depth chart reviews and interviews with key persons involved in the child's life. Data collected from these reviews shall be used to improve performance in accordance with the Arizona Twelve (12) Principles;

10.10.15.2 Using review findings to improve Contractor, subcontractor and provider practice. Performance improvement activities shall be identified in the Children's System of Care Plan, posted on Contractor's website, and shared in community forums;

10.10.15.3 Timely reporting to ADHS of findings and improvement actions taken and their effectiveness;

10.10.15.4 Disseminating findings and improvement actions taken and their effectiveness to key stakeholders, committees, family members, including posting on the Contractor's website;

10.10.15.5 Implementing and maintaining subcontract performance incentives for subcontracted providers that demonstrate the ability to practice according to the Children's System Principles on a consistent and sustained basis; and

10.10.15.6 Participating in the Practice Review Feedback and Practice Improvement Plan Development Processes.

10.11 PERIODIC REPORTING FOR SERVICE DELIVERY TO CHILDREN AND ADOLESCENTS

The Contractor shall:

Bi-monthly

10.11.1 Submit Case Manager bi-monthly Inventories to monitor the status of case manager development and maintenance of effort due the fifteenth (15^{th}) of the month.

Ad Hoc Reports

10.11.2 CFT Practice Review/Practice Improvement Plans due 45 days post Feedback Session.

10.12 SERVICE DELIVERY FOR TREATMENT OF SUBSTANCE USE DISORDERS

The Contractor shall:

10.12.1 Provide for:

10.12.1.1 Member and family education;

10.12.1.2 Brief intervention;

10.12.1.3 Acute stabilization and treatment;

10.12.1.4 Long-term recovery management;

10.12.1.5 Inclusion of children and family members in treatment as a family unit;

10.12.1.6 A focus on life factors that support long-term recovery to facilitate reduction of the intensity, severity and duration of substance use and the number of relapse events;

10.12.1.7 Return of the individual to the workforce, as appropriate; and

10.12.1.8 Engagement and retention of members in treatment.

10.12.2 Monitor member retention in treatment, provider engagement efforts and outcomes of treatment; modify treatment approaches as needed.

10.12.3 Use ASAM criteria for placement assessment and treatment planning.

10.12.4 Assess members for co-occurring mental health conditions and physical disability or disease and address co-occurring issues in the member's treatment plan.

10.12.5 Provide physician oversight of medical treatment including methadone, medication and detoxification services.

10.12.6 Coordinate continuity of care between service providers and other involved agencies.

10.13 SERVICE DELIVERY FOR THE SUBSTANCE ABUSE PREVENTION AND TREATMENT (SAPT) BLOCK GRANT

The Contractor shall:

10.13.1 Deliver substance abuse prevention and treatment services to priority populations in accordance with the requirements of the SAPT Block Grant and the Provider Manual Section 3.19 *Special Populations*. Substance abuse treatment services shall be available to all members based upon medical necessity and the availability of funds.

10.13.2 Establish program and financial management procedures for services funded by the SAPT Block Grant to meet all requirements in this Contract, the Provider Manual Section 3.19-7-A. *Special Populations, Procedure - SAPT Block Grant*, and the requirements of The 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. 300 et seq.] and 45 CFR Part 96 as amended. The Contractor's program and financial management procedures shall include reporting and monitoring requirements to track spending of SAPT funds and to verify that prevention and treatment services are delivered at a level commensurate with funding under the SAPT Block Grant.

10.13.3 Prioritize expenditure of SAPT Block Grant funds and delivery of services as follows, to Non Title XIX members and in accordance with Provider Manual Section 3.19 *Special Populations*:

10.13.3.1 Treatment and long-term recovery support services to pregnant women with a substance abuse disorder;

10.13.3.2 Persons who use drugs by injection;

10.13.3.3 Women with dependent children, including women attempting to regain custody of their children, with a substance abuse disorder; and

10.13.3.4 Any non-Title XIX eligible person with a substance use disorder.

10.13.4 Develop and maintain a provider network to deliver services to other populations requiring substance abuse interventions and supports, including homeless individuals, sight/hearing impaired, persons with criminal justice involvement and persons with co-occurring mental health disorders, subject to the availability of SAPT Block Grant funds.

10.13.5 Require subcontracted providers to screen all individuals receiving services through Arizona Families F.I.R.S.T. for Title XIX/XXI eligibility. Families involved with ADES/CPS who are in need of substance use disorder treatment and are not Title XIX/SSI eligible, can receive services paid for with SAPT grant funds.

10.13.6 Comply with Program Requirements for Pregnant Women and Women with Dependent Children in accordance with Provider Manual Section 3.19, *Special Populations* and Section 3.2 *Standards and Timeliness* as follows:

10.13.6.1 Have a sufficient provider network to deliver services and supports to engage, retain, and treat pregnant women and women with dependent children who request and are in need of substance use disorder treatment.

10.13.6.2 Develop, expand, or enhance provider network capacity to deliver outreach, specialized treatment, and recovery support services for pregnant women, women with dependent children or women attempting to regain custody of children.

10.13.6.3 Deliver services to the family as a unit and for residential treatment programs, admit both women and their children into treatment.

10.13.6.4 Deliver medically necessary covered behavioral health services to each pregnant woman who requests and is in need of substance use disorder treatment within forty-eight (48) hours of the request.

10.13.6.5 Publicize the availability of gender-based substance use disorder treatment services for pregnant women or women who have dependent children. Publication must include, at minimum, the posting of fliers at each SAPT service delivery site notifying pregnant women or women with dependent children of the availability and right to receive substance use disorder treatment services.

10.13.6.6 Develop and maintain a provider network of specialty programs for women and children to deliver the following services as needed: referral for primary medical care for women and primary pediatric care for children; gender-specific substance abuse treatment; and therapeutic interventions for children.

10.13.6.7 Eliminate barriers to access treatment through incorporation of child care, case management and transportation to medical and pediatric care and treatment services.

10.13.6.8 Prioritize new or existing undedicated monies available for substance use disorder treatment services for pregnant women pursuant to A.R.S. § 36-141.

10.13.7 Comply with Program Requirements for Intravenous Drug Abuse as follows:

10.13.7.1 Meet the timeframes in accordance with the Provider Manual Section 3.2, *Appointment Standards and Timeliness of Service.*

10.13.7.2 Require subcontracted providers to engage in evidence-based best practice outreach activities to encourage individuals in need to undergo treatment.

10.13.7.3 Notify ADHS when an intravenous drug abuse program has reached ninety (90%) percent of its capacity.

10.13.7.4 Prohibit subcontracted providers from using SAPT Block Grant funds to supply individuals with hypodermic needles or syringes to use illegal drugs.

10.13.8 Comply with Program Requirements for the Non-Title XIX and Non-Title XXI Wait List as follows:

10.13.8.1 Establish and maintain a wait list, in accordance with the Provider Manual, Section. 3.2.7-G *Appointment Standards and Timeliness of Services, Special Populations* for Non-Title XIX and Non-Title XXI priority populations who are eligible and in need of services funded by the SAPT Block Grant.

10.13.8.2 Submit to ADHS the Quarterly Wait List Report.

10.13.8.3 Provide interim services to members on an actively managed wait list. The minimum required interim services include: education on behaviors which increase the risk of contracting HIV, hepatitis C and other sexually transmitted diseases; education on effects of substance use on fetal development; risk assessment/screening; referrals for HIV, hepatitis C, and tuberculosis screening and services; and referrals for primary and prenatal medical care.

10.13.9 Comply with Other Program Requirements as follows:

10.13.9.1 Require subcontracted providers to refer persons with substance use disorders for tuberculosis screening and services;

10.13.9.2 Notify ADHS/DBHS Prevention Services when a member tests positive for tuberculosis; and

10.13.9.3 Deliver services to persons with HIV in accordance with the Provider Manual Section 3.19 *Special Populations.*

10.14 SERVICE DELIVERY FOR THE COMMUNITY MENTAL HEALTH SERVICES (CMHS) BLOCK GRANT

The Contractor shall:

10.14.1 Deliver services in accordance with the Provider Manual Section 3.19, *Special Populations*. These services shall be available based upon medical necessity and the availability of funds.

10.14.2 Prioritize services through the CMHS Block Grant in accordance with the Provider Manuel.

10.14.3 Not use CMHS funds to:

10.14.3.1 Pay for inpatient services;

10.14.3.2 Make cash payments to members;

10.14.3.3 Purchase or improve land; purchase, construct, or permanently improve (other than minor remodeling) any building or other facility; or purchase major medical equipment;

10.14.3.4 Satisfy any requirement for the expenditure of non-Federal funds as a condition of the receipt of Federal funds; or

10.14.3.5 Provide financial assistance to any entity other than a public or nonprofit entity.

10.15 CRISIS RESPONSE SYSTEM

The Contractor shall:

10.15.1 Maintain a twenty-four (24) hours per day, seven (7) days per week crisis response system that has the following components:

10.15.1.1 A single toll-free crisis telephone number and the discretion to establish a local crisis telephone number. This crisis line shall:

10.15.1.1.1 Be widely publicized within the GSA, published on Contractor's web site and listed in the resource directory of local telephone books;

10.15.1.1.2 Be staffed with a sufficient number of staff to manage a telephone crisis response line to comply with the requirements of this contract;

10.15.1.1.3 Be answered within three (3) telephone rings, with a call abandonment rate less than three percent (3%);

10.15.1.1.4 Include triage, referral and dispatch of service providers and patch capabilities to and from 911 and other crisis providers as applicable; and

10.15.1.1.5 Have the capability to communicate with persons who do not speak or understand English and or the deaf and hard of hearing.

10.15.1.2 The Contractor may require subcontracted providers to deliver crisis services or be involved in crisis response activities.

10.15.2 Meet the immediate and urgent response requirements in accordance with the Provider Manual Section 3.2, *Appointment Standards and Timeliness of Service* and record referrals, dispositions, and overall response time.

10.15.3 Deliver immediate and ongoing detoxification and psychiatric crisis stabilization services in the least restrictive setting, consistent with individual and family need and community safety within a reasonable geographic distance.

10.15.4 Deliver crisis response, crisis assessment and crisis stabilization services that facilitate resolution, not merely triage and transfer.

10.15.5 Not require prior authorization for emergency behavioral health services.

10.15.6 Initiate and maintain collaboration with fire, police, emergency medical services, hospital emergency departments, AHCCCS Acute Care Health Plans and other providers of public health and safety services to inform them of how to use the crisis response system, to coordinate services and to assess and improve the Contractor's crisis response services.

10.15.7 Be financially responsible for requested psychiatric crisis consultations in emergency room settings for Title XIX/XXI members and non-Title XIX members with SMI. For Title XIX/XXI members, the member's AHCCCS health plan is responsible for all other medical services including triage, physician assessment and diagnostic tests for services delivered in an emergency room setting.

10.16 PSYCHOTROPIC MEDICATIONS

The Contractor shall:

10.16.1 Maintain a formulary that, at minimum, contains the medications included in the ADHS/DBHS Medication List and in the Provider Manual Section 3.16, *Medication Formulary*.

10.16.2 Monitor psychotropic medication utilization in accordance with the ADHS/DBHS Medical Management and Utilization Management Plan, Chapter 1000 of the AHCCCS Medical Policy Manual, and the ADHS/DBHS Practice Guidelines, *Psychiatric Best Practice Guidelines for Children: Birth to Five Years of Age*.

10.16.3 Obtain best pricing and pharmacy rebates for psychotropic medications and report the rebates in accordance with requirements in the ADHS/DBHS Financial Reporting Guide.

11. Appointment and Referral Requirements

11.1 APPOINTMENTS

The Contractor shall:

11.1.1 Develop and implement policies and procedures to monitor the availability and timeliness of appointments for members as well as disseminate information regarding appointment standards to members, subcontractors and service providers as outlined in Provider Manual Section 3.2, *Appointment Standards and Timeliness of Services*.

11.1.2 Provide appointments to members as follows:

11.1.2.1 Emergency appointments within twenty-four (24) hours of referral, including, at a minimum, the requirement to respond to hospital referrals for Title XIX/XXI members and non Title XIX members with SMI;

11.1.2.2 Routine appointment for initial assessment within seven (7) days of referral;

11.1.2.3 Routine appointments for ongoing services within twenty-three (23) days of initial assessment; and

11.1.2.4 For members referred by a PCP or Health Plan Behavioral Health Coordinator for psychiatric evaluation or medication management, appointments with a behavioral health medical professional, according to the needs of the member, and within the appointment standards described above, with appropriate interventions to prevent a member from experiencing a lapse in medically necessary psychotropic medications.

11.1.3 Monitor compliance with appointment standards and require corrective action from subcontractors when the standards are not met.

11.1.4 Schedule appointments in a timely manner according to the needs of the member and in accordance with the requirements in the Provider Manual, Section 3.2, *Appointment Standards and Timeliness of Service.*

The waiting time for a scheduled appointment shall not exceed forty-five (45) minutes except when the service provider is unavailable due to an emergency.

11.1.5 Require disputes to be resolved promptly. Disputes regarding the need for emergency or routine appointments between the subcontractor and the referring source that cannot be resolved informally shall be promptly resolved by the Contractor.

11.1.6 Provide transportation when a Title XIX/XXI member needs medically necessary transportation for behavioral health services so that the member arrives no sooner than one hour before the appointment, and does not have to wait for more than one (1) hour after the conclusion of the appointment for return transportation.

11.1.7 Accept and respond to emergency referrals of Title XIX/XXI eligible members and non-Title XIX members with SMI twenty-four (24) hours a day, seven (7) days a week. Emergency referrals do not require prior authorization. Emergency referrals include those initiated for Title XIX/XXI eligible and non-Title XIX with SMI members admitted to a hospital or treated in the emergency room. Upon receipt of an emergency referral, the Contractor must respond within twenty-four (24) hours.

11.2. REFERRALS

11.2.1 Referrals Written Process, Response and Tracking

The Contractor shall:

11.2.1.1 Establish written criteria and procedures for accepting and acting upon referrals, including emergency referrals. The written criteria will include the definition of a referral for a behavioral health service as any oral, written, faxed or electronic request for services made by the member or member's legal guardian, family member, an AHCCCS acute Contractor, PCP, hospital, court, Tribe, IHS, school, or other state or community agency.

11.2.1.2 Respond to all requests for services and schedule emergency and routine evaluations consistent with the appointment standards in this contract. All PCP referrals in which a member receives or needs psychotropic medication must be accepted and acted upon according to the needs of the member to prevent a disruption or delay in the member receiving medically necessary psychotropic medications.

11.2.1.3 Record, track and trend all referrals, including the date of the scheduled appointment, the date of the referral for services, date and location of initial scheduled appointment, final disposition of referral, and the reason why the member declined the offered appointment.

11.2.2 Disposition of Referrals

The Contractor shall:

11.2.2.1 Communicate the final disposition of each referral from PCPs, AHCCCS Health Plans, Department of Education/School Districts and state social service agencies to the referral source and Health Plan Behavioral Health Coordinator within forty-five (45) days of the member receiving an initial assessment. If a member declines behavioral health services, the final disposition must be communicated to the referral source and health plan behavioral health coordinator within forty-five (45) days of the referral, when applicable. The final disposition shall include, at a minimum:

11.2.2.1.1 The date the member received an initial assessment; and

11.2.2.1.2 The name and contact information of the provider accepting primary responsibility for the member's behavioral health care, or

11.2.2.1.3 Indicate that a follow-up to the referral was conducted but no services were delivered and the reason why no services were delivered. The reason for non-

delivery of services must be documented to demonstrate that the Contractor or provider, on at least three occasions, either attempted to contact the member or contacted the member and the member declined services or was unable to be located.

11.2.3 Consent and Authorization

The Contractor shall:

11.2.3.1 Obtain consent and authorization to disclose protected health information in accordance with 42 CFR 431, 42 CFR part 2, 45 CFR parts 160 and 164, and A.R.S. 36-509. Unless otherwise prescribed in federal regulations or statute, it is not necessary to obtain a signed release in order to share behavioral health related information with the member's parent/legal guardian, primary care provider (PCP), the member's Health Plan Behavioral Health Coordinator acting on behalf of the PCP or authorized State social service agencies.

11.2.3.2 Retain consent and authorization medical records as prescribed in A.R.S. § 12-2297 and in accordance with the Provider Manual Section 4.2, *Behavioral Health Medical Record Standards*.

11.2.4 Financial Responsibility

The Contractor shall:

11.2.4.1 Following both routine and emergency referrals and irrespective of the member's behavioral health status, be financially responsible for the member's medically necessary behavioral health services as described in the contract sections "Covered Services for American Indians", "Service Delivery", and "Coordination with AHCCCS Acute Care Contractors and Other Agencies".

11.2.4.2 For a hospitalized Title XIX/XXI eligible person who has not been referred to the Contractor, Contractor is responsible for payment of all inpatient emergency behavioral health services from the earlier of:

11.2.4.2.1 The date in which the member was referred to the Contractor; or

11.2.4.2.2 As specified in AAC R9-22-210.01.

11.2.4.3 Notify the inpatient facility in writing of the date on which the Contractor is assuming financial responsibility for the provision of all medically necessary behavioral health services for the member.

11.2.4.4 Notify the inpatient facility in writing to submit any requests for prior authorization and payment to the Contractor.

11.2.5 Provider Directory

The Contractor shall:

11.2.5.1 Distribute provider directories and any available periodic updates to AHCCCS Health Plans for distribution to the PCPs if a Contractor does not maintain a centralized referral and intake system as the sole mechanism for receiving behavioral health referrals.

11.2.6 Referral to a Provider for a Second Opinion

The Contractor shall:

11.2.6.1 Upon a member's request, 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 [42 CFR 438.206(b)(3)]. 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.

11.2.7 Coordinate Care Prior to Discharge

The Contractor shall:

11.2.7.1 Coordinate care between a Title XIX/XXI member's acute health plan and Arizona State Hospital prior to discharge.

12. MEDICAL MANAGEMENT REQUIREMENTS

12.1 MEDICAL MANAGEMENT

The Contractor shall:

12.1.1 Comply with Chapter 1000 of the AHCCCS Medical Policy Manual (AMPM), http://www.ahcccs.state.az.us, the ADHS/DBHS MM/UM Plan, and QM/MM/UM Performance Improvement Specifications Manual.

12.1.2 Comply with federal utilization control requirements, including the certification of need and recertification of need for continued stay in inpatient settings.

12.1.3 Require hospitals and inpatient psychiatric facilities including acute, subacute, and residential treatment centers to comply with federal requirements regarding utilization review plans, utilization review/medical management committees, plans of care and medical care evaluation studies as prescribed in 42 CFR, Parts 441 and 456.

12.1.4 Monitor subcontractors' medical or utilization management activities for compliance with federal regulations, AHCCCS and ADHS requirements, and adherence to its Medical Management Plan.

12.1.5 Monitor, report, and analyze utilization data in accordance with the ADHS/DBHS Medical Management Specifications Manual, including, at a minimum:

12.1.5.1 Enrollment;

12.1.5.2 Prior authorization and utilization of Level I, Level I Sub-acute, Level I, Residential Treatment Center (RTC), Level II, Level III, and Home Care Training to Home Care Client (HCTC) facilities;

12.1.5.3 Follow up services after discharge;

12.1.5.4 Average length of stay;

12.1.5.5 Readmission rates for Level I, Level I Sub-acute, Level I RTC, Level II, Level III, or Level IV facilities;

12.1.5.6 Over and under utilization of covered services, for individuals and providers including case management and pharmacy;

12.1.5.7 Seriously Mentally Ill Determinations;

12.1.5.8 Outpatient commitments.

12.1.6 Submit complete and accurate utilization or medical management data to ADHS.

12.1.7 Comply with federal utilization control requirements limiting respite services to six hundred (600) hours per member per year.

12.1.8 Comply with Provider Manual Section 3.14, *Securing Services and Prior Authorization,* prior authorization and re-authorization requirements for Level I, Level II, Level III, and HCTC settings.

12.1.9 Communicate Contractor's guidelines, including any admission, continued stay and discharge criteria to all affected providers and to members when appropriate and to individual members upon their request. Decisions regarding utilization management, member and provider education, coverage of services, provision of services, and other areas to which guidelines are applicable must be consistent with 42 CFR 438.230(c) and (d).

12.1.10 Require that all admission and continued stay authorizations for members in hospitals and inpatient psychiatric facilities including residential treatment services and sub-acute facilities are conducted by behavioral health professionals. All decisions that the criteria for admission or continued stay are not met must be reviewed and approved by a physician prior to issuing a decision [42 CFR 438.210(b)(3)].

12.1.11 Comply with notice of decision requirements in Provider Manual Section 5.1, *Notice requirements and Appeal process for title XIX and title XXI Eligible persons* and Section 5.5, *Notice and Appeal requirements (SMI and Non-SMI/Non-Title XIX/XXI.*

12.1.12 Require consistent application of standardized review criteria for authorization decisions, for the processing of requests for initial and continuing authorizations of services for hospitals and inpatient psychiatric facilities, including residential treatment centers and sub-acute facilities [42 CFR 438.210(b)(1) and (2)].

12.1.13 Provide subcontractors and providers with technical assistance regarding medical management as needed and consider sanctions, including financial sanctions, for subcontractors who consistently fail to meet medical management objectives, including, at a minimum, the submission of complete, timely and accurate utilization or medical management data.

12.1.14 Report Medical Management data and management activities through a Medical Management Committee. The Contractor's Medical Management Committee will analyze the data, make recommendations for action, monitor the effectiveness of actions and report these findings to the Committee.

12.1.15 Develop and implement mechanisms to assess the quality and appropriateness of care furnished to members with special health care needs [42 CFR 438.240(b)(4)].

12.1.16 Assess, monitor and report quarterly through the Medical Management Committee medical decisions to assure compliance with timelines, language and content.

12.1.17 Proactively and regularly review complaint, grievance and appeal data to identify members who have filed multiple complaints, grievances or appeals. In the event a particular member is identified as an outlier, Contractor shall coordinate and implement any necessary clinical interventions or service plan revisions. This approach shall further apply, but is not limited, to members who do not meet ADHS criteria for case management as well as members who contact governmental entities for assistance, including AHCCCS.

12.1.18 Adopt, disseminate and implement ADHS/DBHS-selected Practice Protocols and other nationally-recognized best and promising practices as described in the service delivery section of this contract.

12.1.19 Use Practice Guidelines as a basis for decisions for utilization management, member education, coverage of services and other areas to which the Practice Guidelines apply at www.azdhs.gov/bhs/guidance.

12.1.20 Utilize information acquired through quality and utilization management activities to recommend to ADHS annually the continuation of or adoption of different Practice Protocols, including measures of compliance, fidelity, and outcomes.

12.1.21 Establish a care management program at the Contractor level that:

12.1.21.1 Identifies members who are in need of more intensive monitoring and support or that have high-risk needs that have not been adequately addressed;

12.1.21.2 Provides or arranges for intensive monitoring for members including high utilizers of service needing more intensive monitoring or support or that engage in high-risk behavior; and

12.1.21.3 Coordinates services throughout the behavioral health delivery system, especially for complex cases, by facilitating discharge planning, offering technical assistance, and collaborating with County, State and local public or private agencies, including the judicial system and the general health care service delivery system.

12.2 MEDICAL MANAGEMENT PERIODIC REPORTING

The Contractor shall submit:

12.2.1 Annual Medical Management Utilization Management (MM/UM) Plan and Work Plan: by November 30th . The MM/UM Plan must conform to the requirements of Chapter 1000 of the AHCCCS Medical Policy Manual and include measurable goals and objectives.

12.2.2 Annual MM/UM Evaluation Report: by November 30th. The MM/UM Evaluation Report must include an evaluation of the previous year's Medical Management Plan and Work Plan including an appraisal that assesses progress made by the Contractor in achieving the goals and objectives identified in that Plan.

12.2.3 Annual Medical Care Evaluation (MCE) Studies conducted by network inpatient facilities, including inpatient hospitals, mental hospitals, RTCs and subacute facilities which meet the requirements of 42 CFR Part 456 subparts C and D. The Contractor shall develop a process for annual review of results of facility MCE studies and use results to improve member care and services to ADHS by January 10th.

12.2.4 Submit a Quarterly Pharmacy Report: (the cost and count of prescribed psychiatric medications for Behavioral Health Recipients) forty-five (45) days after quarter end in accordance with ADHS/DBHS/BQMO Specification Manual.

12.2.5 Submit a quarterly Utilization Data Report: forty-five (45) days after quarter end in accordance with ADHS/DBHS/BQMO Specification Manual.

12.2.6 Submit a Quarterly Inpatient Hospital Showing Report ten (10) days after quarter end.

12.2.7 PCP Transition Log: Submit to ADHS/DBHS a monthly recipient transition form in accordance with Attachment A of this Contract and Provider Manual Section 4.3 requirements that reflects recipients transitioning from the Contractor to the care of their primary care physician.

12.2.8 Recipient and Provider over and underutilization report and plan: The Contractor shall submit to ADHS/DBHS a bi-annual over and underutilization report and plan that addresses both provider and recipient level analysis in accordance with The ADHS/DBHS/BQMO Specification Manual and Attachment A of this Contract.

12.2.9 Inter-rater Reliability (IRR) testing log for authorizations: The Contractor shall submit to ADHS/DBHS a bi-annual IRR log in accordance with Attachment A of this Contract and ADHS/DBHS Policy and Procedures Manual QM 3.1, Inter-rater Reliability.

13. Laboratory Testing Services Requirements

13.1 LABORATORY TESTING SERVICES

The Contractor shall:

13.1.1 Use laboratory testing sites providing services under this contract that have either a Clinical Laboratory Improvement Amendments (CLIA) certificate of waiver or a certificate of registration along with a CLIA identification number. In addition, they must meet all the requirements of 42 CFR §493, Subpart A.

13.1.2 Require 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.

13.1.3 Apply these requirements to all clinical laboratories:

13.1.3.1 Pass-through billing or other similar activities with the intent to avoid the requirements 13.1.1 and 13.1.2 above is prohibited;

13.1.3.2 Clinical laboratory providers who do not comply with requirements13.1.1 and 13.1.2 above may not be reimbursed;

13.1.3.3 Laboratories with certificates of waiver are limited to providing only the types of tests permitted under the terms of their waiver; and

13.1.3.4 Laboratories with certificates of registration are allowed to perform a full range of laboratory tests.

13.1.4 Manage and oversee the administration of laboratory services through subcontracts with qualified services providers to deliver laboratory services.

14. PHYSICIAN INCENTIVE REQUIREMENTS

14.1 PHYSICIAN INCENTIVES

The Contractor shall:

14.1.1 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.

14.1.2 Disclose all physician incentive agreements to ADHS and to members who request them.

14.1.3 Not enter into subcontracts that place providers at significant financial risk as defined in 42 CFR 417.479 (e), unless specifically approved in advance by ADHS. In order to obtain approval, the following must be submitted to ADHS ninety (90) days prior to the implementation of the subcontract:

14.1.3.1 A complete copy of the subcontract;

14.1.3.2 A plan for the member satisfaction survey;

14.1.3.3 Details of the stop-loss protection provided; and

14.1.3.4 A summary of the compensation arrangement that meets the substantial financial risk definition.

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

14.1.5 Comply with physician incentive plan requirements as set forth in 42 CFR 422.208, 422.210 and 438.6(h).

14.1.6 Include and require compliance with above regulations in subcontracts.

15. Pre-Admission Screening and Resident Review (PASRR) Requirements

The Contractor shall:

15.1 Administer the PASRR Level II evaluations and meet required time frames for assessment and submission to ADHS.

15.2 Determine the appropriateness of admitting persons with mental impairments to Medicaid-certified nursing facilities, to determine if the level of care provided by the nursing facility is needed and whether specialized services for persons with mental impairments are required.

15.3 Subcontract for these services if necessary, and demonstrate that a licensed physician who is Board-certified or Board-eligible in psychiatry conducts PASRR Level II evaluations in accordance with 42 CFR Part 483, Subpart C and the ADHS/DBHS Policies and Procedures Manual (MI 5.3).

15.4 Comply with PASRR periodic reporting:

15.4.1 Submit a PASRR Packet that includes an Invoice to ADHS/DBHS in accordance with Attachment A of this Contract.

16. Prevention Services Requirements

16.1 ASSESSMENT

The Contractor shall:

16.1.1 Complete and submit to ADHS a written, formal, comprehensive regional Needs Assessment Summary within six (6) months of contract award and six (6) months prior to issuing an RFP for prevention services.

16.1.2 Complete the Needs Assessment according to the format and required components established by ADHS.

16.1.3 Repeat the Needs Assessment at minimum once every three (3) years:

The Contractor shall:

16.1.3.1 Submit to ADHS within thirty (30) days of completion of the assessment, a summary of the findings;

16.1.3.2 Not delegate the Needs Assessment requirement to prevention subcontractors or providers; and

16.1.3.3 Include in the assessment regional data related to substance abuse prevalence, morbidity, mortality and suicide.

16.2 ADMINISTRATIVE CAPACITY

The Contractor shall:

16.2.1 Have representation in all ADHS-facilitated Prevention Administrator meetings.

16.2.2 Assemble prevention administration teams to have at least one (1) staff person or more staff persons based upon the needs within the GSA.

16.2.3 Request ADHS written approval of the appointment or designation of all Contractor prevention staff and personnel prior to hire or assignment to prevention services.

16.3 PREVENTION SERVICES IMPLEMENTATION

The Contractor shall:

16.3.1 Implement prevention programs and services that do not endanger the health, safety, or welfare of persons served.

16.3.2 Provide services that are respectful, in a non-exploitive manner that incorporates the cultural competency requirements in service delivery.

16.3.3 Meet, at a minimum, the following safety requirements:

16.3.3.1 Demonstrate documentary evidence that all staff, contractors, volunteers or other persons delivering prevention services to persons under the age of 18 have applied for or received a Class I fingerprint clearance card before providing prevention services in accordance with ARS § 36-425.03; and

16.3.3.2 Persons denied a Class I fingerprint clearance card shall not provide unsupervised services to youth in prevention programs.

16.3.4 Report to ADHS the following, at a minimum:

16.3.4.1 Contractor shall report any allegation of sexual abuse perpetrated by provider employees or volunteers on a program participant to law enforcement immediately and to ADHS within twenty-four (24) hours;

16.3.4.2 Death of a prevention program participant or staff while involved in prevention activities; and

16.3.4.3 Suicide or attempted suicide of prevention program participants and prevention services staff.

16.3.5 Comply with Provider Manual Section 7.4, *Reporting of Incidents, Accidents and Deaths.*

16.3.6 Demonstrate documentary evidence that at least one staff member current in First Aid Certification and at least one staff member current in Cardio Pulmonary Resuscitation Certification (CPR) is present at all times on facility premises, on field trips, or while transporting children in a facility's motor vehicle or a vehicle designated to transport children. A staff member with current certification in both first aid and CPR may meet this requirement.

16.3.7 Maintain a current first aid kit accessible to staff members.

16.3.8 Prohibit the use or possession of the following items when a prevention program participant is on facility premises, during hours of operation, or in any motor vehicle when used for transportation of program participants:

16.3.8.1 Any beverage containing alcohol;

16.3.8.2 A controlled substance; and

16.3.8.3 A firearm or other lethal weapon

16.3.9 Demonstrate documentary evidence that the following health and safety inspections take place for any facilities owned, leased, or rented to provide prevention services, according to the following schedules, and make any repairs or corrections stated on an inspection report:

16.3.9.1 Sanitation; every twelve (12) months by a local health department;

16.3.9.2 Gas inspections; every twelve (12) months by a plumber holding a plumbing business license issued by a local government; and

16.3.9.3 Fire inspections; every thirty-six (36) months by a local fire department or the State Fire Marshal.

16.3.10 Require prevention program premises and furnishings to be free from dirt, disease, and odor. Exceptions to requirements for facilities may be made at the discretion of ADHS.

16.4 PREVENTION SERVICES TRANSPORTATION

The Contractor shall:

16.4.1 Have motor vehicle insurance and a current registration with the Arizona Department of Transportation,

16.4.2 Not permit any person to be transported in a truck bed, camper, or trailer attached to a motor vehicle,

16.4.3 Require all vehicle passengers to use age and size appropriate restraint systems,

16.4.4 Carry a first aid kit, fire extinguisher, and water sufficient for the needs of each passenger, and

16.4.5 Carry active, written consent from a parent or guardian for each youth transported.

16.5 PREVENTION SERVICES, SUSPECTED ABUSE OR NEGLECT

The Contractor shall:

16.5.1 Document and immediately report all suspected or alleged cases of child abuse or neglect to Tribal Social Services, Child Protective Services, and Adult Protective Services or to a local law enforcement agency, as applicable.

16.6 PREVENTION SERVICES MONITORING

The Contractor shall:

16.6.1 Conduct at least one visit to one hundred percent (100%) of prevention sites or providers each year, with additional visits as needed.

16.6.2 Complete interview(s) with program staff, observe program activity, and review training and supervision records during site visits.

16.6.3 Participate in site visits by ADHS as requested.

16.6.4 Provide written feedback to each prevention subcontractor noting successes recommendations for improvement.

16.6.5 Monitor and evaluate the totality of prevention programs instead of individual components.

16.7 PREVENTION SERVICES EVALUATION

The Contractor shall:

16.7.1 Use the ADHS/DBHS Arizona Prevention Evaluation Database to enter individual level data for each State Outcome Measure used.

16.7.2 Include in the evaluation an analysis of process and outcome data. All ADHS prevention programs, whether operated by the Contractor or subcontracted provider must be evaluated for outcomes at least once annually. Each program must report at least one outcome unless the Contractor receives written approval from ADHS to not complete an outcome evaluation for a specific program.

16.7.3 Use the State Outcomes Measure instruments below to evaluate programs.

16.7.4 Request and obtain ADHS written approval to require subcontractors to use additional evaluation tools or measures.

State Outcome Measures

Name of Scale	Prevention programs serving the following populations must use this instrument
Adolescent program evaluation	Youth in grade 8 to age 21
Parenting program evaluation	Parents
Coalition survey	Coalition Members
Older adult program survey	Older adults (55+)
Suicide prevention program evaluation tool	Any gatekeeper training activities
Early Identification and Referral Form	Any person who has been referred to behavioral health treatment assessment or other services

16.7.5 Request written, active, parental consent in accordance with A.R.S. §15-104, to conduct any survey, analysis, or evaluation of students that is administered in a school if it includes questions about substances, suicide, or sexual behavior. Parental consent is not required to participate in the program itself.

16.7.6 Use the ADHS Active Consent template to gain parental consent for youth to participate in an evaluation of school based prevention programs. An alternative consent form may only be used with prior written approval from ADHS.

16.7.7 Submit program evaluations in a format prescribed by ADHS. Required elements of the annual evaluation report will be designated by ADHS each year; The Contractor's annual report contains three parts, a regional evaluation, workforce evaluation and programmatic evaluations.

16.8 PREVENTION SERVICES SUSTAINABILITY

The Contractor shall:

16.8.1 Support sustainable prevention efforts, by encouraging prevention providers or subcontractors to leverage prevention funds from multiple sources.

16.8.2 Contractor shall not prohibit receipt of funds from multiple grant and contract sources to support the same program or same activities in a community.

16.9 PREVENTION SERVICES PERIODIC REPORTING

The Contractor shall submit:

16.9.1 An Annual Prevention Plan, two (2) months prior to the start of the contract year. The plan shall contain three (3) parts; Part 1: Regional Strategic Plan (1 per GSA) and Part 2: Program Description; Part 3: Program Monitoring Protocol.

16.9.2 An Annual Prevention Report, three (3) months following the end of the contract year. The plan shall contain four (4) parts; Part 1: Regional Evaluation (1per GSA), Part 2: Evaluation of workforce capacity (1 per GSA), Part 3: Program Evaluation (1 per program); Part 4: (16.9.8) Evaluation outcomes and supplemental information as requested, annually no later than August 1st to ADHS via the ADHS/DBHS prevention evaluation database.

16.9.3 On an ad hoc basis the Needs Assessment Summary, six (6) months prior to issuing an RFP for prevention and six (6) months following contract award, once every three years thereafter.

16.9.4 On an ad hoc basis the description and plan for new prevention programs which commence midyear thirty (30) days prior to program commencement.

16.9.5 Submit to ADHS for review and approval in writing all Contractor solicitations and amendments for prevention services fourteen (14) days before they are released publicly.

16.9.6 Submit to ADHS for review and approval in writing the proposal evaluation and award of contract to provide prevention services, upon request.

16.9.7 Submit allegations of attempted suicide, sexual abuse, and death incident report s within five (5) business days of the incident coming to the RBHA's attention.

17. Quality Management Requirements

17.1 QUALITY MANAGEMENT

The Contractor shall:

17.1.1 Develop, implement and maintain a quality management program that includes quality management processes to assess, measure, and improve the quality of care provided to members in accordance with *the ADHS/DBHS Bureau of Quality Management Operations Specifications Manual* and Provider Manual Section 8.4, *Performance Improvement Projects;* and

17.1.1.1 The AHCCCS QM requirements in the AHCCCS Medical Policy Manual (AMPM), Chapter 900.

17.1.2 Utilize the Plan Do Study Act (PDSA) model of continuous quality improvement to identify and resolve systems issues.

17.1.3 Use data to conduct comprehensive evaluation and analysis to develop and implement actions to continuously improve the quality of care provided to members.

17.1.4 Regularly disseminate Contractor and provider quality improvement information including performance measures, dashboard indicators and member outcomes to ADHS, its subcontractors, and key stakeholders, including members and family members.

17.1.5 Develop and maintain regular mechanisms to solicit feedback and recommendations from key stakeholders, subcontractors, members, and family members to monitor service quality and develop strategies to improve member outcomes and quality improvement activities related to the quality of care and system performance.

17.1.6 Monitor subcontractors' quality management programs and require compliance with federal and state regulations, AHCCCS and ADHS/DBHS requirements, and Contractor's quality management plan.

17.1.7 Inform ADHS Quality Management within one (1) day of high profile alerts incidents/accidents/deaths, in accordance with the ADHS/DBHS Policy and Procedure Manual Section QM 2.5, *Reports of Incidents, Accidents and Deaths* and provide a summary of findings and corrective actions required, if any, following investigation of the incident/accident/death.

17.1.8 Conduct peer review activities in accordance with the AHCCCS Medical Policy Manual AMPM CH.900 and the ADHS/DBHS QM Plan and Policy. The Contractor shall maintain an active Peer Review Committee that is chaired by the Contractor's CMO. The Contractor shall submit to ADHS, peer review information as requested by ADHS.

17.1.9 Actively participate in the Quarterly RBHA QM Coordinators Meeting with ADHS/DBHS QM.

17.1.10 Establish a QM Committee that meets at least quarterly and is chaired by the Contractor's CMO.

17.1.11 Provide subcontractors and providers with technical assistance in quality management as needed.

17.1.12 Impose corrective action, financial sanction, notice to cure or other remedies on subcontractors that fails to meet quality management objectives and requirements, including, at a minimum, the submission of complete, timely and accurate data.

17.1.13 Develop, maintain and implement processes to verify accuracy and timeliness of reported data, to screen the data for completeness, logic, and consistency, and to collect service information in standardized formats.

17.1.14 Comply with reporting requirements for all quality management data submitted to ADHS for calculating contract performance measures and other quality reporting in accordance with the ADHS/DBHS QM/MM/UM Performance Improvement Specifications Manual.

17.1.15 Submit timely, accurate, and complete data. Failure to do so shall be subject to corrective action, sanction, notice to cure or other remedies available under this contract.

17.1.16 Comply with State and Federal confidentiality statutes, rules and regulations to protect medical records and any other personal health and enrollment information that may identify a particular member or subset of members.

17.1.17 Establish and maintain a uniform provisional credentialing, initial credentialing, re-credentialing and organizational credential verification process [42 CFR 438.206(b)(6)]. The Contractor shall demonstrate that its subcontractors and providers are credentialed and reviewed through the Contractor's Credentialing Committee that is chaired by the Contractor's CMO [42 CFR 438.214].

The process:

17.1.17.1 Shall describe procedures for provisional credentialing, initial credentialing, re-credentialing and organizational credential verification of subcontractors and providers according to the Provider Manual Section 3.20*, Credentialing and Re-credentialing*;

17.1.17.2 Shall not discriminate against particular subcontractor and providers that serve high-risk populations or specialize in conditions that require costly treatment; and

17.1.17.3 Shall not employ or subcontract with providers excluded from participation in Federal health care programs.

17.2 QUALITY IMPROVEMENT

The Contractor shall:

17.2.1 Perform the following quality improvement activities:

17.2.1.1 ADHS Performance Measures Monitoring and Reporting: The Contractor and its subcontractors shall actively perform monitoring, tracking, trending and reporting of ADHS Performance Measures utilizing the standardized methodology for each performance measure as approved by ADHS. The Contractor shall meet the Minimum Performance Standard (MPS) for each performance measure for both Adults and Children or be subject to a corrective action plan or sanction including any performance measure that shows a statistically significant decrease in its rate, even if it meets or exceeds the MPS;

17.2.1.2 Develop, implement and enforce corrective action plans (CAPs) when any subcontractor fails to meet a MPS at any time for any measure. The Contractor must demonstrate sustained improvement toward meeting performance standards or be subject to corrective action, sanction, notice to cure or other remedies including failure to show statistically significant improvement in a measure over consecutive reporting periods;

17.2.1.3 Comply with any ADHS directive to increase its administrative resources to improve rates for a particular measure or service area;

17.2.1.4 Submit all Contractor CAPs to ADHS QM for approval prior to implementation. Contractors must reports CAP data to ADHS QM quarterly within the body of the QM Report Template. Contractor shall continue to monitor and enforce CAPs until Contractor demonstrates sustained improved performance. The Contractor must participate in all data validation activities conducted by ADHS to verify compliance with the CAP. A CAP must include:

17.2.1.4.1 Evidence based best practices in the reported interventions to meet or exceed performance expectations;

17.2.1.4.2 The Plan Do Study Act (PDSA) model;

17.2.1.4.3 Measurable goals and objectives;

17.2.1.4.4 Include Names of responsible persons and start and completion dates; and

17.2.1.4.5 A description of systemic interventions: training; policy review and revision; technical assistance and focused reviews.

17.2.1.5 Provide technical assistance to subcontractors, especially those demonstrating poor performance.

17.2.1.6 Member Satisfaction Survey: Implement the annual satisfaction survey in conjunction with subcontractors when necessary. The Contractor shall use findings from the Satisfaction Survey in designing quality improvement activities to improve care for members.

17.2.1.7 Performance Improvement Projects: Develop, implement and report all ADHS Performance Improvement Projects (PIPS) required by CMS or AHCCCS, including performance improvement protocols or other measures designed to improve the quality of care provided to members as directed by ADHS.

17.2.1.8 Provider Monitoring: Conduct annual or more frequent on-site reviews of subcontractor performance. When quality of care and program or service concerns are identified through analysis of data from multiple sources or through quality of care complaints, the Contractor shall conduct focused, targeted reviews of subcontractors performance. The Contractor shall conduct an annual desk audit of services and service sites of each provider, and assess each provider's performance on meeting ADHS established performance measures. In conducting the desk audit the Contractor shall review and analyze all relevant information submitted to the Contractor, including, at a minimum, incident/accident reports, complaint resolutions, satisfaction surveys, morbidities, mortalities and performance measures data. When provider monitoring activities reveal poor performance, the Contractor shall develop and implement a performance improvement plan. The Contractor shall provide technical assistance as necessary and shall track and monitor subcontractors' performance improvement plans and activities. The Contractor shall use monitoring information to improve its provider monitoring activities. The Contractor shall monitor fidelity and outcomes of the targeted clinical practice protocols selected by ADHS and other selected evidence based practices.

17.2.1.9 Provider Profiling: Develop quarterly provider profiles for each subcontractor to include, at a minimum: performance measures data; complaints, grievance and appeals data; provider demographics; service utilization data. Contractor shall use provider profiles to develop quality improvement activities, focused reviews, and the peer review and credentialing re-credentialing processes.

17.2.1.10 Quality of Care Concerns: Investigate, analyze, track, trend and resolve quality of care concerns (QOC) in accordance with the ADHS/DBHS Policy and Procedure Manual QM 2.7 Quality of Care. The Contractor must conduct training on its QOC process at new employee orientation and at least annually for all staff that have contact with members.

17.3 QM PERIODIC REPORTING REQUIREMENTS

The Contractor shall submit:

17.3.1 Annual Quality Management Plan and Work Plan by November 30th, including an annual evaluation of the Contractor's QM Plan from the previous contract year in accordance with the AHCCCS AMPM Chapter 900; the ADHS/DBHS QM Plan and Work Plan. As part of the Annual Quality Management Plan and Work Plan, the Contractor shall provide a detailed provider monitoring plan that describes the frequency and schedule of provider monitoring including on-site and desk audits.

17.3.2 Annual Member Satisfaction Survey, in accordance with Attachment A of this Contract.

17.3.3 Submit an Annual Report on Established Performance Incentives within forty five (45) days after the contract year end to the ADHS Office of Financial Review.

17.3.4 Quarterly Performance Improvement Reports, including data on all ADHS performance measures; complaint data and quarterly CAP updates including subcontractor CAPs and sanctions. The Contractor must use the Electronic QM Report template in the ADHS Performance Improvement Specifications Manual for all Quarterly Performance Improvement Reports and in accordance with Attachment A of this Contract.

17.3.5 Monthly Complaint Data Logs due fifteen (15) days after month end.

17.3.6 Child and Family Team Practice Improvement Plans due, as needed based on the reviews forty-five (45) days after meeting with Contractor.

17.3.7 Submit High Profile Alerts of – Incidents/ Accidents and Deaths within one (1) day of awareness.

17.3.8 Submit Monthly Quality of Care Data due fifteen (15) days after month end.

17.3.9 Submit Data and Records related to contract due upon ADHS request.

17.3.10 Submit Crisis Indicator Data Report due monthly on the 15th day following month end.

17.4 QUALITY PERFORMANCE

17.4.1 Quality performance Standards

The Contractor shall:

17.4.1.1 Meet and require subcontractors and providers to meet the ADHS/DBHS Minimum Performance Standards (MPS) and Goals for services delivered to Title XIX/XXI Adult and Child members as set forth in Table 1 below. The Contractor must meet each MPS for both the Child and Adult populations, by GSA.

Table 1

Performance Measure	Minimum Performance Standard	Goal
Access to Care	90%	95%
Behavioral Health Service Plan	85%	95%
Behavioral health Service Provision	85%	95%
Coordination of Care	85%	95%
Follow Up after Hospitalization for Mental Illness within 7 Days	70%	90%
Follow Up after Hospitalization for Mental Illness within 30 Days	80%	90%
Treatment of Depression	Under development as determined by AHCCCS	

17.4.1.2 Demonstrate sustained improvement on meeting performance measure outcomes from year to year as established by ADHS.

17.4.1.3 Address in its Quarterly Performance Improvement Reports any statistically significant decrease in the Contractor's performance level for any measure for two (2) or more review periods.

17.4.1.4 Utilize the QM CAP Template, develop and implement a corrective action plan (CAP), subject to ADHS' approval prior to implementation if the Contractor's performance falls below:

17.4.1.4.1 The MPS established for the measure; and

17.4.1.4.2 Previous performance levels if the MPS or Goal was met or exceeded.

17.4.1.5 Cooperate with any ADHS review or other data validation activities to verify compliance with a corrective action plan.

17.4.1.6 Meet all targeted performance measures established by ADHS:

17.4.1.6.1 A MPS is the minimally expected level of performance by the Contractor; and

17.4.1.6.2 A Goal is considered a reachable level of performance if the Contractor has met or exceeded the MPS measure.

17.4.1.7 Require subcontractors to submit a corrective action plan and consider sanctions when the subcontractor:

17.4.1.7.1 Does not meet the MPS for any measure;

17.4.1.7.2 Demonstrates a significant decrease in performance on any measure that cannot be justified; and

17.4.1.7.3 Fails to demonstrate improvement toward meeting MPS.

18. Outreach and Marketing Requirements

18.1 OUTREACH AND MARKETING ACTIVITIES

The Contractor shall:

18.1.1 Demonstrate performance of outreach activities to inform members of the availability of behavioral health services.

18.1.2 Collect, analyze track, and trend data to evaluate the effectiveness of outreach activities utilizing penetration rates and other quality management performance measures.

18.1.3 Develop and implement a data driven outreach policy and procedure plan to inform persons in a culturally and linguistically appropriate manner regarding the availability of behavioral health services.

18.1.4 Demonstrate performance of outreach activities to persons in high-risk groups, including at a minimum, the homeless, substance abusing pregnant women, and others identified as high risk.

18.1.5 Upon request, provide outreach and dissemination of information to the general public, other human service providers, county and state governments, school administrators and teachers and other interested parties regarding available behavioral health services.

18.1.6 Cooperate with ADHS outreach and marketing initiatives.

18.1.7 Provide written informational materials about the availability of SAPT funded substance abuse services to the communities and referral sources including, but not limited to schools, substance abuse coalitions, and medical providers.

18.2 OUTREACH AND MARKETING MATERIALS APPROVAL

The Contractor shall:

18.2.1 Prior to dissemination, obtain ADHS approval of all member information and general information materials developed by the Contractor. Member information and general information materials include information on the Contractor's website, e-mail messages and voice recorded phone messages delivered to a member's phone, health education, incentives, marketing, outreach, and promotions.

18.2.2 Not submit for ADHS approval:

18.2.2.1 Customized letters for individual members; and

18.2.2.2 Health-related brochures developed by a nationally recognized organization as defined by ADHS. Contractors may submit names of other organizations to ADHS to determine if they should be added to the list.

18.2.3 Comply with the following:

18.2.3.1 Any outreach or incentive item given to its members shall not exceed $50.00. Any marketing item given away by the Contractor shall not exceed $10.00. The total cost of all marketing and outreach/incentive items given to each member, at each event, may not exceed $50.00 per member;

18.2.3.2 All marketing materials shall identify the Contractor as an AHCCCS and ADHS provider; and

18.2.3.3 All marketing materials produced by the Contractor that refers to Contract services shall specify the services are funded through a contract with the State of Arizona.

18.3 MARKETING RESTRICTIONS

The Contractor shall not:

18.3.1 Use for marketing:

18.3.1.1 Incentive items except for use in connection with outreach activities, subject to ADHS prior approval;

18.3.1.2 Solicitation of any individual face-to-face, door-to-door, or over the telephone;

18.3.1.3 Provision of promotional materials, incentives, or any other activity to influence enrollment in conjunction with the sale or offering of any private insurance;

18.3.1.4 Television advertising;

18.3.1.5 Direct mail advertising;

18.3.1.6 Marketing of non-mandated services;

18.3.1.7 Utilization of the word “free” in reference to covered services;

18.3.1.8 Listing of providers in marketing and open enrollment materials who do not have signed contracts with the Contractor;

18.3.1.9 Use of the ADHS or AHCCCS logo;

18.3.1.10 Inaccurate, misleading, confusing or negative information about AHCCCS and ADHS and any information that may defraud members or the public; and

18.3.1.11 Discriminatory marketing practices as specified in A.A.C. Title 9, Chapter 22, Article 5, A.A.C. Title 9. Chapter 28, Article 5, and A.A.C. Title 9, Chapter 31, Article 5.

18.4 REVIEW OUTREACH AND MARKETING MATERIAL

The Contractor shall:

18.4.1 Review and revise all outreach and marketing materials on an annual basis to reflect current practices.

18.5 OUTREACH AND MARKETING PERIODIC REPORTING

The Contractor shall submit:

18.5.1 Outreach Material for approval to ADHS on an ad hoc basis; and

18.5.2 Marketing Material for approval to ADHS on an ad hoc basis.

19. Dissemination of Information Requirements

19.1 DISSEMINATION OF INFORMATION

The Contractor shall:

19.1.1 Upon request, assist ADHS in the dissemination of information prepared by ADHS, AHCCCS, or the federal or state government, to its members and pay for the cost to disseminate and communicate information.

19.2.2 Submit all required member information materials as described in the "Member Information and Member's Rights" section of this contract to ADHS for approval prior to distribution.

19.2.3 All advertisements, publications and printed materials, which are produced by the Contractor and refer to covered services for Title XIX/XXI members, shall state that the services are delivered under contract with ADHS and funded by AHCCCS.

20. Contractor Website Requirements

20.1 WEBSITE CONTENT

The Contractor shall:

20.1.1 Include the following information on its website that is easy to find, understand and navigate:

20.1.1.1 The most recent version of the Contractor Member Handbook;

20.1.1.2 Contractor's Provider Manual and a hyperlink to the ADHS/DBHS Provider Manual;

20.1.1.3 Most recent version of its Medication Formulary;

20.1.1.4 A list of its network providers;

20.1.1.5 Claims payment information;

20.1.1.6 Toll-free customer service telephone number and a Telecommunications Device for the Deaf (TDD) telephone number;

20.1.1.7 Performance Improvement activities and results, including effectiveness of Performance Improvement activities and results for key stakeholders such as contractor and provider quality improvement information including performance measures, dashboard indicators and member outcomes;

20.1.1.8 General customer service information, including information on community resources, how to file a complaint or grievance, and interpreter services;

20.1.1.9 Crisis phone numbers and how to access the crisis services; and

20.1.1.10 Hyperlinks to the ADHS Division of Behavioral Health Services website and the Covered Behavioral Health Services Guide.

20.1.2 Make available easy access of information by members, family members, providers, stakeholders, and the general public in compliance with the Americans with Disabilities Act (ADA).

20.1.3 Obtain approval for any information that is directly related to members or potential members by ADHS as described in "Member Information and Members Rights".

21. Coordination with AHCCCS Acute Care Contractors, Primary Care Physicians (PCPs), and other Agency Collaboration Requirements

21.1 AHCCCS COORDINATION OF CARE [42 CFR 438.208(b)(2)]

The Contractor shall:

21.1.1 Coordinate care with AHCCCS acute care contractors, PCPs, and other state agencies that deliver services to Title XIX/XXI members. For prior period coverage, the AHCCCS acute care contractor is responsible for payment of all claims for medically necessary covered behavioral health services to members with the exception of pre-petition screening and court ordered evaluation services, which are the fiscal responsibility of the County pursuant to ARS §36-545.06.

21.1.2 Develop and implement policies and procedures that govern confidentiality, implementation and monitoring of coordination between subcontractors, AHCCCS acute care contractors, behavioral health providers, and other governmental agencies.

21.1.3 Forward behavioral health records including copies or summaries of relevant information of each Title XIX/XXI member to the member's PCP as needed to support quality medical management and prevent duplication of services. At a minimum, for all members referred by the PCP or members with SMI, the member's diagnosis, critical lab results as defined by the laboratory and prescribed medications, including notification of changes in class of medications must be provided to the PCP [42 CFR 438.208(b)(3)]. Contractor shall provide member information to the PCP upon request no later than ten (10) days from the request.

21.1.4 Use any ADHS-required, standardized forms to meet these requirements.

21.1.5 Collaborate with ADHS in the development, adoption, and implementation of electronic medical records and data-sharing technology that facilitates improved coordination of care.

21.1.6 Establish and implement procedures consistent with confidentiality requirements in 42 CFR 431.300 et. seq., 42 CFR 438.224, 45 CFR parts 160 and 164, 42 CFR part 2 and A.R.S. §36-509, for medical records and any other health and member information that identifies a particular member.

21.1.7 Obtain proper consent and authorization to release information to coordinate care consistent with CFR 431.300 et. seq., 42 CFR 438.224,45 CFR parts 160 and 164, 42 CFR part 2 and A.R.S. §36-509. Unless prescribed otherwise in Federal regulations or Statute, it is not necessary to obtain a signed release form in order to share mental health related information with the PCP, the member's Health Plan Behavioral Health Coordinator acting on behalf of the PCP or, with other involved state agency representatives.

21.1.8 Have consultation services available to health plan PCPs and have materials available for the Acute Health Plan Contractors, PCPs, and State agencies that deliver services describing how to access consultation services and how to initiate a referral for behavioral health services. Members treated by the Contractor for depression, anxiety or attention deficit hyperactivity disorders may be referred back to the PCP for ongoing care only after consultation and agreement by the member and the member's PCP. The Contractor shall conduct a systematic review of the appropriateness of decisions to refer members back to PCPs for ongoing care. Upon request, the Contractor shall inform PCPs about the availability of resource information regarding the diagnosis and treatment of behavioral health disorders.

21.1.9 Coordinate the sharing of information with AHCCCS/SSI-MAO to assist in the Title XIX/XXI eligibility determination. Information will include the applicant's behavioral health history including the SMI status, as needed.

21.1.10 Meet with the AHCCCS Health Plans operating in the GSA to address coordination of care issues between the two (2) systems including at a minimum, sharing information with Health Plans regarding referral and consultation services and solving identified problems. The meetings shall occur at least quarterly or more frequently and facilitated by Contractor staff with sufficient program and administrative knowledge and authority to identify and resolve issues in a timely manner.

21.1.11 Address and resolve coordination of care issues at the lowest level. In the event that the Contractor is unable to resolve issues with AHCCCS Health Plans, the Contractor shall forward the following in writing to ADHS:

21.1.11.1 The issue that the Contractor is unable to resolve;

21.1.11.2 The actions already taken that have not resulted in resolution of the issue; and

21.1.11.3 Recommendations for resolution of the problem.

21.1.12 Employ an Acute Health Plan and Provider Coordinator to:

21.1.12.1 Locate the member's affiliated clinical provider in the Contractor's system;

21.1.12.2 Gather, review and communicate clinical information requested by PCPs, Acute Care Plan Behavioral Health Coordinators, other treating professionals, and other involved stakeholders including providers under contract with ADES/CPS and ADES/DDD;

21.1.12.3 Resolve administrative and programmatic issues identified or communicated by PCPs, Acute Care Plan Behavioral Health Coordinators, other treating professionals, and other involved stakeholders;

21.1.12.4 Problem solve case management and medical management issues;

21.1.12.5 Identify and address clinical issues requiring immediate attention;

21.1.12.6 Require follow up and resolution of requests or issues communicated by PCPs, Acute Care Plan Behavioral Health Coordinators, treating professionals, and other involved stakeholders; and

21.1.12.7 Collaborate and coordinate with the Acute Care Health Plans regarding member specific issues or needs.

21.1.12.8 Submit a Monthly Acute Health Plan and Provider Coordinator Report, due in accordance with Attachment A of this Contract.

21.2 OTHER AGENCY COLLABORATION

The Contractor shall:

21.2.1 Collaborate with other agencies that have an interest in the behavioral health service delivery system.

21.2.2 Meet, agree upon and reduce to writing collaborative protocols with each County, District, or Regional Office of:

21.2.2.1 Arizona Department of Economic Security/Child Protective Services;

21.2.2.2 Arizona Department of Economic Security/Division of Developmental Disabilities;

21.2.2.3 Arizona Department of Economic Security/Rehabilitative Services Administration;

21.2.2.4 Administrative Office of the Courts, Juvenile Probation;

21.2.2.5 Arizona Department of Corrections;

21.2.2.6 Arizona Department of Juvenile Corrections; and

21.2.2.7 Pima County (for GSA 5) Administrative office of the Courts (Adult Probation)

21.2.3 Address in each collaborative protocol, at a minimum, the following:

21.2.3.1 Procedures for each entity to coordinate the delivery of behavioral health services to persons served by both entities;

21.2.3.2 Mechanisms for resolving problems;

21.2.3.3 Information sharing;

21.2.3.4 Resources each entity commits for the care and support of persons mutually served;

21.2.3.5 Arrangement for co-located staff, if applicable; and

21.2.3.6 Procedures to identify and address joint training needs.

21.2.4 Review the written protocols on an annual basis with system partners and update as needed.

21.2.5 Notify subcontractor or providers through the ADHS/DBHS Provider Manual in the applicable content area on any agreed upon protocols that require action by providers.

21.2.6 Address and resolve coordination of care issues with other state agencies as set forth in Section 21 above.

21.2.7 Collaborate with local county health departments, hospitals, schools, and coalitions.

21.2.8 Execute annual collaboration agreements with local law enforcement and first responders. The collaboration agreement shall address, at a minimum:

21.2.8.1 Continuity of behavioral health services during a crisis;

21.2.8.2 Jail diversion and safety; and

21.2.8.3 Strengthening relationships between first responders and behavioral health providers when behavioral health providers need support or assistance in working with or engaging members.

21.2.9 Collaborate with agencies responsible for the administration of jails, prisons and juvenile detention facilities to coordinate the discharge and transition of incarcerated adults with SMI and children for the continuation of prescribed medications and other behavioral health services prior to re-entry to the community.

21.2.10 Develop and implement strategies to engage first responders, including police officer education about behavioral health resources and crisis interventions, to de-escalate volatile situations and prevent the use of lethal force, to the extent possible.

21.2.11 Develop a pre-and post–booking jail diversion response, such as co-located staff or response teams, at county booking facilities for juveniles and adults with SMI.

21.3 COORDINATION WITH TRIBAL NATIONS

The Contractor shall:

21.3.1 Coordinate care with Tribal Nations in the GSA to meet the service needs of American Indian members.

21.3.2 Coordinate service delivery with Tribal Nations and Tribal agencies to:

21.3.2.1 Deliver culturally appropriate services;

21.3.2.2 Coordinate eligibility and service delivery with 638 tribal providers; and

21.3.2.3 Obtain routine customer service feedback from providers owned or operated by American Indian Tribes in order to make system improvement.

21.4 COORDINATION WITH AHCCCS ACUTE CARE CONTRACTORS, PRIMARY CARE PHYSCIANS (PCPs), AND OTHER AGENCY COLLABORATION PERIODIC REPORTING

The Contractor shall:

21.4.1 Submit a copy of each collaborative protocol to ADHS for review and approval prior to implementation. The protocols will be submitted to ADHS by December 31st of each year.

22. STAFF REQUIREMENTS

22.1 ORGANIZATIONAL STRUCTURE

The Contractor shall:

22.1.1 Have organization, management and administrative systems capable of meeting all Contract requirements with clearly defined lines of responsibility, authority, communication and coordination within and between departments of the organization.

22.1.2 Not employ or 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 [42 CFR 438 610(a) and (b)].

22.1.3 Employ sufficient staffing and utilize appropriate resources to comply with this Contract. The Contractor's resource allocation must be adequate to achieve outcomes in all functional areas within the organization. Adequacy will be evaluated based on outcomes and compliance with contract requirements, including the requirement for providing culturally competent services. If the Contractor does not achieve the desired outcomes or maintain compliance with this contract, ADHS may exercise its right to remedies under this contract.

22.1.4 Inform ADHS in writing within seven (7) days, when an employee leaves one of the Key Personnel positions described in this contract "Staff Requirements, B. Key Personnel". This requirement does not apply to Organizational Staff, described below. Contractor shall include the name and contact information of the interim replacement Key Personnel with the notification. Contractor shall submit the name and resume of the permanent Key Personnel as soon as the new hire has taken place.

22.1.5 Maintain a significant and sufficient local presence within the GSA and a positive public image. The local leadership team must have the authority, autonomy, resources and responsibility necessary to administer and comply with this Contract.

22.1.6 Participate in face-to-face meetings with ADHS at least quarterly for purposes of assessing Contractor compliance.

22.1.7 Obtain written approval from ADHS prior to locating any administrative or managed care functions outside of the GSA.

22.1.8 Pay for any additional costs incurred by ADHS or the State associated with on-site audits or other oversight activities that result when required administrative or managed care functions are located outside of the State.

22.1.9 Require all staff to have the training, education, experience, orientation, and credentialing, as applicable, to perform assigned job duties.

22.1.10 Maintain current organization charts and written job descriptions for each key personnel and organizational staff position described below.

22.1.11 Have local staff available 24 hours a day, seven days a week to work with ADHS/DBHS, AHCCCS and/or other State agencies (for example ADHS Licensure) on urgent issue resolutions, such as in the case of an Immediate Jeopardy (IJ), fires, or other public emergency situations. These staff person(s) shall have access to information necessary to identify members who may be at risk, their current health/service status, ability to initiate new placements/services, and to be available to perform status checks at affected facilities and potentially ongoing monitoring, if necessary. The Contractor shall supply ADHS/DBHS, with the contact information for these staff persons, such as a telephone number, to call in these urgent situations.

22.2 KEY PERSONNEL

The Contractor shall:

22.2.1 Employ the following Key Personnel to work full-time in a location within or near the GSA:

22.2.1.1 Chief Executive Officer (CEO): who resides in Arizona and has ultimate responsibility for the management of the RBHA and compliance with Federal and State laws and the requirements in this Contract. The CEO shall be available full-time to fulfill the responsibilities of the position and to oversee Contractor's entire operation, which at a minimum shall include contract implementation, compliance with contract requirements and timely responses to ADHS.

22.2.1.2 Chief Financial Officer (CFO): who is an Arizona-licensed certified public accountant with experience and demonstrated success in managed behavioral health care, responsible for effective implementation and oversight of the Contractor's budget, accounting systems, and

all financial operations of the Contractor in compliance with Federal and State laws and the requirements in this Contract.

22.2.1.3 Chief Medical Officer (CMO): who is an Arizona-licensed physician, board-certified in psychiatry, residing in Arizona and has responsibility for implementation of all clinical-medical programs, the QM and MM/UM programs in compliance with Federal and State laws and the requirements in this Contract. The CMO shall attend the monthly ADHS Medical Director meetings. Additionally, the CMO shall:

22.2.1.3.1 Develop, implement, and interpret clinical-medical policies and procedures;

22.2.1.3.2 Oversee behavioral health medical professional recruitment;

22.2.1.3.3 Review and make recommendations regarding physician and other prescribing clinician credentialing and reappointment applications;

22.2.1.3.4 Oversee Provider profile design and interpretation;

22.2.1.3.5 Oversee administration of all utilization management and quality management activities;

22.2.1.3.6 Oversee continuous assessment and improvement of the quality of care provided to members;

22.2.1.3.7 Develop and implement the QM/MM plan and serve as the chairperson of the QM, MM, and Peer Review Committees with oversight of other medical/clinical committees; and

22.2.1.3.8 Oversee Provider education, in-service training and orientation.

22.2.2 Not remove or replace key personnel without prior notification to ADHS. Assignment of new key personnel is subject to approval by ADHS. If key personnel are not available for work under this contract for a continuous period exceeding thirty (30) days, or are no longer working full-time in the key position, Contractor shall immediately verbally notify ADHS, and within seven (7) days, provide written notice including the name and contact information of the interim key personnel. Upon approval of ADHS, Contractor may replace the key personnel with other personnel of substantially equal ability and qualifications. In addition, upon ADHS request, the Contractor shall submit a written plan for replacing Key Personnel, including expected time frames. The Contractor shall provide ADHS, upon request, with the opportunity to pre-approve Key Personnel prior to hire.

22.3 ORGANIZATIONAL STAFF

The Contractor shall employ the following Organizational Staff Members, one person per position, to work full time unless otherwise specified, within or near the GSA:

22.3.1 Chief Clinical Officer (CCO): who is a Behavioral Health Professional as defined in A.A.C. Title 9 Chapter 20 or an Arizona-licensed non-medical practitioner, responsible for clinical program development and oversight of personnel and services related to the delivery of covered behavioral health services to children, adolescents, and their families, adults with SMI, adults with substance use disorders, and adults with general mental health conditions. The CCO and CMO have joint responsibility to manage the Contractor's behavioral health service delivery system to promote recovery and resiliency for members.

22.3.2 Children's Medical Administrator: who is an Arizona-licensed physician, board-certified in child/adolescent psychiatry, or board certified in general psychiatry with significant experience and expertise in child/adolescent psychiatry, who, in conjunction with the CMO, has responsibility for the design of clinical-medical programs for children and adolescents, effective implementation of the QM program as it relates to children and adolescents, and the UM activities as it relates to services for children and adolescents.

22.3.3 Children's System Administrator: who has significant experience and expertise in the requirements of the Arizona child welfare, juvenile corrections and juvenile detention systems, and the special behavioral health needs of children involved with child-serving State agencies. The Children's System Administrator shall be responsible for designing, implementing, and adjusting behavioral health services to meet the needs of children consistent with the Arizona 12 Principles.

22.3.4 Cultural Sensitivity Administrator: who has significant experience and expertise in the development of behavioral health service delivery approaches that value and promote recovery and resilience in Arizona's diverse population, recognizing that cultural competency addresses the unique needs of individuals of varying race/ ethnicity, sexual orientation, age, gender, sensory impairments, and all manner of disabilities. At a minimum, the Cultural Sensitivity Administrator shall have experience with Arizona's Latino and American Indian populations. The Cultural Sensitivity Administrator is responsible for implementing and overseeing the Cultural Competency Plan and all cultural competency requirements.

22.3.5 Training Administrator: who has significant experience and expertise in developing training programs related to behavioral health systems. The Training Administrator shall be responsible for developing and implementing effective training programs and training Contractor's staff and subcontracted providers, and staff of other State agencies that deliver, coordinate or oversee services to enrolled persons. The Training Administrator shall oversee subcontracted trainers, design and implement training programs, and monitor training program effectiveness.

22.3.6 Pharmacy Administrator: who is responsible for the Contractor's management of the prescription drug and pharmacy services benefit. The Pharmacy Administrator shall have significant experience and expertise in managing potential side effects of medications and drug interactions. The Pharmacy Administrator shall collaborate with the QM Administrator, CMO, Children's Medical Administrator, Grievance and Appeals Department and the ADHS Pharmacy and Therapeutics Committee to monitor the effectiveness of medication services delivered to members. The Contractor may subcontract with a prescription benefit management company or consultant if the Pharmacy Administrator is not an Arizona-licensed pharmacist. The Pharmacy Administrator must work full-time within or near the GSA.

22.3.7 Quality Management Administrator: who is an Arizona-licensed registered nurse, physician or physician's assistant or a Certified Professional in Healthcare Quality (CPHQ) and has significant experience and expertise in behavioral health or other health care quality management and quality improvement. The Quality Management Administrator is responsible for developing the Contractor's QM plan and its implementation in collaboration with the CMO and the Utilization Review Administrator.

22.3.8 Performance/Quality Improvement Coordinator: who has minimum qualifications as a Certified Professional in Healthcare Quality (CPHQ) or comparable education and experience in data and outcomes measurement.

22.3.9 Medical Management Administrator: who is an Arizona-licensed registered nurse, physician or physician's assistant if required to make medical necessity determinations, or have a Master's degree in health services, health care administration, or business administration if not required to make medical necessity determinations. The primary functions of MM Administrator are:

22.3.9.1 To consistently apply appropriate inpatient and outpatient medical necessity criteria;

22.3.9.2 Conduct appropriate concurrent review and discharge planning of inpatient stays;

22.3.9.3 Develop, implement and monitor the provision of care coordination, care management and case management functions; and

22.3.9.4 Monitor, analyze and implement appropriate interventions based on utilization data, including identifying and correcting over or under utilization of services.

22.3.10 Customer Services Administrator: who has significant experience and expertise in the management of a customer service department and complaint resolution in health care systems. The Customer Services Administrator is responsible for systems that allow for entry point access to the managed behavioral

healthcare delivery system and triage of all inquiries including information inquiries, service requests, crisis phone calls, complaints, grievances, appeals and quality of care issues.

22.3.11 Network Development Administrator: who has significant experience and expertise in behavioral health service delivery system network development, contracting, credentialing, and provider communication. The Network Development Administrator is responsible for network provider adequacy and appointment access; development of network resources in response to unmet needs; and ensuring member choice of providers.

22.3.12 Network Management Administrator: who has significant experience and expertise in managing a behavioral health service delivery provider network. The Network Management Administrator is responsible for timely inter-provider referrals and associated appointment access; resolving provider complaints; resolving disputes between providers; coordinating provider site visits; reviewing provider profiles; implementing and monitoring corrective action plans as needed; and submitting accurate provider service delivery reports.

22.3.13 Housing Administrator: who has significant experience and expertise in developing a range of housing options in public sector programs. The Housing Administrator is responsible to be the interagency liaison with ADOH, oversight of the housing program, including grants, special housing planning initiatives, and development and expansion of housing availability for members.

22.3.14 Employment/Vocational Administrator: who has significant experience and expertise in Psychosocial Rehabilitation, supported and competitive employment, consumer-operated businesses, and the vocational rehabilitation system operated by the Arizona Department of Economic Security. The Employment/Vocational Administrator is responsible to be the interagency liaison with ADES/RSA, and provide oversight of vocational rehabilitation and employment support programs and vocational, employment, and business development services.

22.3.15 Information Systems Administrator: who has significant experience and expertise in behavioral health data and management information systems. The Information Systems Administrator is responsible for developing, maintaining and overseeing all components of management information systems and data interfaces including an Electronic Health Record.

22.3.16 Claims/Encounters Administrator: who has significant experience and expertise in processing behavioral health claims and encounters, especially as it relates to Medicaid and Medicare requirements, including coordination of benefits, cost avoidance and third party liability. The Claims/Encounters Administrator is responsible for all components and processes related to submitting timely and accurate claims and encounters.

22.3.17 Grievances and Appeals Administrator: who shall be a licensed attorney or have a juris doctor degree from an accredited institution and have significant experience and expertise in behavioral health systems, specifically in investigations and mediations. The Grievances and Appeals Administrator is responsible for timely processing of SMI grievances, appeals and provider claim disputes and shall advocate for member rights by reporting and addressing grievance and appeal data and trends to Contractor's QM/MM Committee. The Contractor shall not permit its in-house legal counsel, corporate attorney or risk management attorney to act as or supervise its Grievances and Appeals Administrator.

22.3.18 Corporate Compliance Administrator: who has significant experience and expertise in operating compliance programs. The Corporate Compliance Administrator is responsible for oversight, administration and implementation of the Contractor's Corporate Compliance Program. The Corporate Compliance Administrator chairs Contractor's Corporate Compliance Committee and collaborates with the ADHS Fraud and Abuse program. The Corporate Compliance Administrator shall be an on-site management official, available to all employees, with designated and recognized authority to access provider records and make independent referrals to the AHCCCS Office of Program Integrity or other duly authorized enforcement agencies. The Corporate Compliance Administrator shall report directly to Contractor's CEO.

22.3.19 Contract Compliance Administrator: who has significant experience and expertise in contract management and compliance oversight. The Contract Compliance Administrator is responsible

for monitoring the Contractor's overall compliance with contract provisions, monitoring the submission of all contract deliverables to ADHS, fielding and coordinating responses to ADHS inquiries, and coordinating the execution of contract requirements and related compliance actions, including ADHS Administrative Reviews, audits, corrective actions and ad hoc visits.

22.3.20 Individual and Family Affairs Administrator: who is a member or family member with first hand experience in the public behavioral health system. The Individual and Family Affairs Administrator shall build partnerships with individuals, families, youth, and key stakeholders to promote recovery, resiliency and wellness; establish structure and mechanisms necessary to increase the member/family voice in areas of leadership, service delivery and Contractor decision making committees and boards; advocate for service environments that are supportive and welcoming; work with members and families to identify concerns and remove barriers that affect service delivery; and promote the availability of peer/family support programs to members and families. The Individual and Family Affairs Administrator shall work collaboratively with the ADHS Office of Individual and Family Affairs.

22.3.21 Communications/Public Relations Administrator: who has significant experience and expertise in responding to media inquiries, public relations activities and other requests for information. The Communications/Public Relations Administrator is responsible for public relations activities, coordinates town hall meetings and other community events and oversees the distribution of information including the member handbook, provider handbook, brochures, newsletters and information on Contractor's web site.

22.3.22 Tribal Coordinator: who has significant experience in issues pertaining to tribal structure, organization, and needs to improve the provision of behavioral health services to American Indian members. The Tribal Coordinator serves as the single point of contact regarding delivery of behavioral health services or any other issues concerning American Indians. The Tribal Coordinator develops reports regarding the Contractor activities with American Indian members and tribes, in a format and frequency agreed upon in collaboration with the ADHS Tribal Contract Administrator.

22.3.23 Prevention Administrator; who has significant experience in prevention service programs. The Prevention Administrator shall coordinate and over see Contractor's prevention services programs and will serve as the primary liaison to ADHS Prevention Services.

22.3.24 Immediately verbally inform ADHS, and provide written notice to ADHS within seven (7) days, after the date of a resignation or termination of any of the Organizational Staff described above, including the name and contact information of the interim organizational staff.

22.4 LIAISONS AND COORDINATORS

The Contractor shall:

22.4.1 Employ a designated staff person to perform the duties and responsibilities of each liaison and coordinator position identified below:

22.4.1.1 AHCCCS Eligibility Liaison: oversees the AHCCCS eligibility screening and referral requirements.

22.4.1.2 Arizona State Hospital Liaison: serves as the single point of contact with the Arizona State Hospital and ADHS regarding coordination of admission, ongoing care, and discharge for members in the Arizona State Hospital.

22.4.1.3 Human Rights Committee Liaison: serves as the single point of contact with the Human Rights Committees (HRC) and the ADHS Human Rights Committee Coordinator and is responsible to provide information to the HRC and attend HRC meetings.

22.4.1.4 Interagency Liaison: serves as the single point of contact regarding coordination of care with other state agencies not addressed through other key positions including ADES/DDD, ADES/DCYF, and other state agencies when necessary.

22.4.1.5 Acute Health Plan and Provider Coordinator(s): serve as the single point of contact regarding coordination of care with AHCCCS Health Plans and PCPs specifically to facilitate the sharing of clinical information. The Acute Health Plan and Provider Coordinator(s) shall either be, or be supervised by and have direct priority access to, a Behavioral Health Professional (BHP) as described in Health Services Rule R9-20-204. The Acute Health Plan and Provider Coordinator(s) shall perform the duties set forth in this contract section "Coordination with AHCCCS Acute Contractors, Primary Care Physicians (PCPS) and Other State Agency Collaboration".

22.4.1.6 Emergency Response/Business Continuity and Recovery Liaison: serves as the single point of contact to coordinate behavioral health response needs, recovery, and business functions in the event of a disaster, power outage or other event that causes a significant disruption in service delivery or business operations.

22.4.1.7 Court Liaison: serves as the single point of contact to communicate with the court and justice systems, including interaction with Mental Health Courts, Drug Courts, and other jail diversion programs. The Court Liaison serves as the interagency liaison with ADJC, ADOC, and AOC.

22.4.1.8 ALTCS Liaison: serves as the single point of contact for coordinating ALTCS eligibility application activities and overseeing seamless transition of care between the Contractor and the ALTCS system.

22.4.1.9 Paperwork Reduction Coordinator: serves as the single point of contact for coordinating and overseeing paperwork reduction and increased efficiency efforts. The Paperwork Reduction Liaison shall participate on the ADHS Statewide Paperwork Reduction/ Efficiency Committee and chair the Contractor's Regional Paperwork Reduction/ Efficiency Committee.

22.4.2 Immediately inform ADHS verbally, and provide written notice to ADHS within seven (7) days, after the date of a resignation or termination of any of the Liaison or Coordinator positions described above, including the name and contact information of the interim person that will be performing the staff member's duties.

22.5 OTHER SUPPORT STAFF

The Contractor shall:

22.5.1 Employ a sufficient number of qualified Support Staff to comply with all requirements in this Contract, including at a minimum:

22.5.1.1 Qualified staff to perform prior authorization and certification and recertification of need functions twenty-four (24) hours per day, seven (7) days per week and to coordinate inpatient certification/ recertification of need, prior authorization, concurrent review and retrospective review, including PASRR requirements as found in ADHS/DBHS Policy MI 5.3, *Pre-Admission Screening and Resident Review,* PM Section 3.14, *Securing Services and Prior Authorization.*

22.5.1.2 Provider services staff to coordinate communications between the Contractor and its subcontractors to facilitate prompt resolution of problems or inquiries and to provide education about the behavioral health system.

22.5.1.3 Claims processing staff to ensure the timely, accurate, and complete processing of original claims, resubmissions of claims that were not accepted by Contractor, and overall claim adjudication.

22.5.1.4 Encounter processing staff to ensure the timely, accurate and complete submission of encounter data to ADHS and to correct and resubmit encounter data when indicated.

22.5.1.5 Cultural competency staff to implement and oversee compliance with the Contractor's Cultural Competency Plan and ADHS cultural competency policies and to oversee

compliance with all requirements regarding LEP as included in Policy CO 1.2, *Cultural Competency.*

22.5.1.6 Clerical and administrative support staff to facilitate the effectiveness of the Contractor's operations.

22.5.1.7 Human resources staff to oversee ongoing hiring and recruitment of staff to keep pace with personnel needs.

22.5.1.8 Customer service representatives to respond to requests for information and assist with resolution of complaints in a timely manner as included in ADHS/DBHS Policy GA 3.6, *Complaint Resolution*.

22.5.1.9 Grievance and appeals staff to timely and accurately process grievances by individuals with a SMI, appeals, and provider claims disputes and to be available to testify or present evidence at administrative hearings and other court appearances as included in Policies GA 3.2 *Contractor and Provider Claims Disputes*, GA 3.3, *Title XIX/XXI Notice and Appeals Requirements,* GA 3.5, *Notice and Appeal Requirements (SMI and Non-SMI/Non-TXIX/XXI) and* GA 3.1, *Conduct of Investigations Involving Persons with Serious Mental Illness.*

22.5.1.10 Quality management staff to oversee the implementation of the Contractor's QM and MM/UM Plan and to track, review, and investigate critical incidents and accidents, morbidities, mortalities, and other quality of care issues as included in Policies QM 2.5 *Reports of Incidents, Accidents and Deaths* and GA 3.7, *Reporting of Deaths of All Behavioral Health Recipients*.

22.5.1.11 A sufficient number of qualified staff to develop implement measure and report on the effectiveness of corrective action plans as required.

22.5.1.12 Data analysts to collect and analyze and assure the accuracy of encounter data and other information regarding Contractor's performance.

22.5.1.13 A sufficient number of qualified MIS staff dedicated to support the maintenance and operation of the MIS for this Contract including staff with technical knowledge, expertise and skill in claims, encounters and payment rules and regulations for health care or behavioral health delivery systems.

23. Periodic Reporting Requirements

23.1 CONTRACTOR REPORTS

The Contractor shall:

23.1.1 Submit the reports listed in this Contract— Periodic Reporting Requirements and Attachment A to ADHS. The Contractor's submission of untimely, inaccurate, or incomplete reports shall constitute failure to report. By submitting reports to ADHS, the Contractor confirms that the information in the report is accurate and complete.

23.1.2 Be subject to the following standards for determining the adequacy of required reports:

23.12.1 Timeliness. The Contractor shall submit reports or information on or before scheduled due dates. All required reports shall be submitted to the following email address: BHSContractCompliance@azdhs.gov, unless otherwise noted, to ADHS no later than 5:00 p.m. M.S.T. on the date due. The Contractor may submit a written request for an extension of a reporting deadline and include a reason for the request for extension and a proposed due date. Requests for extension shall be submitted in writing and shall be received by ADHS prior to the report due date. If directed by an ADHS program area to submit a specific report to a location other thanBHSContractCompliance@azdhs.gov, the

Contractor shall post notification of the submission to BHSContractCompliance@azdhs.gov upon delivery to the alternate location;

23.1.2.2 Accuracy. The Contractor shall prepare and submit reports or other information in strict conformity with authoritative sources and report specifications; and

23.1.2.3 Completeness. The Contractor shall fully disclose all required information in a manner that is both responsive and relevant to the report's purpose with no material omissions.

23.1.3 Comply with all report changes specified by ADHS.

23.1.4 Continue to report beyond the term of the contract when necessary including the processing of claims and encounter data because of lag time in the filing of source documents by subcontractors.

23.1.5 Be solely responsible for all subcontractor and provider reporting requirements. In cases where Contractor receives reports directly from subcontractors and providers, Contractor shall analyze the information, verify accuracy and resolve discrepancies and develop a summary report, if appropriate, prior to submitting the required information to ADHS.

23.1.6 Monitor subcontractors and providers, taking corrective action if needed to ensure required reports are accurate, complete and submitted on time.

24. Sanction Requirements

24.1 ADHS shall:

24.1.1 At its discretion, impose monetary sanctions, for Contractor's non-compliance with any term in this contract. ADHS shall provide written notice to the Contractor specifying the amount of the sanction, the grounds for the sanction, and the time frame for the sanction.

24.1.2 At its discretion, offset against any payments due the Contractor until the full sanction amount is satisfied.

24.2 The Contractor shall:

24.2.1 Be responsible to pay the amount of monetary sanctions imposed by AHCCCS against ADHS for acts or omissions related to the Contractor's performance or non-performance of the terms of this Contract. The Contractor's payment shall not be due until AHCCCS has imposed financial sanctions against ADHS. If AHCCCS imposes sanctions upon ADHS, the Contractor shall:

24.2.1.1 Either reimburse ADHS upon demand, or be subject to a withhold payment of any sanction, disallowance amount, or amount determined by AHCCCS to be unallowable, after exhaustion of the appeals process, provided the Federal government does not impose the sanctions until after the appeals process is completed; and

24.2.1.2 Be responsible for payment according to ADHS' allocation of sanctions for the Contractor's share of responsibility, if the sanction from AHCCCS is based on an act or omission that is the both the obligation of Contractor and one or more other RBHA.

24.2.2 Bear the administrative cost of the sanction appeals process.

24.2.3 Pay all AHCCCS imposed sanctions against ADHS as a result of data validation studies. ADHS shall notify the Contractor in writing of the sanction amounts, if applicable.

25. Subcontract Requirements

25.1 SUBCONTRACTS

The Contractor shall:

25.1.1 Enter into written agreement that specifies the activities and reporting responsibilities delegated to subcontractors or providers if the Contractor delegates duties or responsibilities to subcontractors or providers. [42 CFR 438.230(b)(2)] The written agreement shall also provide for revoking delegation or imposing other sanctions if the subcontractor's or provider's performance is inadequate [42 CFR 438.230(b)(2)].

25.1.2 Monitor the subcontractor's or provider's performance on an ongoing basis and subject it to formal review according to a periodic schedule approved by ADHS, in order to determine adequate performance. As a result of the performance review, any deficiencies must be communicated to the subcontractor in order to establish a corrective action plan. The results of the performance review and the corrective action plan shall be communicated to ADHS. [42 CFR 438.230(b)(3)].

25.1.3 Not structure incentives for the subcontractor or provider to deny, limit, or discontinue medically necessary services to any member [42 CFR 438.210(e)].

25.1.4 Not include covenant-not-to-compete requirements in its subcontracts. Specifically, Contractor shall not prohibit a subcontractor, provider, or crisis response network from providing services to ADHS, AHCCCS or any other ADHS or AHCCCS contractor.

25.1.5 Comply with applicable provisions of Federal and State laws, regulations and policies and shall include the applicable provisions, regulations and policies in written agreements with the subcontractors.

25.1.6 Not subcontract with any individual or entity that has been debarred suspended or otherwise lawfully prohibited from participating in any public procurement activity and shall include the requirement in the written agreements with subcontractors, providers and crisis response networks.

25.1.7 Maintain fully executed originals of all subcontracts, which shall be accessible to ADHS upon request within two (2) days.

25.1.8 Enter into written agreements with any subcontractor or provider that the Contractor anticipates will be providing services on its behalf except in the following circumstances:

25.1.8.1 A provider that delivers services less than twenty-five (25) times during the Contract year;

25.1.8.2 A provider that refuses to enter into a subcontract with the Contractor. The Contractor shall submit documentation of such refusal to ADHS within seven (7) days of its final attempt to enter into a subcontract; and

25.1.8.3 A provider that delivers emergency services on a one-time or infrequent basis.

25.1.9 Include the following in all subcontracts with subcontractors:

25.1.9.1 Uniform Terms and Conditions of this Contract; and

25.1.9.2 A warranty that the subcontractor is in compliance with all Federal Immigration laws and regulations. The breach of any such warranty shall be deemed a material breach of the applicable subcontract, subject to monetary penalties up to and including termination of the subcontract.

25.2 MANAGEMENT SERVICES SUBCONTRACTS

The Contractor may:

25.2.1 Subcontract with qualified organizations for management services upon the prior written approval of ADHS. Upon written request by ADHS, the Contractor shall submit a corporate cost allocation plan for the management services subcontractor and proposed management services fee agreement. ADHS may perform a review and audit of actual management fees charged or allocations made. If the fees or allocations actually paid out are determined to be unjustified or excessive, amounts may be subject to recoupment by the Contractor or ADHS; financial sanctions and corrective actions may be imposed.

25.3 BEHAVIORAL HEALTH PROVIDER SUBCONTRACT TEMPLATE

The Contractor shall:

25.3.1 Submit copies of all provider subcontract templates to the ADHS/DBHS Bureau of Compliance for approval within twenty-four (24) hours of ADHS request.

25.4 BEHAVIORAL HEALTH PROVIDER SUBCONTRACT PROVISIONS

The Contractor shall:

25.4.1 Include the following terms in each behavioral health provider subcontract:

25.4.1.1 Identification of the name and address of the subcontractor;

25.4.1.2 The method and amount of compensation or other consideration paid to the subcontractor;

25.4.1.3 Identification of the population to be served by the subcontractor including a description of services covered under the subcontract;

25.4.1.4 The amount, duration and scope of covered services to be provided;

25.4.1.5 The term of the subcontract including beginning and ending dates, procedure for extension, termination and renegotiation;

25.4.1.6 A process to coordinate benefits;

25.4.1.7 A process to identify Medicare and other third party liability coverage and to seek Medicare or third party liability payment before submitting claims or encounters to Contractor;

25.4.1.8 A process to maintain a cost record keeping system;

25.4.1.9 A provision that requires compliance with ADHS' and Contractor's quality management programs and requirements;

25.4.1.10 A provision that a merger, reorganization or change in ownership or control of a subcontractor that is related to or affiliated with Contractor shall require a Contract amendment and prior approval of ADHS;

25.4.1.11 A provision to obtain and maintain all insurance in Special Terms and Conditions of this contract and to submit a copy of all insurance certificates to the Contractor;

25.4.1.12 A provision that the subcontractor is responsible for all tax obligations, Worker's Compensation Insurance, and all other applicable insurance coverage obligations as stated in Special Terms and Conditions of this contract, for itself and its employees, and that AHCCCS or ADHS shall have no responsibility or liability for any taxes or insurance coverage;

25.4.1.13 Incorporate by reference and require compliance with the ADHS/DBHS Covered Behavioral Health Services Guide and the ADHS/DBHS Provider Manual;

25.4.1.14 A provision that requires compliance with encounter reporting and claims submission requirements in accordance with the Provider Manual Section *6.2, Submitting Claims and Encounters to the RBHA*;

25.4.1.15 A provision for subcontractor to appeal a claim denial in accordance with the Provider Manual Section 5.6, *Provider Claims Disputes*;

25.4.1.16 A provision that requires the subcontractor to assist members in understanding their right to file grievances and appeals in accordance with the Provider Manual Section 5.1, *Notice Requirements and Appeal Process for Title XIX and Title XXI Eligible Persons*;

25.4.1.17 A provision to comply with audits, inspections and reviews in accordance with the Provider Manuel Section 8.1, *Encounter Validation Studies,* Section 8.5, *Medical Care Evaluation Studies* and any audits, inspections and reviews requested by the Contractor, ADHS, or AHCCCS;

25.4.1.18 A provision to require cooperation with other ADHS contractors or State employees in scheduling and coordinating services;

25.4.1.19 A provision to implement ADHS, AHCCCS, or Contractor decisions issued with respect to a complaint, SMI grievance, member appeal, or claim dispute;

25.4.1.20 A provision to prohibit incentives in the form of compensation to individuals or entities that conduct subcontractor's utilization management activities to deny, limit, or discontinue medically necessary services 42 CFR 438.12(e);

25.4.1.21 A provision to encourage all qualified clinicians and providers to be registered as a Medicare services provider. For the purpose of this provision, a qualified provider means a clinical provider who is a valid Medicare provider type and provides services that could be billed under Medicare;

25.4.1.22 A provision to require all qualified clinicians and providers to be registered as Medicaid service providers;

25.4.1.23 A provision to require subcontractor to conduct an assessment of cultural and linguistic needs, and deliver culturally appropriate services in accordance with ADHS' Cultural Competency Plan and the Contractor's Cultural Competency Plan; and

25.4.1.24 A provision to require subcontractor to comply with the ADHS definition of medically necessary covered behavioral health services;

25.4.2 Require two (2) or more licensed behavioral health providers that co-locate on the same premises to enter into a written agreement. The agreement shall address, at a minimum, the methodology for providers to comply with AAC, Title 9, Chapter 20: R9-20-204, Staff Member and Employee Qualifications Records; R9-20-205, Clinical Supervision and R9-20-206, Orientation and Training.

25.4.3 Notify ADHS of any agreements made by two or more licensed co-located providers.

25.5 LEVEL I, II AND III FACILITY SUBCONTRACT PROVISIONS

The Contractor shall:

25.5.1 Require a subcontractor, licensed as a Level I, II, or III facility, to accept all referrals from the Contractor and prohibit the subcontractor, from arbitrarily or prematurely denying, suspending, or terminating services to a member.

25.5.2 Require a subcontractor, licensed as a Level I facility, to comply with Contractor's quality management programs and the utilization control and review procedures in 42 CFR, Parts 441 and 456, as implemented by AHCCCS and ADHS.

25.5.3 Require a subcontractor, licensed as a Level II or III facility that serves juveniles to comply with all relevant provisions in A.R.S § 36-1201.

25.6 PREVENTION SUBCONTRACTS

In subcontracts for prevention services delivery, the Contractor shall:

25.6.1 Require each subcontractor to comply with the ADHS Prevention Framework for Behavioral Health.

25.6.2 Require each subcontractor to specify the work to be performed; type, duration and scope of the prevention strategy to be delivered; and approximate number of participants to be served.

25.6.3 Require each subcontractor to describe the evaluation methods to monitor performance and with the specific reporting requirements.

25.6.4 Require each subcontractor to comply with relevant SAPT Block Grant requirements.

25.6.5 Prevention subcontracts must be specific to prevention and separate from contracts for other behavioral health services.

25.7 IMD SUBCONTRACT PROVISIONS

In subcontracts for service delivery, the Contractor shall include the following:

25.7.1 Pay charges for covered services provided for Title XIX/XXI enrolled persons, under the age of twenty-one (21) and over sixty-four (64) years of age, in the same manner as other covered services rendered to Title XIX/XXI eligible persons, subject to the Title XIX Institution for Mental Disease (IMD) benefit limitations in accordance with the ADHS/DBHS Covered Behavioral Health Services Guide and ADHS/DBHS Policy and Procedures Manual.

25.8 PERIODIC REPORTING REQUIREMENTS FOR SUBCONTRACTS

The Contractor shall:

25.8.1 Submit upon ADHS request fully executed originals of all subcontracts within two (2) days of request.

25.8.2 Submit copies of all provider subcontract templates to the ADHS/DBHS Bureau of Compliance within twenty-four (24) hours of ADHS request.

25.8.3 Submit a copy of the Insurance ACORD Certificate(s) upon request.

26. GENERAL CONTRACT REQUIREMENTS [42 CFR 438.6(l)]

26.1 CONTRACTOR COMPLIANCE

The Contractor shall:

26.1.1 Be responsible for complying with all Contract terms, obligations and performance regardless of whether Contractor enters into subcontracts.

26.1.2 Comply with and require all subcontractors and providers to comply with, applicable provisions of Federal and State laws, regulations, and policies. The Contractor, subcontractors, and 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 42 CFR §438.610(a) and (b).

26.1.3 Retain authority to revoke delegation, sanction subcontractors or terminate subcontracts for non-performance.

26.1.4 Not prohibit a subcontracted provider from entering into contracts to deliver services to ADHS or AHCCCS, or to an ADHS or AHCCCS contractor or subcontractor or State employee.

26.1.5 Not commit or permit any act, which will interfere with the performance of work by any other contractor, subcontractor or State employee.

26.1.6 Not reimburse more than 1/12th of the total projected contract amount to a subcontractor that does not have the required credentials, license, certification, registration or accreditation.

26.1.7 Recoup Medicaid funds paid for Medicaid reimbursable covered behavioral health services delivered on dates of service on which the subcontractor did not have the credentials, license, certification, or accreditation required to be an AHCCCS registered provider.

26.1.8 Certify that it has not engaged in any violation of the Medicare Anti-Kickback statute (42 USC §§1320a-7b) or the "Stark I" and "Stark II" laws governing related-entity referrals (PL101-239 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 ADHS and AHCCCS simultaneous copies of the information required by that rule to be sent to the CMS, by signing the contract.

26.1.9 Certify that Contractor' representations are true to the best of its knowledge, by signing the Contract.

26.1.10 Comply with 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 Licensure Certificate in order to obtain reimbursement from the Medicare and Medicaid programs. In addition, they must meet all the requirements of 42 CFR §493, Subpart A. To comply with these requirements, AHCCCS or ADHS 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.

26.1.11 Comply with all applicable AHCCCS Rules and the Audit Guide relating to the audit of the contractor's records and the inspection of the contractor's facilities.

26.1.12 Comply with all Federal, State, and local laws, rules, regulations, standards, and executive orders governing performance of duties under this contract, without limitation to those designated within this Contract.

26.1.13 Require subcontractors and providers to submit encounter data to the Contractor in a form acceptable to ADHS and AHCCCS.

26.1.14 Not bill, nor attempt to collect payment directly or through a collection agency from a person claiming to be AHCCCS eligible without first verifying from AHCCCS that the person was ineligible for AHCCCS on the date of service, or that services provided were not AHCCCS-covered behavioral health services, except as provided in Federal and State laws and regulations.

26.1.15 Be registered with AHCCCS and shall obtain and require subcontractors and providers to maintain all licenses, permits, and authority necessary to do business and deliver services under this contract and, where applicable, shall comply with all laws regarding safety, unemployment insurance, disability insurance, and Worker's Compensation.

26.1.16 Comply with Executive Order No. 2009-09 that 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 ADA and Title VI. The Contractor shall take positive action to prevent discrimination against applicants for employment, employees, and persons to whom it provides service due to race, creed, color, religion, sex, national origin, or disability.

26.1.17 Comply with the ADHS prior authorization and utilization review policies, procedures, protocols and requirements.

26.1.18 Comply with all specifications for record keeping established by ADHS. All books and records shall be maintained to the extent and in such detail as required by AHCCCS, ADHS, and Contractor Rules and policies. Records shall include, at a minimum; financial statements, records relating to covered behavioral

health services, the quality of care, medical records, prescription files, reports, working papers used in preparing reports and other records specified by AHCCCS, ADHS, or the Contractor. 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 AHCCCS, Federal or State government, ADHS, or the Contractor.

26.1.19 Preserve and make available all records for a period of six (6) years from the date of final payment under this Contract. If this Contract is completely or partially terminated, Contractor shall preserve and make available records relating to the work terminated for a period of six (6) years from the date of termination. Contractor shall retain records that 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 AHCCCS, ADHS, or the Contractor, for a period of six (6) years after the date of final disposition or resolution thereof.

26.1.20 Warrants that it has the ability, authority, skill, expertise and capacity to perform the services specified in this Contract.

26.1.21 Perform all services under this Contract 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 contactor, subcontractors and providers.

26.1.22 Sign and execute this contract that contains a warranty that the Contractor is in compliance with all Federal Immigration laws and regulations and the breach of any such warranty shall be deemed a material breach of this Contract, subject to monetary penalties, up to and including, termination of the Contract.

26.1.23 Allow other subcontractors or providers reasonable opportunity to provide services and shall not commit or permit any act that interferes with the performance of services by other contractors or by State employees.

ADHS shall:

26.1.24 At its discretion, suspend, deny, and refuse to renew, or terminate this Contract in accordance with the terms herein and applicable law and regulations.

26.1.25 At its discretion, impose financial sanctions on Contractor for failure to perform as required, failure to submit timely and accurate reports, engaging in actions which jeopardize Federal Financial Participation or for any other breach of the terms of this contract.

26.1.26 At its discretion, allow AHCCCS, ADHS, or the U.S. Department of Health and Human Services to evaluate, through inspection or other means, the quality, appropriateness, or timeliness of services performed under this contract.

26.1.27 Enforce the remaining provisions as valid and enforceable to the full extent permitted by law, when any provision Contract term or condition is held invalid or unenforceable.

26.1.28 Provide written notice to the Contractor, terminate this contract if it is found 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. If the Contract 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 (3) times the cost incurred by the subcontractor in providing any such gratuities to any such officer or employee.

26.1.29 Void and terminate this contract upon the Contractor becoming insolvent or filing proceedings in bankruptcy or reorganization under the United States Code, or upon assignment or delegation of the Contract without ADHS prior written approval.

26.2 CONTRACTOR COMPLIANCE PERIODIC REPORTING

The Contractor shall:

26.2.1 Collect, track, trend and aggregate data of contractor, subcontractor and provider non-compliance and the corrective measures taken, including the amount and duration of sanctions and share this information with ADHS upon ADHS request.

26.2.2 Submit the quarterly AHCCCS ACOM 424 Verification of Receipt of Paid Services Report, due the 5th day after the end of the quarter that follows the reporting quarter.

27. Legislative, Legal and Regulatory Issues Requirements

27.1 LEGISLATIVE, LEGAL AND REGULATORY ISSUES

The Contractor shall:

27.1.1 Comply with Legislative changes, directives, regulatory changes, or court orders related to any term in this Contract on or after the Contract Start Date.

27.1.2 Comply with the requirements of the Arizona Early Intervention Program (AzEIP). The Arizona Early Intervention (AzEIP) Program is implemented through the coordinated activities of the Arizona Department of Economic Security (DES), the Arizona Department of Health Services (ADHS), Arizona State Schools for the Deaf and Blind (ASDB), the Arizona Health Care Cost Containment System (AHCCCS), and the Arizona Department of Education (ADE). The AzEIP Program is governed by the Individuals with Disabilities Act (IDEA), Part C (P.L.105-17). AzEIP, through federal regulation, is stipulated as the payor of last resort to Medicaid, and is prohibited from supplanting another entitlement program, including Medicaid.

27.1.3 Comply with the requirements of federal grants to ADHS or AHCCCS to support development of IT infrastructure and applications to achieve the goal of health information data exchange through lab, pharmacy and ancillary subcontractors to develop common electronic interfaces for the exchange of data in standard file formats.

27.1.4 Comply with Health Connectivity and the E-Health Initiative as set forth in the Governor's Executive Order No. 2005-25 on Arizona Health-e Connection Roadmap by implementing required data exchange interfaces as required to meet the goals of the Governor's Executive Order. This executive order directs the development of an electronic health information data exchange (HIE) of personal health information between providers, payers and members and the deployment of necessary health information technology to facilitate electronic health records in provider offices.

28. Business Continuity/ Recovery Plan and Emergency Response

28.1 BUSINESS CONTINUITY AND RECOVERY PLAN REQUIREMENTS

The Contractor shall:

28.1.1 Develop, maintain and annually test a Business Continuity and Recovery Plan to manage unexpected events that may negatively and significantly impact its ability to deliver services to members.

28.1.2 Specify in the plan, at a minimum, provisions to include planning and training for:

28.1.2.1 Behavioral health facility closure or loss of subcontractor or other major providers;

28.1.2.2 Electronic or telephonic failure at the Contractor's main place of business or the crisis telephone line or internet connection for providers that deliver crisis services;

28.1.2.3 Complete loss of use of the Contractor's main site;

28.1.2.4 Loss of primary electronic information systems including computer systems and records;

28.1.2.5 Strategies to communicate with ADHS in the event of a business disruption;

28.1.2.6 A listing of key customer priorities, key factors that could cause disruption, and what timelines Contractor's will be able to resume critical customer services;

28.1.2.7 Specific timelines for resumption of services. The timelines should note the percentage of recovery at certain hours and key actions required to meet those timelines;

28.1.2.8 Periodic testing; and

28.1.2.9 Extreme weather conditions.

28.1.3 Train Key Personnel and Organizational Staff to be familiar with the Plan.

28.1.4 Require Management Services subcontractors to prepare Business Continuity and Recovery Plans and to review and update their Business Continuity and Recovery Plans annually.

28.1.5 Require subcontractors and providers to develop and maintain Business Continuity and Recovery Plans.

28.1.6 Design the Plan to address Contractor's Arizona operations and include specific references to local resources.

28.2 BUSINESS CONTINUITY AND RECOVERY PLAN PERIODIC REPORTING REQUIREMENTS

The Contractor shall:

28.2.1 Submit the initial Business Continuity and Recovery Plan and submit updated versions of the plan annually by September 10, 2010 in the first Contract Year and by July 10th of each subsequent Contract Year in accordance with Attachment A of this Contract.

28.3 EMERGENCY PREPAREDNESS

Under the direction of the ADHS/DBHS, or an ADHS agency designee, the Contractor shall participate in behavioral health emergency response planning, preparation, and deployment in case of a Presidential, State, or locally-declared disaster. The Contractor's preparedness actions shall include:

28.3.1 Participation in development of a comprehensive disaster response plan, including specific measures for:

28.3.1.1 Behavioral health recipient management and transportation,
28.3.1.2 Plans for access to medications for displaced behavioral health recipients, and
28.3.1.3 Provision of critical incident interventions for behavioral health recipients exposed to a disaster;

28.3.2 Collaboration with local hospitals, emergency rooms, fire, and police to provide emergency mental health supports for first responders; and

28.3.3 Coordination with other RBHAs to assist in a disaster in Maricopa County or in the event of a disaster in another region of the State.

29. CORPORATE COMPLIANCE PROGRAM REQUIREMENTS

29.1 CORPORATE COMPLIANCE PROGRAM

The Contractor shall:

29.1.1 Have a comprehensive Corporate Compliance Program (program) which meets the requirements in 42 CFR 438.608 for deterring and detecting fraud and abuse. Contractor shall include the following in the program:

29.1.1.1 Written policies, procedures, and standards of conduct that describes Contractor's commitment to comply with all applicable Federal and State standards;

29.1.1.2 Contractor's corporate compliance committee that meets regularly and reports to senior management;

29.1.1.3 Effective training and education on fraud and abuse for the corporate compliance officer and Contractor's employees;

29.1.1.4 Effective lines of communication between the compliance officer and the Contractor's employees;

29.1.1.5 Enforcement of standards through well-publicized disciplinary guidelines;

29.1.1.6 A provision for internal monitoring; and

29.1.1.7 A provision to promptly address detected offenses and create corrective action plans.

29.2 CORPORATE COMPLIANCE OFFICER

The Contractor shall:

29.2.1 Require its Corporate Compliance Officer to perform the following activities:

29.2.1.1 Train Employees in detecting and reporting fraud and abuse;

29.2.1.2 Chair corporate compliance committee meetings;

29.2.1.3 Oversee internal and external fraud and abuse audits and investigations;

29.2.1.4 Record, track and trend all fraud and abuse complaints;

29.2.1.5 Conduct fraud and abuse awareness campaign;

29.2.1.6 Develop and maintain internal control assessments;

29.2.1.7 Conduct fraud risk assessments; and

29.2.1.8 Act as a liaison with ADHS corporate compliance.

29.2.2 Structure the Corporate Compliance Officer's position to independently report fraud and abuse to AHCCCS-OIG and DBHS-OPI. The corporate compliance officer shall not be the CEO, CFO, contract compliance manager, in-house legal counsel, QM/UM manager, data validation manager, grievance and appeal manager or have any other title, duties or responsibilities that would be a potential or actual conflict of interest.

29.2.3 Provide its Corporate Compliance Officer with complete access to all information, databases, files, records and documents in order to conduct audits and investigate and report suspected fraud and abuse directly to AHCCCS-OIG and DBHS-OPI independently.

29.3 FRAUD AND ABUSE AUDITS

The Contractor shall:

29.3.1 Conduct internal monitoring and auditing in accordance with 42 CFR 438.608.

29.3.2 Include elements and audit steps to discover or identify suspected fraud and abuse within the contractor's organization and its subcontractors, networks and providers.

29.3.3 Cooperate with ADHS in any review, audit or investigation of the Contractor, subcontractor or providers. ADHS may conduct a review, audit or investigation onsite without notice and the Contractor shall provide access to all records, documents and data related to the Contract and the subcontractors.

29.3.4 Respond and reply to all requests for records, documents, data and information within the timeframe specified by ADHS.

29.3.5 Require that all subcontractors, networks or providers respond to all ADHS requests for interviews, information, data or documents as a part of any audit or investigation.

29.4 REPORTING SUSPECTED FRAUD AND ABUSE

The Contractor shall:

29.4.1 Within ten (10) business days of discovery, or sooner whenever possible, report all instances of suspected fraud or abuse to AHCCCS-OIG as required by A.R.S. § 36-2918.01 and AAR 4277. Failure to comply with the requirement to report suspected fraud and abuse may result in the penalty described in A.R.S. §§ 36-2992.

29.4.2 Report all instances of suspected fraud and abuse involving Title XIX and Title XXI funds, AHCCCS providers or AHCCCS members immediately to AHCCCS-OIG in writing using the AHCCCS reporting form with a copy sent to DBHS-OPI.

29.4.3 Report all instances of suspected fraud and abuse involving non-title XIX and non-title XXI funds, or non-AHCCCS providers or members immediately to ADHS/DBHS-OPI in writing using an approved reporting DBHS-OPI reporting form.

29.4.4 Record, track and trend all fraud and abuse related complaints and referrals received or initiated by the contractor.

29.4.5 The record must contain the following minimum information:

29.4.5.1 Contact information of complainant;

29.4.5.2 Name and identifying information of person suspected of fraud;

29.4.5.3 Date complaint received;

29.4.5.4 Nature of complaint and summary of concern;

29.4.5.5 Potential loss amount and funding source;

29.4.5.6 Contractor’s unique case identifying number;

29.4.5.7 The department or agency the complaint has been reported to; and

29.4.5.8 Current status or final disposition.

29.5 EXCLUDED PROVIDERS

The Contractor shall:

29.5.1 Have policies and procedures to comply with 42 CFR 438.610 and 42 CFR 1001.1901 which prohibits the contractor from knowingly having a relationship with any person or entity that is debarred, suspended or otherwise excluded from participating in procurement or nonprocurement activities in accordance with the regulations and guidelines of Executive Order No. 12549.

29.5.2 Develop and implement policies and procedures for checking potential and existing employees and subcontractors against the Excluded Provider List System (EPLS) and the Health and Human Services

(HHS) List of Excluded Individuals/Entities (LEIE) databases including checking all existing employees and subcontractors on an annual basis.

29.5.3 Notify AHCCCS-OIG and DBHS-OPI immediately of any confirmed instances of an excluded provider that is or appears to be in a prohibited relationship with the Contractor or subcontractors.

29.6 FALSE CLAIMS ACT

The Contractor shall:

29.6.1 Train its employees and subcontractors pursuant to the Deficit Reduction Act of 2005 (DRA), and The Federal False Claims Act, 31 U.S.C. §§ 3729-3733, provisions, including the following:

29.6.1.1 The administrative remedies for false claims and statements;

29.6.1.2 Any state laws relating to civil or criminal penalties for false claims and statements; and

29.6.1.3 The whistleblower protections under such laws.

29.7 CORPORATE COMPLIANCE PERIODIC REPORTING

The Contractor shall:

29.7.1 Submit documentation annually of its most current Corporate Compliance Program Plan to the ADHS by October 1st of each contract year for review and approval.

29.7.2 Provide copies of all completed internal and external audit reports and findings, which contain the requisite fraud and abuse audit steps, to the ADHS quarterly, in accordance with Attachment A of this Contract.

29.7.3 Submit the year-to-date fraud and abuse record and trend analysis to ADHS quarterly, in accordance with Attachment A of this Contract.

29.7.4 Submit the year-to-date list of all employees and subcontractors names that have been checked against the Exclude Parties List System (EPLS) located at https://www.epls.gov and the Office of Inspector General (OIG) database located at http://exclusions.oig.hhs.gov/ and submit the results to ADHS quarterly, in accordance with Attachment A of this Contract.

29.7.5 Submit reports, upon occurrence, referenced in Section 29.4 REPORTING SUSPECTED FRAUD AND ABUSE of this Contract.

30. Management Information Systems (MIS) Requirements

30.1 MIS STANDARDS AND PERFORMANCE CRITERIA

The Contractor shall:

30.1.1 Establish and maintain a Management Information System that allows Contractor and its subcontractors to collect, analyze, integrate, and report data. At a minimum Contractor's MIS shall process information on: service utilization, provider claim disputes, and appeals, and meet ADHS data processing and interface requirements in accordance with this Contract and in the documents incorporated by reference including the: CIS File Layout and Specifications Manual, ADHS Office of Program Support Operations and Procedures Manual, ADHS/DBHS Policy Manual; ADHS/DBHS Covered Services Guide; and Office of Grievances and Appeals Database Manual.

30.1.2 Utilize electronic transactions in conformance with HIPAA requirements.

30.1.3 Make available all components of its MIS system for review or audit upon request by ADHS. The Contractor's MIS or any component is subject to ADHS approval if ADHS determines that it cannot be sustained or is unable to comply with the requirements of this Contract.

30.1.4 The Contractor will ensure that changing or making major upgrades to the information systems affecting the MIS, claims processing, or any other major business component, will be accompanied by a plan which includes a timeline, milestones, and adequate testing before implementation. At least six (6) months before the anticipated implementation date, the Contractor shall provide the system change plan to ADHS for review and comment.

ADHS shall:

30.1.5 Provide Contractor with at least ninety (90) days notice before implementing a change to its MIS system unless ADHS determines that the system change must be implemented sooner, and in that instance, provide Contractor with as much notice as possible under the circumstances.

30.2 ELECTRONIC DATA EXCHANGE

The Contractor shall:

30.2.1 Establish and maintain an MIS that:

30.2.1.1 Sends and receives information to and from ADHS and receives encounter data and information from subcontractors and providers;

30.2.1.2 Sends and receives data and information to and from other agencies as identified in the Contractor collaborative agreements, IGAs and ISAs;

30.2.1.3 Sends and receives demographic data to and from ADHS in accordance with the ADHS Demographic Data Set User Guide and CIS File Layout and Specification Manual; and

30.2.1.4 Has the capability to send and receive data and information to and from ADHS related to member outcomes, patient records, individual service plans, staffing ratios, service referrals, network capacity, initial assessment and updates to the assessment, ADHS' annual administrative review subcontracted provider performance measures and dashboard performance reports.

30.2.2 Establish and maintain a T1 line or greater.

30.2.3 Develop and maintain security precautions for email transmission in accordance with HIPAA and consistent with ADHS' systems and encryption methods. Security precautions shall be compatible with SSL encryption for FTP and Global Certs Gateway for secure e-mail.

30.2.4 Have a current antivirus patch system process for security updates and a log to record the updates.

31. Finance Requirements

31.1 MEDICAL INSTITUTIONS NOTIFICATION

The Contractor shall:

31.1.1 Require that dual eligible members not pay co-payments for their Medicare covered prescription medications for the remainder of the calendar year when a person with Medicare who is also eligible for Medicaid (dual eligible) is in a medical institution funded by Medicaid for a full calendar month.

31.2 FINANCIAL OPERATIONS

31.2.1 Financial Management and Reporting

The Contractor shall:

31.2.1.1 Have a sufficient number of qualified professional staff and develop and maintain internal controls and systems to account for both ADHS-related revenue and expenses and non-ADHS-related revenue and expenses by type and program.

31.2.1.2 Develop and maintain internal controls to prevent and detect fraud.

31.2.1.3 Provide annual financial reports audited by an independent certified public accountant prepared in accordance with Generally Accepted Auditing Standards (GAAS).

31.2.1.4 Provide clarification in financial reports for accounting issues identified by ADHS upon ADHS request.

31.2.1.5 Have the annual Statement of Activities and Supplemental Reports audited and signed by an independent Certified Public Accountant attesting usage of the approved allocation plan.

31.2.1.6 Provide an annual Single Audit Report audited in accordance with OMB Circular A-133 and an approved cost allocation plan whether a for-profit or non-profit entity. Notwithstanding the Circular A-133 regulations restricting the inclusion of Medicaid programs, the Contractor shall include Title XIX/XXI, as major programs and the SAPT and CMHS Block Grants as major programs for the purpose of this contract. Additional agreed upon procedures and attestations may be required of the Contractor's auditor as determined by ADHS.

31.3 FINANCIAL VIABILITY

The Contractor shall:

31.3.1 Financial Viability Standards:

31.3.1.1 Separately account for all funds received under this Contract in accordance with the requirements in the Financial Reporting Guide for Regional Behavioral Health Authorities.

31.3.1.2 Meet the financial viability criteria in accordance with the Financial Reporting Guide for Regional Behavioral Health Authorities, Financial Ratios and Standards on a monthly basis.

31.3.1.3 Comply with ADHS' revisions or modifications to the standards.

31.3.1.4 Comply with ADHS' established financial viability standards/performance guidelines and cooperate with ADHS' monthly reviews of the ratios and financial viability standards listed below. Failure to maintain the following ratios and financial viability standards will be considered a material breach of this Contract:

31.3.1.4.1 Current Ratio: Current assets divided by current liabilities must be greater than or equal to 1.00;

31.3.4.1.2 Defensive Interval: Must be greater than or equal to thirty (30) days.
Defensive Interval = (Cash +Current Investments)/((Operating Expense – Non-Cash Expense)/(Period Being Measured in Days));

31.3.4.1.3 Equity per enrolled person: Must be greater than or equal to three hundred dollars ($300) per enrolled person on the first day of the month;

31.3.4.1.4 Administrative Expense Ratio:

31.3.4.1.4.1 Total Title XIX Administrative Expenses divided by total Title XIX Revenue less Interpretive Services shall be less than or equal to seven and one-half percent (7.5%);

31.3.4.1.4.2 Total Title XXI Administrative Expenses divided by total Title XXI Revenue less Interpretive Services shall be less than or equal to seven and one-half percent (7.5%); and

31.3.4.1.4.3 Total Non-Title XIX and Non-Title XXI Administrative Expenses divided by total Non-Title XXI and Non-Title XXI Revenue less Interpretive Services shall be less than or equal to seven and one-half percent (7.5%).

31.3.4.1.5 Service Expense Ratio:

31.3.4.1.5.1 Total Title XIX Service Expense divided by total Title XIX Revenue less Interpretive Services shall be no less than eighty-nine point seven percent (89.7%);

31.3.4.1.5.2 Total Title XXI Service Expense divided by total Title XXI Revenue less Interpretive Services shall be no less than eighty-nine point seven percent (89.7%);

31.3.4.1.5.3 Total Non-Title XIX and Non-Title XXI Service Expense divided by total Non-Title XIX and Non-Title XXI Revenue less Interpretive Services shall be no less than eighty-nine point seven percent (89.7%).

31.3.1.5 Enact measures to minimize against the risk of insolvency so that AHCCCS eligible members will not be liable for the Contractor's debts if the Contractor becomes insolvent.

31.3.1.6 Continue to deliver services to members for the duration of the period for which payment has been made, as well as for inpatient admissions up until discharge, notwithstanding insolvency.

31.4 METHOD OF PAYMENT AND CAPITIATION RECOUPMENT

31.4.1 Sources of Revenue

ADHS shall:

31.4.1.1 Make payments as Title XIX and Title XXI capitation payments, Non-Title XIX/XXI payments, and financial incentives as described and defined in this Contract in accordance with applicable laws, regulations or policies.

31.4.1.2 Make payments to Contractor that are conditioned upon the availability of funds authorized, appropriated and allocated to ADHS for expenditure in the manner and for the purposes set forth in this contract.

31.4.1.3 Not be responsible for payment to Contractor for any purchases, expenditures or subcontracts made by the Contractor in anticipation of funding.

31.4.1.4 Make monthly capitation payments to Contractor for each AHCCCS Title XIX and Title XXI person, eligible for behavioral health care coverage in the Geographic Service Area on the first of the month, as payment in full for any and all Title XIX and Title XXI covered services delivered to members who are Title XIX or Title XXI eligible during the month, including all administrative costs of Contractor. Payment shall be made no later than the tenth (10th) working day of the month for which payment is due.

31.4.1.5 Have AHCCCS and the Arizona Legislature, Joint Legislative Budget Committee review and approve any adjustments to the Title XIX or Title XXI capitation rates.

31.4.1.6 Make payments from Non-Title XIX/XXI non-capitated funding sources including CMHS and SAPT Federal block grant funds, State appropriations, county and other funds, which are used for Non-Title XIX/XXI services and populations not otherwise covered by Title XIX or Title XXI funding. The Non-Title XIX/XXI Allocation Schedule prepared annually and subject to change during the fiscal year, describes the specific funding sources by program. These payments are inclusive of all administrative costs to the Contractor. Non-Title XIX/XXI funds shall be paid to Contractor in twelve (12) monthly installments through the Contract year. These payments shall be made no later than the tenth (10th) working day of each month. Contractor shall manage available funding to ensure that services are continuously provided throughout the year. ADHS retains the discretion to make payments using an alternative payment schedule.

31.4.2 Payments

ADHS will:

31.4.2.1 Provide funds that are subject to availability and the terms and conditions of this Contract.

31.4.2.2 Pay Contractor, provided that Contractor's performance is in compliance with the terms and conditions of this Contract.

31.4.2.3 Make payments in compliance with A.R.S. Title 35, Public Finance.

31.4.2.4 Reserve the option to make payments to the Contractor by wire or NACHA transfer and shall provide Contractor at least thirty (30) days notice prior to the effective date of any such change.

31.4.2.5 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 where payments are made by electronic funds transfer.

31.4.2.6 Reserves the right to adjust payments when a payment error discovered by ADHS or Contractor by making a corresponding decrease in a current Contractor's payment or by making an additional payment to Contractor.

31.4.2.7 At its sole discretion not prohibit Contractor from making payment to a fiscal agent hired by Contractor; however, Contractor shall not assign payments.

31.4.3 Profit and Loss Corridors

ADHS shall:

31.4.3.1 Have established limits in the form of a profit and loss risk corridor on the Contractor's potential profits and losses. The profit and loss corridors applies to the profits and losses derived from this Contract and to the aggregate of the Contractor's income/revenue and the income/revenue earned by related parties that perform any requirement or function of the Contract on Contractor's behalf. If profit is determined to exceed the permissible amount, ADHS shall reduce payments to the Contractor.

31.4.3.2 Calculate the profit and loss corridors as follows:

31.4.3.2.1 The Contractor's profits and losses for Title XIX/XXI programs shall be limited to three percent (3%) of service revenue per contract year.

31.4.3.2.2 The Contractor shall return to ADHS all funds not expended on services or administration for Non-Title XIX and Non-Title XXI eligible persons and shall not earn a profit from allocated funds for Non-Title XIX/XXI Crisis, Non-Title XIX/XXI SMI, Supported Housing, for TXIX SMI, SB1616 Housing and Bridge Subsidy. There is no maximum loss for Non-Title XIX/XXI funded programs.

Service revenue equals ninety-two point five percent (92.5%) of total ADHS revenue paid to Contractor in the contract year.

31.4.3.2.3 The Contractor shall calculate profits and losses for the SAPT Grant separately from other programs. The Contractor's profits for the SAPT Grant is limited to three (3%) percent of service revenue per contract year. There is no maximum loss for the SAPT Grant. The Contractor agrees that ADHS/DBHS may calculate profits and losses as service revenue less service expense. Service revenue equals ninety-two point five percent (92.5%) of total SAPT Grant.

31.4.3.2.4 The Contractor shall calculate profits and losses for the CMHS Grant separately from other programs. The Contractor's profits for the CMHS Grant is limited to three (3%) percent of service revenue per contract year. There is no maximum loss for the CMHS Grant. The Contractor agrees that ADHS/DBHS may calculate profits and losses as service revenue less service expense. Service revenue equals ninety-two point five percent (92.5%) of total CMHS Grant.

31.4.3.2.5 The Contractor's profit for Non-Title XIX/XXI Other and County, if applicable, shall be limited to three (3%) percent of service revenue per contract year. There is no maximum loss for Non-Title XIX/XXI Other and County.

31.4.3.3 Calculate profits and losses as described above as service revenues less service expenses.

31.4.3.4 Require the Contractor to return excess profits to ADHS.

31.4.3.5 Reimburse the Contractor for excess losses, as applicable, subject to funding availability.

31.4.3.6 Calculate profits and losses separately for each population.

31.4.3.7 Not include performance incentives earned under this contract as revenue for the purpose of calculating profit or loss corridors.

31.4.3.8 Not include imposed sanctions on the Contractor as an expense for the purpose of calculating profit or loss.

31.4.3.9 Notify Contractor of its draft determination of its profit/loss analysis in writing within thirty (30) days after receiving the Final Audited Financial Statements, Statement of Changes in Net Assets from the last quarter of the contract year (quarter 5, July 1st –September 30th) and the schedule reconciling the audited statements to the quarter (5) statements. Contractor shall have twenty (20) days to comment on the determination prior to a final determination of profit issues which shall be sixty (60) days following the receipt of the Final Audited Financial Statement. One time funding sources and revenue distributed by ADHS within one hundred twenty (120) days of the end of a fiscal year for which Contractor may not have anticipated maybe excluded from the calculation. Any recoupment imposed by the federal government and passed through to the Contractor shall be reimbursed to ADHS upon demand.

31.4.4 Recoupments

The Contractor shall:

31.4.4.1 Reimburse ADHS immediately upon demand;

31.4.4.1.1 All Contract funds expended that are deemed by ADHS or the Arizona Auditor General not to have been disbursed by the Contractor in accordance with the terms of this Contract; and

31.4.4.1.2 Any recoupments imposed by AHCCCS or the Federal government and passed through to the Contractor. If the party responsible to repay the Contract payments is other than the Contractor, the Contractor and ADHS shall work together to identify the responsible party.

31.4.4.1.3 Not recoup monies from a provider later than 12 months after the date of original payment on a clean claim without prior approval of ADHS as further described in the ADHS/DBHS Office of Program Support (OPS) Operations and Procedures Manual and ACOM Claims Reprocessing Policy. The Contractor should refer to the ADHS/DBHS Office of Program Support (OPS) Operations and Procedures Manual, ACOM Claims Reprocessing Policy, and the AHCCCS Encounter Manual for further guidance.

31.4.5 Advancement of Funds by the Contractor

The Contractor may:

31.4.5.1 Advance funds to subcontracted providers to continue to deliver essential covered behavioral health services to members.

The Contractor shall:

31.4.5.2 Obtain prior approval from ADHS for any such advance.

31.4.6 Management of Federal Block Grant Funds and Other Federal Grants

The Contractor shall:

31.4.6.1 Be authorized to expend:

31.4.6.1.1 SAPT Block Grant funds for planning, implementing, and evaluating activities to prevent and treat substance abuse and related activities addressing HIV and tuberculosis services; and

31.4.6.1.2 CMHS Block Grant funds for services for adults with SMI and children with serious emotional disturbance.

31.4.6.1.3 Other Federal Grant funding as allocated by ADHS as directed for purposes set forth in the Federal Grant requirements.

31.4.6.2 Manage, record, and report Federal Grant funds in accordance with the practices, procedures, and standards in the ADHS Accounting and Auditing Procedures Manual.

31.4.6.3 Report financial information related to Federal Grants in accordance with the Financial Reporting Guide for Regional Behavioral Health Authorities.

31.4.6.4 Comply with all terms, conditions, and requirements of the SAPT and CMHS Block Grants, including the 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. 300 et seq.] and 45 CFR Part 96 as amended.

31.4.6.5 Retain documentation of compliance with Federal requirements, and produce upon ADHS request, financial, performance, and program data that is subject to audit.

31.4.6.6 Develop and maintain fiscal controls in accordance with authorized activities of the Federal Block Grants and other Federal Grant funds, this Contract, and the Provider Manual Section 3.19 *Special Populations,* Section 3.19.7-A, *SAPT Block Grant*, Section 3.1917-B *PATH Grant*, the ADHS/DBHS Prevention Framework for Behavioral Health and ADHS' accounting, auditing, and financial reporting procedures.

31.4.6.7 Report mental health (CMHS) and substance abuse grant (SAPT) funds and services separately and report or produce information related to block grant expenditures to ADHS upon request.

31.4.6.8 Deliver Federal Block grant funded services and submit data to ADHS consistent with the annual funding levels in the ADHS/DBHS Allocation Schedule for certain allocations of the SAPT Block Grant including substance abuse treatment services, primary prevention services, specialty programs and services for pregnant women and women with dependent children and HIV Early Intervention Services and the CMHS Block Grant including SED and SMI service.

31.4.6.9 Manage the Federal Block Grant funds during each contract year to make funds available for obligation and expenditure until the end of the contract year for which the funds were paid. When making transfers involving Federal Block Grant funds, the Contractor shall comply with the requirements in accordance with the Federal Block Grant Funds Transfers Cash Management Improvement Act of 1990 and any rules or regulations promulgated by the U. S. Department of the Treasury including 31 CFR Part 205.

31.4.6.10 Not discriminate against non-governmental organizations on the basis of religion in the distribution of Block Grant funds.

31.4.6.11 Not expend Federal Block Grant funds to deliver inpatient services; make cash payments to intended members; purchase or improve land, purchase, construct, or permanently improve, except for minor remodeling, any building or facility; purchase major medical equipment; provide financial assistance to any entity other than a public or non-profit private entity; administer any program involving the distribution of sterile needles for the hypodermic injection of any illegal drug; administer testing for the etiologic agent for acquired immune deficiency syndrome unless the testing is accompanied by appropriate pre-testing counseling and appropriate post-test counseling; pay the salary of an individual through a grant or other extramural mechanism at a rate in excess of Level I of the Executive Salary Schedule for the award year; see http://grants.nih.gov/grants/policy/salcap_summary.htm; and purchase treatment services in penal or correctional institutions in the State of Arizona.

31.4.6.12 Comply with all terms, conditions, and requirements for any Federal Grant funding allocated by ADHS.

31.4.7 Prevention Funds Management

The Contractor shall:

31.4.7.1 Comply with prevention funds management in accordance with the ADHS approval and the ADHS prevention plan.

31.4.8 Mortgages and Financing of Property

ADHS shall:

31.4.8.1 Be under no obligation to assist, facilitate, or help Contractor secure the mortgage or financing if a Contractor intends to obtain a mortgage or financing for the purchase of real property or construction of buildings on real property.

31.4.9 Performance Incentives

ADHS shall:

31.4.9.1 Use a Performance Incentive System to encourage the Contractor to promote improved quality of care for members. The incentive system is performance based and financial reimbursements are issued based on the Contractor meeting or exceeding set performance targets. Incentive payments are for services delivered to Title XIX and Title XXI members

and subject to the availability of funding. Satisfaction of the performance measures subject to incentives does not relieve the Contractor's obligation to meet all requirements and standards on other quality management and performance measures in this contract.

The Contractor shall:

31.4.9.2 Earn an incentive up to one percent (1%) of the annual Title XIX and Title XXI capitation payment if the Contractor meets or exceeds the measures in the matrix attached to this Contract as Attachment D, Performance Incentives.

31.4.9.3 Have the ability to earn incentives effective on the Contract Start Date and for a period of fifteen (15) consecutive calendar months.

31.4.9.4 Receive advance written notice of any changes in incentive measures or goals.

31.4.9.5 Submit performance reports on established incentives to ADHS on a month-by-month basis or upon ADHS' request, quarter-by-quarter basis and year-to-date annualized reports.

31.4.9.6 Pass through a portion of the earned incentives to providers who meet or exceed the thresholds for earning incentives. The Contractor must report this information to ADHS through monthly financial statements.

31.4.10 Performance Incentive Measurement

The Contractor shall:

31.4.10.1 Measure performance for each standard on the performance for the period as defined in each standard as follows:

31.4.10.1.1 For monthly metrics, the incentives available are defined as one-twelfth (1/12th) of the annual fees and incentives available;

31.4.10.1.2 For quarterly metrics, incentives available are defined as one-fourth (1/4th) of annual fees and incentives available;

31.4.10.1.3 For semi-annual metrics, incentives available are defined as one-half (1/2) of annual fees and incentives available; and

31.4.10.1.4 For annual metrics, incentives available are defined as those fees and incentives available during the year.

31.4.10.2 Be paid any incentive payment owed within one hundred and twenty (120) days of the termination of the Contract;

31.4.10.2.1 Disputes resulting from the non-payment or partial payment of any incentive by ADHS shall be resolved in accordance with the process set forth in the ADHS Policy on Contractor and Provider Claim Disputes.

31.4.10.3 Cooperate with ADHS in its verification and audit of all performance measurement results. For performance measurement purposes, the Contractor shall submit self-reported results, which are subject to a data integrity analysis. Unless otherwise approved by ADHS, the Contractor's maximum data error rate submitted to ADHS shall be equal to or less than five percent (5%). The Contractor shall pay a penalty based on the applicable metric when its submitted data does not meet the thresholds for accuracy; and

31.4.10.4 Cooperate with ADHS if, ADHS decides, in its sole discretion, to perform an independent audit each year covering a three-(3) or more month period of the performance year. If the results of the independent audit are below the Contractor's self-reported results for the period under review, the Contractor shall agree to the independent audit results as the basis for

performance measurement for the full year or until the Contractor demonstrates that the reliability of its self-reported results are consistent with independent audit results.

31.5 FINANCE PERIODIC REPORTING

The Contractor shall:

31.5.1 Submit monthly, quarterly, annual and ad hoc financial reports in accordance with the Financial Reporting Guide for Regional Behavioral Health Authorities, (http://azdhs.gov/bhs/fin_rep_gde.pdf) and Attachment A of this Contract. The Contractor shall prepare financial reports in accordance with GAAP in electronic and hard copy form. Where specific guidance is not found in authoritative literature or where multiple acceptable methods to record accounting transactions are available, the Contractor shall, when directed by ADHS, comply with the requirements in accordance with the Financial Reporting Guide.

Monthly

31.5.1.1 Submit the Monthly Financial Statements to the ADHS Office of Financial Review by the 30th day after month end in accordance with ADHS Financial Reporting Guide.

Quarterly

31.5.1.2 Submit the Quarterly Financial Statements to the ADHS Office of Financial Review thirty (30) days after quarter end and forty (40) days after the last quarter of the contract year, (November 9).

Annually

31.5.1.3 Submit the Cost Allocation Plan to the ADHS Office of Financial Review by August 1st.

31.5.1.4 Submit the Draft Consolidated Audited Financial Reports and Supplemental Reports to the ADHS Office of Financial Review, seventy-five (75) days after contract year, (December 14).

31.5.1.5 Submit the Final Consolidated Audited Financial Reports and Supplemental Reports to the ADHS Office of Financial Review, one hundred (100) days after end of the contract year, (January 8).

31.5.1.6 Submit the Final Audited Financial Statements for All Related Parties under this Contract to the ADHS Office of Financial Review one hundred-twenty (120) days after the related parties' *fiscal year end.*

31.5.1.7 Submit the Top twenty (20) Providers Audited Financial Statements, annually on May 31st.

31.5.1.8 Submit the Related Party Documentation for Final Profit/Risk Corridor, annually on December 15th.

Ad Hoc

31.5.1.9 Submit the Performance Bond to the ADHS Office of Financial Review after thirty (30) days notification by ADHS to adjust the amount.

32. Coordination of Benefits and Third Party Liability Requirements

The Contractor shall:

32.1 Comply with the coordination of benefits and third-party liability requirements in accordance with the Provider Manual Section 3.5, *Third Party Liability and Coordination of Benefits*.

32.2 Comply with the protocols established in the AHCCCS ACOM Manual 12-1 *Claims Reprocessing Policy,* a document incorporated by reference.

33. Medicare Services and Cost Sharing Requirements

The Contractor shall:

33.1 Pay for Medicare cost-sharing expenses for covered behavioral health services delivered to dual eligible members.

33.2 Comply with the cost-sharing responsibilities that apply to dual eligible members in accordance with the AHCCCS Medicare Cost Sharing Policy in the AHCCCS Contractor Operations Manual Chapter 200.

34. Provider Claims Time Limits Requirements

The Contractor shall:

34.1 Submit claims in accordance with the ADHS/DBHS Covered Behavioral Health Services Guide and ADHS/DBHS Provider Manual.

34.2 Pay ninety percent (90%) of all clean claims within thirty (30) days of receipt of the clean claim and ninety nine percent (99%) are paid within ninety (90) days of receipt of the clean claim in accordance with the Balanced Budget Act of 1997.

34.3 Require subcontractors and providers to comply with the aforementioned claims time limits.

34.4 Pay interest on late payments for all non-hospital clean claims, in the absence of a contract specifying other late payment terms. Late claims payments are those that are paid after 45 days of receipt of the clean claim (as defined in this contract). In grievance situations, interest shall be paid back to the date interest would have started to accrue beyond the applicable 45 day requirement. Interest shall be at the rate of ten per cent per annum, unless a different rate is stated in a written contract. In the absence of interest payment terms in a subcontract, interest shall accrue starting on the first day after a clean claim is contracted to be paid. For hospital clean claims, a slow payment penalty shall be paid in accordance with A.R.S. 2903.01. When interest is paid, the Contractor must report the interest as directed in the AHCCCS *Encounter Manual.*

34.5 <u>System Requirements:</u>

The Contractor shall:
Develop and maintain health information systems that collect, analyze, integrate, and report data. These systems shall provide information on areas including, but not limited to, service utilization and claim disputes and appeals [42 CFR 438.242(a)].

34.5.1 Have health information systems that integrate member demographic data, provider information, service provision, claims submission and reimbursement. These systems must be capable of collecting, storing and producing information for the purposes of financial, medical and operational management.

34.5.2 Develop and maintain HIPAA compliant claims processing and payment systems capable of processing, cost avoiding and paying claims in accordance with ARS 36-2903, 2904 and AHCCCS Rules R9-28 Article 7. The system must be adaptable to updates in order to support future AHCCCS claims related policy requirements as needed.

34.5.3 Have claims payment systems able to assess and/or apply data related edits including but not limited to:

34.5.3.1 Benefit Package Variations
34.5.3.2 Timeliness Standards
34.5.3.3 Data Accuracy
34.5.3.4 Adherence to AHCCCS Policy
34.5.3.5 Provider Qualifications
34.5.3.6 Member Eligibility and Enrollment
34.5.3.7 Over-Utilization Standards

34.5.4 These systems must produce remittance advice related to the Contractors payments and/or denials to providers and must include, at a minimum:

34.5.4.1 An adequate description of all denials and adjustments
34.5.4.2 The reasons for such denials and adjustments
34.5.4.3 The amount billed
34.5.4.4 The amount paid
34.5.4.5 Application of COB
34.5.4.6 Provider rights for claim disputes

34.5.5 The related remittance advice must be sent with the payment, unless the payment is made by electronic funds transfer (EFT). The remittance advice sent related to an EFT must be sent to the provider, no later than the date of the EFT.

35. Data Exchange Requirements

35.1 ENCOUNTER SUBMISSIONS

The Contractor shall:

35.1.1 Submit encounters to ADHS in accordance with the CIS File Layout Specifications Manual, ADHS/DBHS Office of Program Support Operations and Procedures Manual, Provider Manual Section 6.2 *Submitting Claims and Encounters to the RBHA*, the ADHS/DBHS Covered Services Guide, and the Financial Reporting Guide for Regional Behavioral Health Authorities.

35.1.2 Meet all timeliness, accuracy and omission of data requirements for processing encounters in accordance with the ADHS/ DBHS Office of Program Support Operations and Procedures Manual.

35.1.3 Be subject to sanctions for non-compliance with encounter submission standards.

35.1.4 Develop and implement policies and procedures that instruct staff to:

36.1.4.1 Timely process encounters for accuracy and completeness;

36.1.4.2 Have encounters represent the services provided and accurately adjudicate them in conformance with AHCCCS and ADHS requirements; and

36.1.4.3 Comply with all State and Federal requirements.

35.1.5 Cooperate with ADHS in monitoring Contractor's encounters for accuracy and adjudication accuracy against the Contractor's internal criteria.

35.1.6 Develop and maintain a system for monitoring and reporting the completeness of encounters and encounter data received from subcontractors and providers.

35.1.7 Verify that subcontractors and providers are not submitting encounters for services that were not delivered.

35.1.8 Monitor encounters received from providers on a monthly basis. At a minimum, the Contractor shall compare encounter production to monthly revenue distributed to providers factoring in sufficient time for claims lag.

35.1.9 Have procedures in place to timely respond to a provider's over or under production of encounters.

35.1.10 Monitor encounter production by service delivery site and have procedures in place to respond to outliers. Unit values shall reasonably align with general market conditions.

35.1.11 Submit with each encounter data submission, the Contractor's CEO or CFO's written attestation that based on his or her best knowledge, information and belief, the encounter data is accurate, complete and truthful.

35.1.12 Verify the accuracy and timeliness of reported data, and screen the data for completeness, logic, and consistency.

35.1.13 Satisfy all encounter submission requirements including timeliness of encounters or be subject to financial sanction.

35.1.14 Require subcontracted providers to submit encounters or claims for all behavioral health services delivered in accordance with encounter and claims submission requirements in accordance with the Provider Manual Section 6.2 *Submitting Claims and Encounters to the RBHA*.

35.1.15 Participate in and conduct Data Validations Studies in accordance with the ADHS/DBHS Office of Program Support Operations and Procedures Manual.

35.1.16 Process claims in accordance with the Claim Processing Requirements and the Balanced Budget Act of 1997 and 42CFR 447.45.

35.2 CLAIMS PAYMENT ENCOUNTER REPORTING

The Contractor shall:

35.2.1 Develop and maintain a claims payment system capable of processing, cost-avoiding and paying claims in accordance with requirements in this Contract, Federal regulations, and State law.

35.2.2 Pay ninety percent (90%) of all clean claims within thirty (30) days of receipt of the clean claim and ninety-nine percent (99%) shall be paid within ninety (90) days of receipt of the clean claim. The receipt date of the claim is the date stamp on the claim. The paid date of the claim is the date on the check or other form of payment. Claims submission deadlines shall be calculated from the date of service or the effective date of eligibility posting, whichever is later.

35.2.3 Submit upon request by a provider, an electronic Health Care Claim Payment/Advice 835 transaction in accordance with HIPAA requirements. When sending remittance advices along with payment to providers, the Contractor shall include, at minimum, adequate descriptions of all denials and adjustments, the reasons for the denials and adjustments, the amount billed, the amount paid, and provider appeal rights for claims dispute.

35.2.4 Train its staff on HIPAA requirements for electronic Health Care Claim Payment/Advice 835 transaction.

35.2.5 Comply with HIPAA securing measurements and monitor subcontractor performance and compliance.

35.2.6 Require subcontractors and providers to submit claims or encounters in accordance with claims and encounter submission requirements in the Provider Manual Section 6.2 *Submitting Claims and Encounters to the RBHA*, the ADHS/DBHS Office of Program Support Operations and Procedures Manual, the ADHS/DBHS Covered Services Guide, the Financial Reporting Guide for Regional Behavioral Health Authorities, the CIS File Layout and Specifications Manual requirements and in accordance with the Health Insurance Portability and Accountability Act, for each covered behavioral health service delivered to a member.

35.2.7 Include nationally recognized methodologies to correctly pay claims in its Management Information System including but not limited to the Medicaid Correct Coding Initiative (NCCI) for Professional, ASC and Outpatient services.

35.2.8 Require subcontracted providers to obtain a National Provider Identifier (NPI).

35.2.9 Post claims inquiry information to providers on the Contractor's website.

35.2.10 Submit the Fee for Service Check Register Review report ten (10) business days after the 1st of the month following the quarter to be reviewed.

35.3 SYSTEM RELATED REPORTING

35.3.1 The Contractor shall submit a monthly Claims Dashboard as specified in the AHCCCS Claims System Reporting Guide. Include in this submission, the Cost Avoidance/Savings/Recoveries Report, 18 days following month end, as specified in the AHCCCS Program Integrity Reporting Guide, and the Number of Claims and Amounts Paid Report.

35.3.2 Submit the Pended over 120 Days Report on the 1st day of the following month.

35.3.3 AHCCCS may in the future require Contractors to review claim requirements, including billing rules and documentation requirements, and submit a report to AHCCCS that will include the rationale for the requirements. AHCCCS shall determine and provide a format for the report.

35.4 SYSTEM CHANGES AND UPGRADES

35.4.1 The Contractor will ensure that changing or making major upgrades to the information systems affecting claims processing, or any other major business component, will be accompanied by a plan which includes a timeline, milestones, and adequate testing before implementation. At least 6 months before the anticipated implementation date, the Contractor shall provide the system change plan to ADHS/DBHS for review and comment.

35.5 SYSTEM AUDITS

35.5.1 The Contractor shall develop and implement an internal claims audit functions that will include the following:

35.5.1.1 Verification that provider contracts are loaded correctly

35.5.1.2 Accuracy of payments against provider contract terms

Audits of provider contract terms should be performed on a regular and periodic basis and consist of a random, statistically significant sampling of all contracts in effect at the time of the audit. The audit sampling methodology should be documented in policy, and Contractor should review the contract loading of providers at least once in every 5 year period in addition to any time a provider contract change is initiated during that timeframe. The findings of the audits described above must be documented and any deficiencies noted in the resulting reports must be met with corrective action.

35.6 ENCOUNTER SUBMISSION

35.6.1 Complete, accurate and timely reporting of encounter data is crucial to the success of the AHCCCS program. AHCCCS uses encounter data to pay reinsurance benefits, set fee-for-service and capitation rates, determine reconciliation amounts, determine disproportionate share payments to hospitals, and to determine compliance with performance standards. The Contractor shall submit encounter data to AHCCCS for all services for which the Contractor and their subcontractors incurred financial liability and claims for services eligible for processing by Contractor and their subcontractors where no financial liability was incurred including services provided during prior period coverage. This requirement is a condition of the CMS grant award [42 CFR 438.242(b)(1)][42 CFR 455.1(a)(2)].

35.6.2 The Contractor shall prepare, review, verify, certify, and submit encounters for consideration to AHCCCS. Upon submission, the Contractor shall certify that the services listed were actually rendered. The encounters must be submitted in the format prescribed by AHCCCS.

35.6.3 Encounter data must be provided to ADHS as outlined in the X12 and *NCPDP Transaction Companion Documents & Trading Partner Agreements* and the AHCCCS *Encounter Manual* and should be received by ADHS no later than 240 days after the end of the month in which the

service was rendered, or the effective date of the enrollment with the Contractor, whichever date is later. Requirements for encounter data are described in the AHCCCS *Encounter Manual* and the AHCCCS *Encounter Companion Documents.*

35.6.4 To support Federal Drug Rebate processing, pharmacy related encounter data must be provided no later than 30 days after the end of the quarter in which the pharmaceutical item was dispensed. For the purposes of this requirement, pharmacy encounter data is defined as retail pharmacy encounters until such time AHCCCS expands Federal Drug Rebate processing to include all other pharmaceuticals reported on professional and outpatient facility encounters.

35.6.5 The Contractor will be assessed sanctions for noncompliance with encounter submission requirements.

35.7 ENCOUNTER REPORTING

35.7.1 The Contractor must produce reports for the purposes of tracking, trending, reporting process improvement and monitoring submissions of encounters and encounter revisions. The Contractor will submit these reports to ADHS as required per the AHCCCS *Encounter Manual*.

35.7.2 At least twice each month AHCCCS provides ADHS with full replacement files containing provider and medical coding information. These files should be used by the Contractor and subcontractors to ensure accurate Encounter Reporting. Refer to the AHCCCS *Encounter Manual* for further information.

35.8 ENCOUNTER CORRECTIONS

35.8.1 The Contractor is required to monitor and resolve pended encounters, encounters denied by AHCCCS, and encounters voided and voided/replaced. AHCCCS has established encounter performance standards as detailed in the AHCCCS *Encounter Manual.* In addition to adjudicated approved encounters, pended, denied and voided encounters affect completeness, accuracy and timeliness rates. Rates below the established standards (pended encounters that have pended for more than 120 days), or poor encounter performance overall, may result in Corrective Action Plans and/or sanctions.

35.8.2 The Contractor 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 AHCCCS or ADHS. The Contractor must void encounters for claims that are recouped in full. For recoupments that result in a reduced claim value or adjustments that result in an increased claim value, replacement encounters must be submitted. For those recoupments requiring approval from AHCCCS, replacement encounters must be submitted within 120 days of the recoupment approval from AHCCCS. Refer to the AHCCCS *Encounter Manual* for instructions regarding the submission of corrected encounters.

35.9 ENROLLMENT AND DEMOGRAPHIC DATA SUBMISSION

The Contractor shall:

35.9.1 Submit enrollment and demographic data in accordance with the CIS File Layout and Specifications Manual, the Provider Manual Section 7.5 *Enrollment, Disenrollment and Other Data Submission*, the Demographic Data Set Users Guide and the ADHS/DBHS Office of Program Support Operations and Procedures Manual.

35.9.2 Submit with each enrollment and demographic data submission, the Contractor’s CEO or CFO's written attestation that based on his or her best knowledge, information and belief, the enrollment and demographic data are accurate, complete and truthful.

35.10 GRIEVANCE, APPEALS, AND CLAIMS DISPUTE DATA SUBMISSIONS

The Contractor shall:

35.10.1 Submit grievances, appeals, request for hearing information and provider claim dispute information into the ADHS Office of Grievances and Appeals database in accordance with Office of Grievances and Appeals Database Manual.

35.10.2 Submit initial and updated entries in the Office of Grievances and Appeals database within three (3) working days of an event requiring entry.

35.11 AHCCCS ELIGIBILITY STATUS REPORTS

The Contractor shall:

35.11.1 Accept electronic data from ADHS regarding the status of the member's AHCCCS eligibility in accordance with the CIS File Layout Specifications Manual.

35.12 AD HOC ELECTRONIC DATA REQUESTS

The Contractor shall:

35.12.1 Respond to any ad hoc electronic data submission, processing or review requests from ADHS.

ADHS shall:

35.12.2 When possible, provide at least a thirty (30) day notification for any ad hoc electronic data requests.

35.13 CONTRACTOR USER REGISTRATION AND ACCESS TO ADHS AND AHCCCS SYSTEMS

The Contractor shall:

35.13.1 Identify staff that will utilize the PMMIS system, the Grievance and Appeals database, the ADHS FTP Server and the ADHS Client Information System. Identified staff shall contact the ADHS/DBHS Office of Program Support obtain log-on clearance in accordance with the ADHS/DBHS Office of Program Support Operations and Procedures Manual.

35.14 AHCCCS ENCOUNTER DATA VALIDATION STUDY (EDVS)

Encounter Validation Studies

35.14.1 Per the CMS requirement, AHCCCS will conduct encounter validation studies of the Contractor's encounter submissions, and sanction the Contractor for noncompliance with encounter submission requirements. The purpose of encounter validation studies is to compare recorded utilization information from a medical record or other source with the Contractor's submitted encounter data. Any and all covered services may be validated as part of these studies. Encounter validation studies will be conducted at least yearly.

35.14.2 AHCCCS may revise study methodology, timelines, and sanction amounts based on agency review or as a result of consultations with CMS. The Contractor will be notified in writing of any significant change in study methodology.

35.14.3 The criteria used in encounter validation studies may include timeliness, correctness, and omission of encounters. Refer to the AHCCCS *Data Validation Technical Document* for further information.

35.14.4 AHCCCS 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.

35.14.5 If AHCCCS, pursuant to the ISA with ADHS/DBHS or its regulations, imposes a sanction against ADHS/DBHS for any act or omission which, is an obligation the Contractor was prohibited or required

to perform under this Contract, the Contractor shall be responsible for payment in an amount equal to the amount of the sanction imposed by AHCCCS against ADHS/DBHS. If the sanction from AHCCCS is based on an act or omission that is both the obligation of the Contractor and one (1) or more other RBHA(s), the Contractor shall be responsible for payment according to ADHS/DBHS allocation of sanctions that accounts for the Contractor's share of responsibility. The Contractor shall be responsible for all sanctions imposed against ADHS/DBHS by AHCCCS as a result of data validation studies. ADHS/DBHS shall notify the Contractor in writing of the sanction amounts, if applicable. The Contractor shall conduct encounter data validation studies of its subcontractors at least on a quarterly basis. The Contractor in conducting its encounter data validation studies shall verify that all services delivered to ADHS/DBHS behavioral health recipients are being reported to the Contractor accurately, timely and are documented in the medical record.

35.14.6 The Contractor shall conduct targeted encounter data validation studies of its subcontractors that are not in compliance with ADHS/DBHS or Contractor's encounter submission requirements. The Contractor shall document the results of encounter data validation studies of its subcontractors and provide the findings to ADHS/DBHS upon request.

35.15 ELECTRONIC TRANSACTIONS AND RECOUPMENTS

35.15.1 Electronic Transactions:

35.15.2 In accordance with the Balanced Budget Act of 1997, the Contractor and their subcontractors 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.

35.15.3 The Contractor is required to accept and generate required HIPAA compliant electronic transactions from/to any provider interested in and capable of electronic submission or electronic remittance receipt; and, must be able to make claims payments via electronic funds transfer.

35.15.4 The Contractor shall receive and pay 50% of all claims electronically based on volume of actual claims processed excluding claims processed by Pharmacy Benefit Managers (PBMs). A Contractor who is in both urban and rural GSAs must meet the urban GSA benchmark.

35.15.5 Recoupments:

35.15.6 The Contractor's claims payment systems, as well as its prior authorization and concurrent review process, must minimize the likelihood of having to recoup already-paid claims. Any individual recoupment in excess of $50,000 per provider within a contract year must be approved in advance by AHCCCS, Division of Health Care Management. If AHCCCS does not respond within 30 days, the recoupment request is deemed approved. AHCCCS must be notified of any cumulative recoupment greater than $50,000 per provider Tax Identification Number per contract year. A Contractor shall not recoup monies from a provider later than 12 months after the date of original payment on a clean claim without prior approval of AHCCCS as further described in the ACOM *Claims Reprocessing Policy*.

35.15.7 The Contractor is required to reimburse providers for previously recouped monies if the provider was subsequently denied payment by the primary insurer based on timely filing limits or lack of prior authorization and the member failed to disclose additional insurance coverage other than AHCCCS.

35.15.8 The provider shall have 90 days from the date they become aware that payment will not be made to submit a new claim with documentation from the primary insurer that payment will not be made. Documentation includes but is not limited to any of the following items establishing that the primary insurer has or would deny payment based on timely filing limits or lack of prior authorization; an EOB, policy or procedure, Provider Manual excerpt, etc.

35.15.9 The Contractor must void encounters that are recouped in full. For recoupments that result in a reduced claim value or adjustments that result in an increased claim value, replacement encounters must be submitted. AHCCCS will validate the submission of applicable voids and replacement encounters upon completion of any approved recoupment that meets the qualifications of this section. All replaced or voided encounters must reach adjudicated status within 120 days of the approval of the recoupment.

The Contractor should refer to the ACOM *Claims Reprocessing Policy* and the AHCCCS *Encounter Manual* for further guidance.

35.16. DATA EXCHANGE REQUIREMENTS

35.16.1 The Contractor is authorized to exchange data with ADHS relating to the information requirements of this contract and as required to support the data elements to be provided to ADHS in the formats prescribed by ADHS which include formats prescribed by the Health Insurance Portability and Accountability Act (HIPAA). Details for the formats may be found in the *HIPAA Transaction Companion Documents & Trading Partner Agreements*, the AHCCCS *Encounter Reporting User Manual* and in the AHCCCS *Technical Interface Guidelines*, available online.

35.16.2 The information so recorded and submitted to ADHS shall be in accordance with all procedures, policies, rules, or statutes in effect during the term of this contract. If any of these procedures, policies, rules, regulations or statutes are hereinafter changed both parties agree to conform to these changes following appropriate notification by ADHS.

35.16.3 The Contractor is responsible for any incorrect data, delayed submission or payment (to the Contractors or their subcontractors), and/or penalty applied due to any error, omission, deletion, or erroneous insert caused by Contractor-submitted data. Any data that does not meet the standards required by ADHS shall not be accepted by ADHS.

35.16.4 The Contractor is responsible for identifying any inconsistencies immediately upon receipt of data from ADHS. If any unreported inconsistencies are subsequently discovered, The Contractor shall be responsible for the necessary adjustments to correct its records at its own expense.

35.16.5 The Contractor shall accept from ADHS original evidence of eligibility and enrollment in a form appropriate for electronic data exchange. The Contractor shall provide to ADHS updated date-sensitive Behavioral Health Category assignments in a form appropriate for electronic data exchange.

35.16.6 The Contractor shall be provided with a Contractor-specific security code for use in all data transmissions made in accordance with contract requirements. Each data transmission by the Contractor shall include the Contractor's security code. The Contractor agrees that by use of their security code, it certifies that any data transmitted is accurate and truthful, to the best of the Contractors' Chief Executive Officer, Chief Financial Officer or designees' knowledge [42 CFR 438.606]. The Contractor further agrees to indemnify and hold harmless the State of Arizona and ADHS from any and all claims or liabilities, including but not limited to consequential damages, reimbursements or erroneous billings and reimbursements of attorney fees incurred as a consequence of any error, omission, deletion or erroneous insert caused by the Contractor in the submitted input data. Neither the State of Arizona nor ADHS shall be responsible for any incorrect or delayed payment to the Contractors service providers (subcontractors) resulting from such error, omission, deletion, or erroneous input data caused by the Contractor in the submission of AHCCCS claims.

35.16.7 The costs of software changes are included in administrative costs paid to the Contractors. There is no separate payment for software changes.

35.16.8 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 as well as all subsequent requirements and regulations as published.

36. Capitalization Requirements for Subcontractors

36.1 CAPITALIZATION REQUIREMENTS

The Contractor shall:

36.1.1 Submit proof of an initial capitalization equal to the amount indicated in the table below:

GSA	Initial Capitalization
1	$3,400,000
2	$1,100,000
3	$1,000,000
4	$1,600,000
5	$5,800,000

36.1.2 Satisfy the full capitalization requirement equal to ninety percent (90%) of the monthly Title XIX and Title XXI capitation and Non- Title XIX/XXI payments to the Contractor by June 30, 2011 and each contract year thereafter.

36.1.3 Comply with the initial capitalization requirement equal to the sum of the capitalization requirements for each GSA awarded if Contractor is awarded contracts in more than one GSA.

36.1.4 Comply with the capitalization requirement in addition to the performance bond requirements as listed in the Special Terms and Conditions.

36.1.5 Demonstrate on or before the contract start date, unencumbered capitalization. The Contractor may apply the initial capitalization toward meeting the ongoing equity per member requirement and for its operations.

36.1.6 Satisfy the initial capitalization requirement and submit written supporting documentation. If the Contractor is relying on another organization to meet the initial capitalization requirement, submit the most current audited financial statement of the other organization and a write certification, signed and dated by the President or CEO of the other organization, with a statement of its intent to provide initial capitalization to the Contractor, without restriction, within the time frames required in this contract.

36.1.7 Have no more than fifty percent (50%) of the initial capitalization requirement satisfied with an irrevocable Letter of Credit issues by on one of the following:

36.1.7.1 A bank doing business in this state and insured by the Federal Deposit Insurance Corporation;

36.1.7.2 A savings and loan association doing business in this state and insured by the Federal Savings and Loan Insurance Corporation; and

36.1.7.3 A credit union doing business in this state and insured by the National Credit Union Administration.

36.1.8 Have the security funds available to ADHS upon default or nonperformance by the Contractor.

37. Medicare Modernization Act

37.1 MEDICARE MODERIZATION ACT REQUIREMENTS

The Contractor shall:

37.1.1 Comply with The Medicare Modernization Act of 2003 (MMA) for Medicare Part D, prescription drug benefit, Provider Manual Section 3.16 *Medication Formulary*, and Provider Manual Section 3.1, *Eligibility Screening for AHCCCS Health Insurance, Medicare Part D Prescription Drug Coverage, and the Limited Subsidy Income*.

37.2 STATE FUNDS

The Contractor shall:

37.2.1 Utilize State funds to pay or reimburse Medicare Part D cost sharing for dual eligible members or Non-Title XIX Medicare eligible and determined to have a SMI (SMI), in accordance with the ADHS Provider Manual. Payment of any Medicare Part D cost sharing or any Medicare Part D excluded or non- covered drugs for Non-Title XIX eligible, Non-SMI members is subject to available funding and in accordance with Provider Manual Section 3.16 *Medication Formulary*.

37.2.2 Manage payment utilizing State funds based upon available funding.

38. Policy Requirements

38.1 MEMBER INFORMATION AND MEMBER RIGHTS

38.1.1 Member Information Materials

The Contractor shall:

38.1.1.1 Require subcontracted providers to be accessible by phone for general member information during normal business hours.

38.1.1.2 Establish and maintain a toll free phone number and inform members of its existence and availability. [42 CFR 438.10(b)(3)].

38.1.1.3 Translate all member informational materials as described in this Contract.

38.1.1.4 Require vital materials as described in this Contract.

38.1.1.5 Provide Title XIX/Title XXI members with written notice when there are changes in services, service delivery or program changes at least thirty (30) days before implementation.

38.1.1.6 Notify members that oral interpretation services and services for the hearing impaired are available and make interpreters of any language available to members free of charge.

38.1.1.7 Provide materials in alternative formats to accommodate members with special needs, for example, members who are visually impaired or have limited reading proficiency.

38.1.1.8 Establish and maintain a toll free telephone number that a member or potential member may call for provider information. The Contractor must give each new member a “Network Description/Provider Directory” that includes, at a minimum, primary care, specialty hospitals and pharmacy providers; telephone numbers; and non-English languages spoken by providers.

38.1.1.9 Identify on its website each non-English language spoken by independent practitioners, subcontractors, and providers.

38.1.1.10 Provide members with information instructing them how to access services [42 CFR 438.10(c)(4) and 438.10(c)(5)(i) and (ii)].

38.1.1.11 Require all information that is prepared for distribution to members to be written using an easily understood language and format, in accordance with the ACOM Member Information Policy. Regardless of the format, member information must be printed in a type, style, and size which can be easily read by members with varying degrees of visual impairment or limited reading proficiency.

38.1.1.12 Notify members that alternative formats are available and how to access them [42 CFR 438.10(d)(1)(i) and (ii), 42 CFR 438.10(d)(2)].

38.1.1.13 Submit all member information materials to ADHS for approval, prior to dissemination to members including member material located on the Contractor’s website, e-mail messages and voice recorded messages telephonically sent to members.

38.1.1.14 At least annually, notify all members of their right to request and obtain the following information [42 CFR 438.10(f)(6) and 42 CFR 438.100(a)(1) and (2)]: name, locations, telephone numbers of, and non-English languages spoken by network providers in the member's service area, including identification of providers that are not accepting new referrals.

38.1.2 Provider Network Member Information

The Contractor shall:

38.1.2.1 Include the following provider network information in the Contractor Member Handbook:

38.1.2.1.1.1 Names, locations, telephone numbers of, and non-English languages spoken by network providers including identification of providers that are not accepting new referrals;

38.1.2.1.1.2 The names and locations of emergency rooms, urgent care facilities s and other locations that deliver emergency, crisis or post stabilization services;

38.1.2.1.1.3 The member's right to use any hospital or other setting for emergency care and;

38.1.2.1.1.4 The names and locations of the pharmacies that can fill prescriptions for psychotropic medications.

38.1.2.2 Provide written notice of a termination of a contracted provider within fifteen (15) days after receipt or issuance of the termination notice, to each member who received behavioral health care from, or was seen on a regular basis by, the terminated provider [42 CFR 438.10(f)(5)]. Affected members must be informed of any other changes in the network 30 days prior to the implementation date of the change [42 CFR 438.10(f)(4)].

38.1.3 Member Handbooks

The Contractor shall:

38.1.3.1 Develop and implement policies and procedures that address minimum standards that govern the distribution of member handbooks [42 CFR 438.10(f)].

38.1.3.2 Submit the Contractor Member Handbook to ADHS for approval within thirty (30) days of receiving the ADHS Template, or within a timeframe as otherwise specified.

38.1.3.3 Provide the Contractor Member Handbook to each member within twelve (12) business days of the member receiving a first service.

38.1.3.4 Require Contractor Member Handbooks to be available and easily accessible to all members at all provider locations.

38.1.3.5 Provide, upon request, a copy of the Contractor Member Handbook to known consumer and family advocacy organizations and other human service organizations in the geographic service area.

38.1.3.6 At least annually review the Contractor Member Handbook and revise as applicable to accurately reflect current Contractor specific policies, procedures and practices. Notification on the availability of the updated Member Handbook must be provided to enrolled persons.

38.1.3.7 Print the Contractor Member Handbook in accordance with the listed requirements.

38.1.3.8 Include, at a minimum, in the Contractor Member Handbook the information contained in the ADHS Template, as follows:

38.1.3.8.1 A table of contents;

38.1.3.8.2 A description of all available covered behavioral health services funded through Title XIX/XXI programs in the ADHS/DBHS Covered Services Guide;

38.1.3.8.3 An explanation of any service limitations or exclusions from coverage and a notice stating that the Contractor and subcontractors will be liable only for those services authorized by the Contractor or subcontractors with the exception of emergency services [42 CFR 438.10 (f)(6)(v)];

38.1.3.8.4 How to access behavioral health services [42 CFR 438.10 (f)(6)(vi)];

38.1.3.8.5 How to make, change and cancel appointments with a provider;

38.1.3.8.6 A list of any applicable fees for services;

38.1.3.8.7 A statement that Title XIX/XXI members cannot be billed for covered services other than applicable co-payments and explain the circumstances a Title XIX/XXI member may be billed for non-covered services [42 CFR 438.10 (f)(6)(xi)];

38.1.3.8.8 How to contact the appropriate "member services" office including telephone numbers and a description of its function [42 CFR 438.10 (b)(2)];

38.1.3.8.9 Guidance on what to do in case of an emergency and instructions for receiving advice on getting care in case of an emergency, both inside and outside the member's geographic service area. The member handbook should instruct members, in a life threatening situation to use the emergency medical services (EMS) available or to activate EMS by dialing 9-1-1 [42 CFR 438.10 (f)(6)(viii)(c)];

38.1.3.8.10 How to obtain emergency and non-emergency medically necessary transportation;

38.1.3.8.11 Policies and procedures that govern out of county or out of state moves, referrals and records release;

38.1.3.8.12 Notification of a member's rights and responsibilities under AHCCCS Rules and policy. The description should include a brief explanation of the ADHS approval and denial process [42 CFR 438.10 (g)];

38.1.3.8.13 Grievance system information which defines member rights in disputed matters and explains grievance system requirements, including: a description of the right to a state fair hearing, the method for obtaining a state fair hearing, representation at the hearing, the right to file grievances, appeals and claims disputes, the requirements and timeframes for filing grievances and appeals, the availability of assistance in the filing process, the toll-free numbers for members to file a grievance or appeal by phone, the member's right to receive services in an appeal or state fair hearing request that is timely filed, that the member may be required to pay the costs of services furnished while the appeal is pending, if the decision is adverse to the member, and the member's right to give a provider permission to appeal on the member's behalf [42 CFR 438.10 (g)(6) and 42 CFR 438.400 thru 438.424];

38.1.3.8.14 Contributions the member can make toward improving health, member responsibilities, appropriate and inappropriate behavior, and any other information deemed essential;

38.1.3.8.15 Specific information for members to have questions answered, problems resolved, and complaints addressed, including telephone numbers for member advocates, subcontractor member services, ADHS customer service and AHCCCS;

38.1.3.8.16 Information to encourage members to resolve problems at the lowest possible level but to seek assistance at any level when members are unable to resolve at lower levels;

38.1.3.8.17 Use of other sources of insurance;

38.1.3.8.18 An explanation that sharing of medical record information with the member's PCP for coordination of care will occur within the limits of applicable regulations [42 CFR 438.10 (e)(2)(i)(C)];

38.1.3.8.19 A description of what constitutes fraud and abuse including instructions on how to report suspected fraud or abuse including a statement that misuse of a member's identification card, including loaning, selling or giving it to others could result in loss of the member's eligibility or legal action against the member;

38.1.3.8.20 A member's right to be treated fairly and with respect regardless of race, religion, sex, age, sexual preference, or ability to pay [42 CFR 438.100(b)(2)(ii)] and 42 CFR 438.100 (d)];

38.1.3.8.21 Confidentiality of protected health information and confidentiality limitations.

38.1.3.8.22 Information that coordination of care with schools and state agencies may occur, within the limits of applicable regulations [42 CFR 438.10(e)(2)(i)(c)];

38.1.3.8.23 A statement of the Arizona Vision and the Children's System of Care Principles;

38.1.3.8.24 Instructions for obtaining culturally competent materials, including translated member materials. Members have the right to know of providers who speak languages other than English [42 CFR 438.10 (f)(6)];

38.1.3.8.25 Date of most recent revision printed on each page;

38.1.3.8.26 A statement that Title XIX/XXI covered services are funded under contract with AHCCCS;

38.1.3.8.27 Advance directives for adults [42 CFR 438.10 (g)(2)];

38.1.3.8.28 The availability of interpretation services for oral interpretation at no cost to the member and how to obtain these services [42 CFR 438.10(c)(5)(i) and (ii)];

38.1.3.8.29 A member's right to request information on Physician Incentive Plans of ADHS or subcontractors [42 CFR 438.10 (g)(3)(ii)];

38.1.3.8.30 A member's right to request information on the structure and operation of ADHS or subcontractors [42 CFR 438.10 (g)(3)(i)];

38.1.3.8.31 The availability of printed materials in alternative format and how to access them [42 CFR 438.10 (d)(2)]; and

38.1.3.8.32 Dual eligibility (Medicare and Medicaid); services received in and out of the subcontractor's network and coinsurance and deductibles.

38.1.4 Materials Not Requiring Approval from ADHS

The Contractor shall not be required to submit for approval:

38.1.4.1 Customized letters for individual members; and

38.1.4.2 Health related brochures developed by a nationally recognized organization.

38.1.5 Members Rights

Contractor shall:

38.1.5.1 Comply with applicable Federal and state laws that govern member rights and require staff and subcontractors to comply with laws that govern member rights when delivering services.

38.1.5.2 Provide each member 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 45 CFR Part 164.

38.1.5.3 Inform members they are free to exercise their rights and that the exercise of those rights shall not adversely affect service delivery to the member.42 CFR 438.100(c)].

38.1.5.4 Notify all members of any restriction on the member's freedom of choice among network providers that affect Member rights and protections.

38.1.5.5 Notify all members of how to access after-hours and emergency services.

38.1.5.6 Notify all members of what constitutes an emergency medical condition, emergency services and post stabilization services and the process and procedures for obtaining emergency services, including use of the 911-telephone system or its local equivalent.

38.1.5.7 Notify all members of the locations of any emergency settings and other locations at which providers and hospitals furnish emergency services and post stabilization services covered under the Contract.

38.1.5.8 Notify the member of the right to use any hospital or other setting for emergency care.

38.1.5.9 Notify all members that prior authorization is not required for emergency services.

38.1.5.10 Notify all members of the amount, duration, and scope of services available under the contract in sufficient detail so that members understand the benefits to which they are entitled.

38.1.5.11 Notify all members of procedures for obtaining services, including authorization requirements.

38.1.5.12 Notify all members if and how the member may obtain services from out-of-network providers.

38.1.5.13 Notify all members of the post stabilization care services rules.

38.1.5.14 Notify how and where to access any services that are available under the State plan but are not covered under the contract, including any cost sharing, and how transportation is provided.

38.1.5.15 Notify the member of:

38.1.5.15.1 Advanced directives;

38.1.5.15.2 Information on the structure and operation of ADHS;

38.1.5.15.3 Physician incentive plans, if any; and

38.1.5.15.4 Grievance, appeal, and fair hearing procedures and timeframes that include the following:

38.1.5.15.4.1 For State fair hearing:

38.1.5.15.4.1.1 The right to hearing;

38.1.5.15.4.1.2 The method for obtaining a hearing;

38.1.5.15.4.1.3 The rules that govern representation at the hearing;

38.1.5.15.4.1.4 The right to file grievances and appeals;

38.1.5.15.4.1.5 The requirements and timeframes for filing a grievance or appeal;

38.1.5.15.4.1.6 The availability of assistance in the filing process;

38.1.5.15.4.1.7 The toll-free numbers that the member can use to file a grievance or an appeal by phone;

38.1.5.15.4.1.8 The ability, when requested by the member, to have benefits continue if the member files an appeal or a request for State fair hearing within the timeframes specified for filing; and

38.1.5.15.4.1.9 The member may be required to pay the cost of services furnished while the appeal is pending, if the final decision is adverse to the member.

38.1.6 Member Rights Written Policies

The Contractor shall:

38.1.6.1 Develop and implement written policies to protect and enforce member rights. Member rights include, at a minimum, the right to:

38.1.6.1.1 Be treated with respect and due consideration for his or her dignity and privacy;

38.1.6.1.2 Receive information on available treatment options and alternatives, presented in a manner appropriate to the member's condition and ability to understand;

38.1.6.1.3 Participate in decisions regarding his or her behavioral health care, including the right to refuse treatment;

38.1.6.1.4 Be free from any form of restraint or seclusion used as a means of coercion, discipline, convenience, or retaliation;

38.1.6.1.5 Request and receive a copy of his or her medical records, and to request that they be amended or corrected, as specified in 45 CFR part 164 and applicable State law; and

38.1.6.1.6 Exercise their rights and that the exercise of those rights shall not adversely affect service delivery to the member [42 CFR 438.100(c)].

38.2 PERIODIC REPORTING REQUIREMENTS FOR POLICY

The Contractor shall:

38.2.1 Submit the Contractor Member Handbook to ADHS for approval within thirty (30) days of receiving the ADHS Template, or within a timeframe as otherwise specified, and

38.2.2 At least annually review the Contractor Member Handbook and revise as applicable to accurately reflect current Contractor specific policies, procedures and practices.

39. Transition of Title XIX and XXI Members Requirements

39.1 TRANSITION OF TITLE XIX AND XXI MEMBERS; CONTINUITY OF SERVICES

The Contractor shall:

39.1.1 Develop, implement, and monitor written policies and procedures consistent with the ADHS Provider Manual Section 3.3 *Referral and Intake Process*, the ADHS Policies and Procedures Manual and Network Management requirements to promote continuity of care. The policies and procedures, at a minimum, shall address the following;

39.1.1.1 A provider is unable to continue to deliver services to a member for any reason;

39.1.1.2 A member transitions to or from another RBHA or a different provider;

39.1.1.3 A member transitions to ALTCS;

39.1.1.4 A member transitions from the children's service delivery system to the adult service delivery system;

39.1.1.5 Inter RBHA transfer; and

39.1.1.6 Member discharge.

39.1.2 Require subcontractors and providers to coordinate the member's transition from crisis services to clinically indicated services and utilizing the member's crisis plan, if one exists.

39.2 TRANSITION OF SERVICES

The Contractor shall:

39.2.1 Develop and implement strategies for transitioning Title XIX/ XXI youth age eighteen (18) through twenty-one (21) to the adult system of care including strategies and services needed in the member's treatment plan to address a crisis.

39.2.2 Require subcontractors and providers that serve children to develop and implement a treatment plan with strategies to address a crisis, and deliver all appropriate behavioral health services to help the child remain at home, minimize placement disruptions, and avoid the inappropriate use of the police and the criminal justice system.

39.2.3 Require subcontractors and service providers that serve children to develop and implement treatment plans that address likely events in a child's life including transitions to new schools, new placements, and to other service delivery systems.

39.2.4 Collaborate and coordinate discharge and transition with agencies responsible for the administration of jails, prisons and juvenile detention facilities including plans for the continuation of prescribed medication and other behavioral health services prior to re-entry to the community.

39.2.5 Develop and implement transition, discharge, and aftercare plans prior to discontinuation of behavioral health services.

40. Provider Policy Requirements

40.1 TITLE XIX and TITLE XXI POLICIES

The Contractor shall:

40.1.1 Disseminate and require subcontractors and providers to implement the following:

40.1.1.1 Post copies of the policies to the contractor's website and make hard copies available upon request.

40.1.1.2 Maintain, post and distribute ADHS/DBHS policies to subcontractors and providers, including at a minimum the following:

40.1.1.2.1 Advance Directives in accordance with [42 CFR 422.128];

40.1.1.2.2 Appointment Standards, timeliness of client referral, intake and service delivery [42 CFR 438.206];

40.1.1.2.3 Claims and encounter submission;

40.1.1.2.4 Coordination of care and communication with AHCCCS acute Contractors [42 CFR 438.208];

40.1.1.2.5 Covered services, non-covered services and service limitations for Title XIX/XXI members;

40.1.1.2.6 Credential providers consistent with Chapter 900 of the AHCCCS Medical Policy Manual [42 CFR 438.214(b)(1) and (2)];

40.1.1.2.7 Data processing requirements;

40.1.1.2.8 Description of sanctions for non-compliance with contract requirements;

40.1.1.2.9 Termination of identification as a member;

40.1.1.2.10 Discharge plans;

40.1.1.2.11 Dispute resolution, grievance and appeal procedures and member rights and responsibilities relating to expedited hearings;

40.1.1.2.12 Eligibility and member verification;

40.1.1.2.13 Financial management, audit and reporting, disclosure;

40.1.1.2.14 Fraud and abuse and Corporate Compliance;

40.1.1.2.15 Member handbook;

40.1.1.2.16 Outreach and follow-up activities;

40.1.1.2.17 Prior authorization system and criteria and notification of denial [42 CFR 438.210(b)(1)];

40.1.1.2.18 Provider network requirements;

40.1.1.2.19 Quality Management/Utilization Management, including annual Quality Management Plan, development, implementation, monitoring;

40.1.1.2.20 Referral management;

40.1.1.2.21 Reimbursement and third party procedures, including reporting changes in health insurance;

40.1.1.2.22 Assessment and treatment planning process;

40.1.1.2.23 Special service delivery systems;

40.1.1.2.24 Transition of members;

40.1.1.2.25 Behavioral health category assignment: SED, Non-SED, SMI, Non-SMI;

40.1.1.2.26 Cultural Competency;

40.1.1.2.27 Responsibility for clinical oversight and point of contact;

40.1.1.2.28 Confidentiality;

40.1.1.2.29 Medically Necessary Covered Services;

40.1.1.2.30 Formulary;

40.1.1.2.31 Approval of out-of-state placements;

40.1.1.2.32 Responsibility for Emergency and Post Stabilization Services;

40.1.1.2.33 Second Opinions;

40.1.1.2.34 Provider-Member Communications;

40.1.1.2.35 Provider network policies addressing [42 CFR 438.214];

40.1.1.2.35.1 Provider selection and retention criteria [42 CFR 438.214(a)];

40.1.1.2.35.2 Communication with providers regarding contract requirements and program changes;

40.1.1.2.35.3 Monitoring and maintaining providers' compliance with AHCCCS and ADHS policies and rules;

40.1.1.2.35.4 The delivery of covered services throughout the network;

40.1.1.2.35.5 The provision of medically necessary covered services should the network become temporarily insufficient within the contracted service area;

40.1.1.2.35.6 Monitoring network capacity to have sufficient qualified providers to serve the number and specialized needs of members;

40.1.1.2.35.7 Service accessibility, including monitoring appointment standards, appointment waiting times and service provision standards;

40.1.1.2.35.8 Selection and retention of providers using performance and outcome measures;

40.1.1.2.35.9 Guidelines to establish reasonable geographic access to service for members;

40.1.1.2.35.10 Collecting information on the cultural needs of communities and that the provider network adequately addresses identified cultural needs;

40.1.1.2.35.11 Provider capacity by provider type needed to furnish covered services;

40.1.1.2.35.12 Monitoring the adequacy, accessibility and availability of the provider network to meet the needs of the members, including the provision of care to members with limited proficiency in English; and

40.1.1.2.35.13 Expedited and temporary credentialing process.

40.1.1.2.36 Inter-rater reliability to assure the consistent application of coverage criteria;

40.1.1.2.37 Prior Period Coverage; and

40.1.1.2.38 Community Service Agencies.

40.1.2 Develop and implement the following:

40.1.2.1 Policies and procedures that instruct staff to comply with all State and Federal requirements.

40.1.2.2 Policies on an ongoing basis as identified and requested by ADHS. All policies including requirements, manuals or standards that affect Title XIX and/or Title XXI members must be reviewed and approved by ADHS prior to implementation [42 CFR 431.10].

40.1.2.3 Procedures for the periodic updating and revision of the policies.

41. Customer Service Requirements

41.1 COMPLAINTS, SERIOUS MENTAL ILLNESS GRIEVANCES, MEMBER APPEALS, AND PROVIDER CLAIM DISPUTES

41.1.1 Grievance and Appeals

The Contractor shall:

41.1.1.1 Inform members, subcontractors or providers of grievance and appeal rights and how to exercise those rights, including access to the applicable complaint, SMI grievance, member appeals, and provider claim dispute processes in the ADHS/DBHS Policy and Procedure manual GA 3.3 T*itle XIX/XXI Notice and Appeal Requirements;* GA 3.4, *Special Assistance for Persons Determined to Have a Serious Mental Illness;* GA 3.5*, Notice and Appeal Requirements (SMI and Non-SMI/Non-Title XIX/XXI), and* GA 3.6 *Complaint Resolution*, and Provider Manual Section 5.1, *Notice Requirements and Appeal Process for Title XIX and Title XXI Eligible Persons,* Section 5.2, *Member Complaints,* Section 5.3, *Grievance and Requests for Investigation for Persons Determined to Have a Serious Mental Illness (SMI)*

Section 5.5, *Notice and Appeal Requirements (SMI and Non-SMI/Non-Title XIX/XXI),* Provider Manuel Section 5.6, *Provider Claim Disputes.*

41.1.1.2 Manage all grievance system processes competently, expeditiously, and equitably for all members, subcontractors, and providers.

41.1.1.3 Have a sufficient number of qualified personnel to implement and maintain the complaint, grievance by a person with a SMI, member appeals, and provider claim dispute processes.

41.1.1.4 Require grievance investigators to be Council on Licensure, Enforcement and Regulation (CLEAR) certified as investigators or by an equivalent program approved by ADHS.

41.1.1.5 Require appeal coordinators to have or receive training in mediation, conflict resolution or problem solving techniques.

41.1.1.6 Not delegate or subcontract the administration of processes for complaints, grievances by a person with a SMI, member appeals, or provider claim disputes functions.

41.1.1.7 Provide professional, paraprofessional, and administrative resources to represent the Contractor's or subcontractor's interests when issues related to the Contractor's or its subcontractors' decisions or actions are heard at an administrative or judicial proceeding, unless the issue relates to a provider claim dispute. When provider claim disputes are heard at an administrative or judicial review proceeding, the subcontractor or provider shall provide professional, paraprofessional, and administrative resources available to represent the subcontractor's or provider's interests and the Contractor shall provide professional, paraprofessional, and administrative resources to represent its interests.

41.1.1.8 Cooperate when ADHS, at its discretion, decides to participate in or review any complaint, grievance by a person with a SMI, member appeal, or provider claim dispute and shall implement ADHS' decisions pending the formal resolution of the issue.

41.1.1.9 Promptly provide the ADHS Office of Grievance and Appeals with any requested information.

41.1.1.10 Designate a specific person to be responsible for collaborating with ADHS to address concerns and resolve issues in a manner consistent with the best clinical interests of the member and ADHS obligations and responsibilities for oversight when concerns related to complaints, grievances, member appeal or provider claims disputes are communicated to the Contractor's executive team, the ADHS senior management team, AHCCCS leadership, government officials or legislators, or the media. The Contractor's designated person shall:

41.1.1.10.1 Collect necessary information;

41.1.1.10.2 Consult with the treatment team for clinical recommendations when applicable;

41.1.1.10.3 Develop communication strategies in accordance with confidentiality laws; and

41.1.1.10.4 Develop a written plan to address and resolve the situation to be approved by ADHS prior to implementation.

41.1.2 Complaints

The Contractor shall:

41.1.2.1 Have processes in compliance with all applicable Federal and State laws, the ADHS/DBHS Policy and Procedure Manual, the Provider Manual Section 5.1 *Notice Requirements and Appeal Process for Title XIX and Title XXI Eligible Populations* and this Contract, that address complaints, SMI grievances, member appeals, and provider claims disputes.

41.1.2.2 Develop and maintain a complaint process that is easily accessible to member's providers and other stakeholders and is operated within the Contractor's customer service department.

41.1.2.3 Be courteous, responsive, effective, and timely in when responding or resolving concerns.

41.1.2.4 Not use its complaint process or otherwise prohibit or interfere with a member's or provider's right to use formal due process resolution processes.

41.1.3 Grievances by a Person with a Serious Mental Illness

The Contractor shall:

41.1.3.1 Develop and maintain a grievance process that supports the protection of the rights of persons with a SMI, both individually and collectively.

41.1.3.2 Report a Grievance or Request for Investigation involving a Person Need of Special Assistance to the ADHS Office of Human Rights in accordance with the ADHS/DBHS Policies and Procedures Manual and Attachment A of this Contract.

41.1.4 Member Appeals

The Contractor shall:

41.1.4.1 Develop and maintain a member appeal process that provides members with required notices of the right to appeal adverse decisions of the Contractor or its subcontractors.

41.1.4.2 Design and implement all appeal processes to offer appellants an opportunity to present their appeal in person, conduct informal appeal conferences at a convenient time and location for the member, and provide the privacy required by law.

41.1.4.3 Provide a member with the opportunity to attend the informal conference telephonically upon request. The Contractor shall permit an advocate or representative designated by the member to attend the informal conference.

41.1.4.4 Report an Appeal involving a Person in Need of Special Assistance to the ADHS Office of Human Rights in accordance with the ADHS/DBHS Policies and Procedures Manual and Attachment A of this Contract.

41.1.5 Provider Claim Disputes

The Contractor shall:

41.1.5.1 Develop and maintain a provider claims dispute process to resolve a subcontractor or provider's dispute related to payment, denial or recoupment of a claim, or the imposition of a financial sanction by the Contractor.

41.1.5.2 Develop and maintain a process to notify a provider of the right and procedure to file a claim dispute when there is a dispute related to payment, denial or recoupment of a claim, or the imposition of a financial sanction by the Contractor.

41.1.5.3 Develop and maintain processes to screen all subcontractor and provider claims disputes, collectively and individually, for potential fraud or abuse.

41.1.6 Complaints, Serious Mental Illness Grievances, Member Appeals, and Provider Claim Disputes Periodic Reporting Requirements

The Contractor shall submit:

Monthly

41.1.6.1 Monthly Seclusion and Restraint Summary Report Concerning Persons with SMI ten (10) days after months end,

Quarterly

41.1.6.2 Quarterly reports, in a format acceptable to ADHS, to ADHS and the Contractor's QM Committee of SMI grievance, member appeal, and provider claims dispute trends due thirty days (30) after quarter end.

Ad Hoc:

41.1.6.3 A report for a Grievance, Appeal and Provider Claims or Request for Investigation involving a Person with Serious Mental Illness.

41.1.6.4 On an Ad hoc basis, upon ADHS request, the Contractor's response to complaints and response to problem resolution

41.1.6.5 On an Ad Hoc basis, Redacted Report of each use of Seclusion/Restraint Concerning all Enrolled Persons.

42. Advance Directive Requirements

42.1 ADVANCE DIRECTIVES

The Contractor shall:

42.1.1 Develop and implement written policies and procedures for advance directives.

42.1.2 Require subcontractors and providers to provide written information regarding advance directives to adult members at the time a service is first delivered and periodically thereafter of the right to execute an advance directive. When an adult member is incapacitated or unable to receive or understand information, the Contractor shall require subcontractors and providers to provide written information regarding advance directives to the adult member's family member, designated representative, or personal representative. The information shall include:

42.1.2.1 A member's rights regarding advance directives under Arizona law, including a description of the applicable law;

42.1.2.2 Policies and procedures governing the implementation of those rights; and

42.1.2.3 The member's right to file a complaint.

42.1.3 Require subcontractors or providers to provide the member with a clear and precise written statement if the subcontractor or provider cannot implement an advance directive as a matter of conscience. This statement, at a minimum, should:

42.1.3.1 Clarify institution-wide objections and those of individual physicians;

42.1.3.2 Identify Arizona legal authority permitting the objection; and

42.1.3.3 Describe the range of medical conditions or procedures affected by the objection.

42.1.4 Require subcontractors and providers to assist adult members that express an interest in developing and executing an advance directive.

42.1.5 Require subcontractors and providers to:

42.1.5.1 Document in the adult member's medical record that the above described information was provided and whether an advance directive was executed;

42.1.5.2 Not make provision of services conditional upon execution of an advance directive;

42.1.5.3 Not discriminate against an adult member because of a decision to execute or not to execute an advance directive;

42.1.5.4 Provide a copy of an adult member's executed advance directive, or documentation of refusal, to the member and the member's PCP for inclusion in the adult member's medical record maintained by the PCP; and

42.1.5.5 Maintain a copy of the adult member's advance directive or documentation of refusal to sign an advance directive in the adult member's behavioral health medical record.

43. Persons in Need of Special Assistance Requirements

43.1 PERSONS IN NEED OF SPECIAL ASSISTANCE

The Contractor shall:

43.1.1 Require its staff, subcontractors, and service providers to identify all persons in need of special assistance to the ADHS Office of Human Rights, and ensure those persons are provided the special assistance they require, consistent with the requirements in ADHS/DBHS Policy and Procedure GA 3.4, *Special Assistance for Persons Determined to have a Serious Mental Illness*, and Provider Manual Section 5.4, *Special Assistance for Persons Determined to have a Serious Mental Illness*.

43.1.2 Cooperate with the Human Rights Committee in meeting its obligations under ADHS/DBHS Policy and Procedure GA 3.4, *Special Assistance for Persons Determined to have a Serious Mental Illness,* and Provider Manual Section 5.4, *Special Assistance for Persons Determined to have a Serious Mental Illness*.

43.2 PERSONS IN NEED OF SPECIAL ASSISTANCE PERIODIC REPORTING

The Contractor and when applicable, its subcontractors and/or service providers, shall submit to the Office of Human Rights reports and other deliverables related to Special Assistance as detailed in "Attachment A – Deliverables Table."

F. DELIVERABLES

The Contractor shall submit to ADHS the deliverables in Attachment A.

Contractor Periodic and Ad Hoc Reporting Requirements

All required reports shall be submitted to the following email address:

BHSContractCompliance@azdhs.gov and shall be received by ADHS/DBHS no later than 5:00 p.m. Local Time on the date due.

If directed by an ADHS/DBHS program area to submit a specific report to a location other than BHSContractCompliance@azdhs.gov, the Contractor shall post notification of the submission to BHSContractCompliance@azdhs.gov upon delivery to the alternate location.

G. NOTICES, CORRESPONDENCE AND REPORTS

Notices, correspondence, reports and invoices from the Contractor to ADHS shall be sent to:

Arizona Department of Health Services
Division of Behavioral Health, Division of Contract Compliance
Attn: Margaret McLaughlin, Branch Chief
150 N. 18th Avenue

Phoenix, Arizona 85007

Notices, Correspondence and Reports from ADHS to the Contractor shall be sent to:
(Contractor to complete)

Contractor _____
Attention: _____
Address _____
Address _____
City, State, ZIP _____
Phone _____
Fax _____
Email _____

Payments from ADHS to the Contractor shall be sent to:
(Contractor to complete if different from above)

Contractor _____
Attention: _____
Address _____
Address _____
City, State, ZIP _____
Phone _____
Fax _____
Email _____

Small, Minority or Woman Owned Business Indicator

Please check as many as applicable:

_____I certify that my company is a Woman-Owned Business Enterprise (WBE).
A WBE is defined as an enterprise where a woman owns at least fifty-one percent (51%) of the business. The owner(s) must have the day-to-day control of the firm and have experience and expertise in the firm's primary area of operation. The owner(s) must hold a proportionate share of the business capital, assets, profits and losses commensurate with their ownership interest.

____I certify that my company is a Minority-Owned Business Enterprise (MBE).
An MBE is defined as an enterprise where an ethnic minority owns at least fifty-one percent (51%) of the business. The owner(s) must have the day-to-day control of the firm and have experience and expertise in the firm's primary area of operation. The owner(s) must hold a proportionate share of the business capital, assets, profits and losses commensurate with their ownership interest.

____I certify that my company is a Small Business.
A Small Business is defined as a company having fewer than one hundred (100) employees or less than four million dollars ($4,000,000) in gross receipts.

ATTACHMENTS CONTRACT NO: HP032097-001 Cenpatico

	Contract Category	Report	Reference	Frequency	Due Date	Submit to
1	Cultural Competency	Cultural Competency & Workforce (Training) Development Report	Contract, ADHS/DBHS Policies and Procedures Manual	Quarterly	Thirty (30) days after quarter end	BHSContractCompliance@azdhs.gov
2	Cultural Competency	Annual Effectiveness Review of the Cultural Competency Plan	Contract, ADHS/DBHS Policies and Procedures Manual	Annually	Fifteen (15) days after contract year end	BHSContractCompliance@azdhs.gov
3	Cultural Competency	Annual Cultural Competency Plan	Contract, ADHS/DBHS Policies and Procedures Manual	Annually	Fifteen (15) days after contract year end	BHSContractCompliance@azdhs.gov
4	Cultural Competency	Language Services Report	Contract, Cultural Competency Plan	Semi-annually	January 30th July 30th	BHSContractCompliance@azdhs.gov
5	Network	Children's System of Care Plan Status Update Report	Contract	Quarterly	15th of the month following quarter end	BHSContractCompliance@azdhs.gov
6	Network	Network Analysis and Inventory	Contract	Annually	April 1st	BHSContractCompliance@azdhs.gov
7	Network	Assurance of Network Adequacy and Sufficiency	Contact	Annually	April 1st	BHSContractCompliance@azdhs.gov
8	Network	Children's and Adult System of Care Plan	Contract	Annually	30 days after ADHS approved plan	BHSContractCompliance@azdhs.gov
9	Network	Adult System of Care Plan Status Update Report	Contract	Semi-Annually	15th of the month following 6 month period	BHSContractCompliance@azdhs.gov
10	Network	Notification of Material Changes to Network	Contract	Ad Hoc	Prior to Network Change Must be approved in advance by ADHS/DBHS	BHSContractCompliance@azdhs.gov
11	Network	Notification of Unexpected Material Changes to Network	Contract	Ad Hoc	Within one (1) day of knowledge	BHSContractCompliance@azdhs.gov
12	Network	DBHS Provider Terminations Due to Rates Report	Contract ACOM Policy 415	Quarterly	10 days following the end of each quarter	BHSContractCompliance@azdhs.gov
13	Network	DBHS Providers that Diminish Scope of Services/or close their Panel Report	Contract ACOM Policy 415	Quarterly	10 days following the end of each quarter	BHSContractCompliance@azdhs.gov
14	Network	Plan to transition members affected by the change deficiency or condition to a different provider and to address a network change, deficiency or condition to restore	Contract	Ad Hoc	Upon ADHS request	BHSContractCompliance@azdhs.gov

	Contract Category	Report	Reference	Frequency	Due Date	Submit to
		the network to full capacity				
15	Training	Annual Training Plan	Contract	Annually	Forty-five (45) days after contract year end	BHSContractCompliance@azdhs.gov
16	Training	Training Curriculum	Contract	Annually and Ad Hoc	Annually, Forty-five (45) days after contract year end and upon updates	BHSContractCompliance@azdhs.gov
17	General Mental Health and SMI Community Resources	Updated copy of its community resource guide	Contract	Quarterly	15th of the month following quarter end	BHSContractCompliance@azdhs.gov
18	Employment/ Vocational Service Delivery	Quarterly Psychosocial Rehabilitation Progress Report	Contract	Quarterly	15th of the month after quarter end	BHSContractCompliance@azdhs.gov
19	Employment/ Vocational Service Delivery	Annual Psychosocial Rehabilitation Progress Report	Contract	Annually	October 15th	BHSContractCompliance@azdhs.gov
20	Peer Involvement for SMI	Demonstrate that Peer Support Specialist / Recovery Support Specialists have met the training requirements and are employed on each adult recovery team	Contract	Quarterly	15th of the month after quarter end	BHSContractCompliance@azdhs.gov
21	Peer Involvement for SMI	Written description of the Process for Member Input	Contract	Ad Hoc	Upon ADHS request	BHSContractCompliance@azdhs.gov
22	Housing for SMI	Monthly report of utilization of affordable housing options on Bridge Subsidy Program tenants connected to Section 8 vouchers or independence through self-sufficiency	Contract	Monthly	15th of the month after month end	BHSContractCompliance@azdhs.gov
23	Housing for SMI	Housing Inventory	Contract	Quarterly	15th of the month after quarter end	BHSContractCompliance@azdhs.gov
24	Housing for SMI	Annual Housing Spending Plan	Contract	Annually	No later than 30 days from notification by ADHS that state funds have been allocated for housing development	BHSContractCompliance@azdhs.gov

	Contract Category	Report	Reference	Frequency	Due Date	Submit to
25	Housing for SMI	Initial Housing Plan	Contract	Ad Hoc	Sixty (60) days prior to contract start date and upon ADHS request thereafter	BHSContractCompliance@azdhs.gov
26	Housing for SMI	Notice of Real Property Transactions	Contract	Ad Hoc	As occurring and upon ADHS request	BHSContractCompliance@azdhs.gov
27	Service Delivery to Children and Adolescents	Case manager bimonthly inventories to monitor the status of case manager development and maintenance of effort	Contract	Bi-Monthly	15th of every other month	BHSContractCompliance@azdhs.gov
28	Children's System of Care Planning and Development	Practice Improvement Plan(s) Based upon finding from the CFT practice review	Contract	Ad Hoc, Plans to be submitted as needed based on review	45 days after the feedback meeting with Contractor	BHSContractCompliance@azdhs.gov
29	SAPT	SAPT Wait list Report	Contract	Quarterly	60th day after quarter end	BHSContractCompliance@azdhs.gov
30	SAPT	HIV Activity Report	Contract, ADHS/DBHS Provider Manual	Quarterly	30th day after quarter end	BHSContractCompliance@azdhs.gov
31	SAPT	Notify ADHS when an intravenous drug abuse program has reached ninety (90%) percent of its capacity	Contract	Ad Hoc	Upon meeting 90% of its capacity	BHSContractCompliance@azdhs.gov
32	Medical Management	Annual Medical Management Utilization Management (MM/UM) Plan and Work Plan	Contract	Annually	November 30th	BHSContractCompliance@azdhs.gov
33	Medical Management	Annual MM/UM Evaluation	Contract	Annually	November 30th	BHSContractCompliance@azdhs.gov
34	Medical Management	Medical Care Evaluation Studies conducted	Contract	Annually	January 10th	BHSContractCompliance@azdhs.gov
35	Medical Management	Quarterly Inpatient Hospital Showing Report	Contract; ADHS/DBHS/ BQMO Specs Manual	Quarterly	Ten (10) days after quarter end	BHSContractCompliance@azdhs.gov
36	Medical Management	Pharmacy Report	Contract; ADHS/DBHS/ BQMO Specs Manual	Quarterly	45 days after quarter end	BHSContractCompliance@azdhs.gov
37	Medical Management	Quarterly Utilization Data Report	Contract; ADHS/DBHS/ BQMO Specs Manual	Quarterly	45 days after quarter end	BHSContractCompliance@azdhs.gov

	Contract Category	Report	Reference	Frequency	Due Date	Submit to
38	Medical Management	PCP Transition Log	ADHS/DBHS Provider Manual (PM 4.3)	Monthly	30th day of every month	BHSContractCompliance@azdhs.gov
39	Medical Management	Recipient and Provider Over and Under Utilization Report and Plan	Contract; ADHS/DBHS/ BQMO Specs Manual	Bi-Annually	July 30th January 30th	BHSContractCompliance@azdhs.gov
40	Medical Management	Authorization Inter-Rater Reliability Testing Report	Contract; Provider Manual 3.1 and 3.1.1	Bi-Annually	July 30th January30th	BHSContractCompliance@azdhs.gov
41	PASRR	PASRR Packet including Invoice	Contract	Ad Hoc	Submitted upon completion of PASRR Level II evaluations	Bureau of Quality Management Operations/ Office of Medical Management & BHSContractCompliance@azdhs.gov
42	Prevention Services	Annual Prevention Program Description	Contract	Annually	Two (2) months prior to start of contract year	BHSContractCompliance@azdhs.gov
43	Prevention Services	Annual Prevention Report	Contract	Annually	Three (3) months following end of contract year	BHSContractCompliance@azdhs.gov
44	Prevention Services	Prevention Needs Assessment Summary	Contract	Ad Hoc	Six (6) months prior to issuing an RFP for prevention and six (6) months following contract award, once every three years thereafter	BHSContractCompliance@azdhs.gov
45	Prevention Services	Description and plan for new prevention programs	Contract	Ad Hoc	Thirty (30) days prior to program commencement	BHSContractCompliance@azdhs.gov
46	Prevention Services	Prevention Services Contractor solicitations and amendments for prevention services	Contract	Ad Hoc	Fourteen (14) days before public release	BHSContractCompliance@azdhs.gov
47	Prevention Services	Proposal evaluation method and list of proposed subcontract awards for prevention services	Contract	Ad Hoc	Upon ADHS request	BHSContractCompliance@azdhs.gov
48	Prevention Services	Allegations of attempted suicide, sexual abuse, and death incident reports	Contract	Ad Hoc	Within five (5) business days of incident coming to RBHA's attention	BHSContractCompliance@azdhs.gov
49	Prevention Services	Documentary evidence of First Aid certification.	Contract	Ad Hoc	Upon ADHS request	BHSContractCompliance@azdhs.gov

	Contract Category	Report	Reference	Frequency	Due Date	Submit to
50	Prevention Services	Written notification of ending or discontinuation of any prevention subcontract or program or any other substantive change in the prevention network	Contract	Ad Hoc	Thirty (30) days prior to the ending or discontinuation of any prevention subcontract or program or any other substantive change in the prevention network	BHSContractCompliance@azdhs.gov
51	Prevention Services	Written notification of the discontinuation of any program in the prevention network or if there are substantive changes to the prevention network	Contract	Ad Hoc	Within one (1) week of knowledge	BHSContractCompliance@azdhs.gov
52	Quality Management	Monthly Complaint Data Logs	Contract; ADHS/DBHS/ BQMO Specs Manual	Monthly	Fifteen (15) days after month end	Bureau of Quality Management Operations & BHSContractCompliance@azdhs.gov
53	Quality Management	Quarterly Performance Improvement Reports	Contract; ADHS/DBHS/ BQMO Specs Manual	Quarterly	30th day after quarter end	BHSContractCompliance@azdhs.gov
54	Quality Management	Annual Member Satisfaction Survey	Contract, ADHS/DBHS Consumer Survey Protocol	Annually	Survey Results due on July 27th Final Report due on October 19th	BHSContractCompliance@azdhs.gov
55	Quality Management	Annual Quality Management Plan and Work Plan	Contract; AHCCCS AMPM Chapter 900; the ADHS/DBHS QM Plan and Work Plan	Annually	November 30th	BHSContractCompliance@azdhs.gov
56	Quality Management	Annual Quality Management Evaluation	Contract; AHCCCS AMPM Chapter 900; the ADHS/DBHS QM Plan and Work Plan	Annually	November 30th	BHSContractCompliance@azdhs.gov
57	Finance	Annual Report on Established Performance Incentives	Contract	Annually	Within forty five (45) days after the contract year end	BHSContractCompliance@azdhs.gov
58	Quality Management	Quality of Care Data	Contract; ADHS/DBHS/ BQMO Specs Manual	Monthly	15 days after month end	BHSContractCompliance@azdhs.gov
59	Quality Management	Submit Data and Records related to contract	Contract	Ad Hoc	Upon ADHS request	BHSContractCompliance@azdhs.gov

	Contract Category	Report	Reference	Frequency	Due Date	Submit to
60	Quality Management	Incidents, Accidents and Death Reports for Behavioral Health Recipients	Contract; ADHS/DBHS Policies and Procedures Manual QM 2.5	Weekly	Weekly as per ADHS/DBHS/ BQMO direction	BHSContractCompliance@azdhs.gov
61	Quality Management	High Profile Alerts of Incidents, Accidents and Deaths	Contract; ADHS/DBHS Policies and Procedures Manual QM 2.5	Ad Hoc	Within one (1) day of awareness	BHSContractCompliance@azdhs.gov
62	Quality Management	Crisis Indicator Data Report	Contract	Monthly	15th day following month end	BHSContractCompliance@azdhs.gov
63	Quality Management	Peer Review Information/ including Coded List and File Submission Form	Contract	Quarterly & Ad Hoc	Upon Request	Bureau of Quality Management Operations & BHSContractCompliance@azdhs.gov
64	Outreach and Marketing	Outreach Material	Contract	Ad Hoc	30 days prior to public release	BHSContractCompliance@azdhs.gov
65	Outreach and Marketing	Marketing Materials	Contract	Ad Hoc	30 days prior to public release	BHSContractCompliance@azdhs.gov
66	Coordination with AHCCCS Acute Care, PCP and other Agency Collaboration	Copy of each collaborative protocol with State/County Agencies	Contract	Annually	Reviewed on an annual basis and updated as needed by December 31st	BHSContractCompliance@azdhs.gov
67	Coordination with AHCCCS Acute Care, PCP and other Agency Collaboration	Acute Health Plan Provider Coordinator Monthly Report	Contract	Monthly	30th day after month end	BHSContractCompliance@azdhs.gov
68	Subcontractors	Fully executed originals of all subcontracts	Contract	Ad Hoc	Within two (2) days of ADHS request	BHSContractCompliance@azdhs.gov
69	Subcontractors	Copies of all provider subcontracts	Contract	Ad Hoc	Within twenty-four (24) hours of ADHS request	BHSContractCompliance@azdhs.gov
70	Subcontractors	Complete and valid Copy of all ACORD Certificate(s)	Contract	Ad Hoc	Upon request, copies of all Subcontractor Insurance Certificates	BHSContractCompliance@azdhs.gov
71	Business Continuity and Recovery Plan	Business Continuity and Recovery Plan	Contract	Annually	July 10th	BHSContractCompliance@azdhs.gov

	Contract Category	Report	Reference	Frequency	Due Date	Submit to
72	Corporate Compliance	Copies of all completed internal and external audit reports and findings, which contain the requisite fraud and abuse audit steps	Contract	Quarterly	15 days after quarter end	bobby.rivera@azdhs.gov & BHSContractCompliance@azdhs.gov
73	Corporate Compliance	Year-to-date fraud and abuse record and trend analysis	Contract	Quarterly	15 days after quarter end	bobby.rivera@azdhs.gov & BHSContractCompliance@azdhs.gov
74	Corporate Compliance	Year-to-date list of all employees and subcontractors names that have been checked against the Excluded Parties List System (EPLS)	Contract	Quarterly	15 days after quarter end	BHSContractCompliance@azdhs.gov
75	Corporate Compliance	Current Corporate Compliance Program Plan	Contract	Annually	October 1st	BHSContractCompliance@azdhs.gov
76	Corporate Compliance	Reports according to Section 29.3 REPORTING SUSPECTED FRAUD AND ABUSE of this contract	Contract	Ad Hoc	Upon occurrence	reportfraud@azdhs.gov & BHSContractCompliance@azdhs.gov
77	Corporate Compliance	Incidents of Suspected Fraud or Abuse	Contract	Ad Hoc	Immediately after discovered followed by written report within 10 business days	reportfraud@azdhs.gov & BHSContractCompliance@azdhs.gov
78	Corporate Compliance	ACOM 424 Quarterly AHCCCS Verification of Receipt of Paid Services Report	Contract, ACOM Policy 424	Quarterly	5th day after end of quarter that follows reporting quarter	bobby.rivera@azdhs.gov & BHSContractCompliance@azdhs.gov
79	Finance	Monthly Financial Statements	Contract, Financial Reporting Guide	Monthly	30th day after month end	Office of Financial Review & BHSContractCompliance@azdhs.gov
80	Finance	Quarterly Financial Statements	Contract, Financial Reporting Guide	Quarterly	30 days after quarter end and 40 days after quarter 5 (November 9)	Office of Financial Review & BHSContractCompliance@azdhs.gov
81	Finance	Cost Allocation Plan	Contract, Financial Reporting Guide	Annually	August 1st	Office of Financial Review & BHSContractCompliance@azdhs.gov
82	Finance	SAPT and CMHS Distribution Reports	Contract, Financial Reporting Guide	Annually	October 15th	Office of Financial Review & BHSContractCompliance@azdhs.gov
83	Finance	Draft Consolidated Audited Financial Reports and Supplemental Report	Contract, Financial Reporting Guide	Annually	75 days after end of the contract year (December 14)	Office of Financial Review & BHSContractCompliance@azdhs.gov
84	Finance	Final Consolidated Audited Financial Reports and	Contract, Financial Reporting	Annually	100 days after end of the contract year	Office of Financial Review & BHSContractCompliance@azdhs.gov

	Contract Category	Report	Reference	Frequency	Due Date	Submit to
		Supplemental Reports	Guide		(January 8)	
85	Finance	Final Audited Financial Statements for All Related Parties	Contract, Financial Reporting Guide	Annually	120 days after the contractor's related parties' *fiscal year end*	Office of Financial Review & BHSContractCompliance@azdhs.gov
86	Finance	Top 20 Providers Audited Financial Statements	Financial Reporting Guide	Annually	May 31st	Office of Financial Review & BHSContractCompliance@azdhs.gov
87	Finance	Related Party Documentation for Final Profit/Risk Corridor	Financial Reporting Guide	Annually	December 15th	Office of Financial Review & BHSContractCompliance@azdhs.gov
88	Finance	Performance Bond	Contract	Ad Hoc	30 days notification by ADHS to adjust the amount	Office of Financial Review & BHSContractCompliance@azdhs.gov
89	Claims Payment Encounter	Fee for Service Check Register Review	Contract, Program Support Operations and Procedures Manual	Quarterly	Ten (10) business days after the 1st of the month following the quarter to be reviewed	ops@azdhs.gov & BHSContractCompliance@azdhs.gov
90	Claims Payment Encounter	Claims Dashboard/ Cost Avoidance-Recovery/Pend Claims Verification	Contract	Monthly	Eighteen (18) days following month end	ops@azdhs.gov & BHSContractCompliance@azdhs.gov
91	Aging Encounter	Pended Over 120 Day Report	Program Support Operations and Procedures Manual	Monthly	1st day of the following month	ops@azdhs.gov & BHSContractCompliance@azdhs.gov
92	Encounter Submission	Contractor's CEO or CFO's written attestation	Contract	Ad Hoc	With each data encounter submission	ops@azdhs.gov & BHSContractCompliance@azdhs.gov
93	AHCCCS Denials	AHCCCS Denied Encounters	Contract, AHCCCS Denials	Monthly	The 5th of the following month	RBHAs folder on the OPS FTP server & BHSContractCompliance@azdhs.gov
94	Data Validation	Data Validation Findings Summary	Contract, Program Support Operations and Procedures Manual	Quarterly	30 days after quarter end	ops@azdhs.gov & BHSContractCompliance@azdhs.gov
95	Policy	Contractor Member Handbook	Contract	Annually	within 30 days of receiving the ADHS/DBHS Member Handbook Template	BHSContractCompliance@azdhs.gov

	Contract Category	Report	Reference	Frequency	Due Date	Submit to
96	Policy	Contractor Member Handbook Updates	Contract	Ad Hoc	Within 30 days of receiving the ADHS/DBHS Template, or within a timeframe as otherwise specified	BHSContractCompliance@azdhs.gov
97	Customer Service	Grievance, Appeal and Provider Claims Dispute Report	Contract	Quarterly	Thirty (30) days after quarter end	Bureau of Consumer Rights, Office of Grievance and Appeals & BHSContractCompliance@azdhs.gov
98	Customer Service	Contractors Response to Complaints(response to problem resolution)	Contract ADHS/DBHS Policies and Procedures Manual	Ad Hoc	As defined by ADHS/DBHS Customer Service	Customer Service & BHSContractCompliance@azdhs.gov
99	Customer Service	Monthly Seclusion/Restraint Report Concerning Persons with SMI	Contract ADHS/DBHS Policies and Procedures Manual	Monthly	Ten (10) days after month end	Office of Human Rights & OHRts@azdhs.gov &BHSContractCompliance@azdhs.gov
100	Customer Service	Report of Each Use of Seclusion/ Restraint Concerning Persons with Serious Mental Illness	Contract ADHS/DBHS Policies and Procedures Manual	Monthly	Ten (10) days after month end	Office of Human Rights & OHRts@azdhs.gov & BHSContractCompliance@azdhs.gov
101	Customer Service	Redacted Report of each use of Seclusion/ Restraint Concerning All Enrolled Persons	Contract, ADHS/DBHS Policies and Procedures Manual	Ad Hoc	On a weekly/ monthly basis according to arrangement with the Appropriate Human Rights Committee	Appropriate Human Rights Committee & BHSContractCompliance@azdhs.gov
102	Customer Service	Monthly Seclusion/Restraint Summary Report Concerning All Enrolled Persons	Contract, ADHS/DBHS Policies and Procedures Manual	Monthly	Ten (10) days after month end	Appropriate Human Rights Committee & BHSContractCompliance@azdhs.gov
103	Special Assistance	Comprehensive report of Persons Identified as in Need of Special Assistance	Contract, ADHS/DBHS Policies and Procedures Manual	Monthly	Ten days (10) days after month end	Office of Human Rights & OHRts@azdhs.gov & Notification email only (no report) to BHSContractCompliance@azdhs.gov
104	Special Assistance	Updates to OHR's Quarterly Report of Persons Identified as in Need of Special Assistance	Contract, ADHS/DBHS Policies and Procedures Manual	Quarterly	10th day of the month following receipt of draft report from OHR	Office of Human Rights & OHRts@azdhs.gov & Notification email only (no report) to BHSContractCompliance@azdhs.gov
105	Special Assistance	Copy of Appeal, Results of the Informal Conference and Notice of Hearing in Appeals concerning a Person in Need of Special Assistance	Contract, ADHS/DBHS Policies and Procedures Manual	Ad Hoc	Within five (5) working days of receipt/ issuing of results/notice	Office of Human Rights & OHRts@azdhs.gov
106	Special Assistance	Notification of Person in Need of Special Assistance	Contract, ADHS/DBHS Policies and Procedures Manual	Ad Hoc	Within three (3) working days of determination	Office of Human Rights & OHRts@azdhs.gov

	Contract Category	Report	Reference	Frequency	Due Date	Submit to
107	Special Assistance	Copy of Grievance or request for investigation and Grievance/ Investigation decision letter concerning a Person in need of Special Assistance	Contract, ADHS/DBHS Policies and Procedures Manual	Ad Hoc	Within five (5) working days of receipt/issuing of decision	Office of Human Rights & OHRts@azdhs.gov
108	Special Assistance	Notification of a person no longer in need of Special Assistance	Contract, ADHS/DBHS Policies and Procedures Manual	Ad Hoc	Within ten (10) working days of determination	Office of Human Rights & OHRts@azdhs.gov
109	Governor's Report	Annual Report in accordance with (A.R.S.) §36-3415	Contract	Annually	August 1st	BHSContractCompliance@azdhs.gov
110	Key Personnel	Tribal Coordinator Report	Contract	Ad Hoc	Upon request	Tribal Contract Administrator & BHSContractCompliance@azdhs.gov

A. DOCUMENT LISTING

The following documents, and any subsequent amendments, modifications, and supplements to these documents adopted by ADHS/DBHS or AHCCCS (as applicable) during the Contract period, are incorporated and made a part of this Contract by reference:

1. ADHS/DBHS Covered Behavioral Health Services Guide

2. ADHS/DBHS Provider Manual

3. ADHS/DBHS Policies and Procedures Manual

4. ADHS/DBHS Office of Program Support, Operations & Procedures Manual

5. Office of Program Integrity, Operations and Procedures Manual

6. Client Information System (CIS) File Layout and Specifications Manual

7. Office of Grievance and Appeals Docket Tracking Application Users Guide

8. ADHS Accounting and Auditing Procedures Manual

9. Financial Reporting Guide for Regional Behavioral Health Authorities

10. ADHS/DBHS Quality Management (QM) Plan and Work Plan

11. ADHS/DBHS Utilization Management/Medical Management (UM/MM) Plan and Work Plan

12. ADHS/DBHS Framework for Prevention in Behavioral Health

13. AHCCCS Medical Policy Manual

14. AHCCCS Health Plan Psychiatric Medication Formularies

15. AHCCCS Contractor Operations Manual

16. ADHS/DBHS Cultural Competency Plan

17. ADHS/DBHS Clinical Practice Protocols and ADHS/DBHS adopted National Practice Guidelines

    17.1 Working with the Birth to Five Population
    17.2 Children's Out of Home Services
    17.3 The Child and Family Team
    17.4 Adolescent Substance Abuse Treatment
    17.5 Family and Youth Involvement in the Children's Behavioral Health System
    17.6 Youth Involvement in the Arizona Behavioral Health System
    17.7 Support and Rehabilitation Services for Children, Adolescents and Young Adults
    17.8 Transition to Adulthood
    17.9 The Unique Behavioral Health Service Needs of Children, Youth and Families Involved with CPS
    17.10 Adult Recovery Team and Information Sharing

18. Children's System of Care Plan

19. ADHS QM/MM/UM Performance Improvement Specifications Manual

20. ADHS/DBHS Medication Formulary

21. Assisting Behavioral Health Recipients with AHCCCS Eligibility Manual

22. ADHS/DBHS Member Handbook Template

23. ADHS/DBHS Provider Network Listing

24. Adult System of Care Plan

25. Children's System of Care Vision and Principles

26. Guiding Principles for Recovery-Oriented Adult Behavioral Health Services and Systems

27. ADHS/DBHS Housing Desktop Manual

28. ADHS Demographic Data Set Users Guide

29. ADHS/ADE Protocols for Educational Placements

30. ADHS/DBHS Heat Plan

31. Child and Adolescent Service Intensity Instrument (CASII)

32. SAPT and CMHS FAQ's

B. REVISIONS TO DOCUMENTS INCORPORATED BY REFERENCE

The Contractor shall:

1. 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 outlined in the Uniform Terms and Conditions, as if the terms and conditions of the documents had been fully set forth in this contract.

2. ADHS and Contractor acknowledge that the behavioral health system is constantly changing and evolving to reflect new and innovative approaches to treatment, and the delivery and management of behavioral health services. The common goal of ADHS and Contractor is to develop and apply new and innovative strategies to better serve behavioral health recipients. As a result, ADHS, from time to time, may revise and update the above stated documents to allow for the orderly implementation of changes to the behavioral health system.

3. ADHS will notify the Contractor when changes will be made to the Documents Incorporated by Reference. The Contractor shall have thirty (30) days to notify ADHS if it has any disagreement with the new provisions.

C. OTHER DOCUMENTS

This section contains references to documents, also incorporated by reference where applicable, that guide the development of the behavioral health system requirements. From time to time these documents may be amended. If any such amendments result, there may be changes to this contract or documents incorporated by reference in accordance with Special Terms and Conditions, as applicable.

1. Administrative Rules

1.1 Arizona Administrative Code R2-19 Administrative hearing rules

1.2 Arizona Administrative Code R9-20 Behavioral Health Service Agencies: Licensure

1.3 Arizona Administrative Code R9-21 Behavioral Health Services for Persons with Serious Mental Illness

1.4 Arizona Administrative Code, R9-22 AHCCCS rules for the Title XIX acute program.

1.5 Arizona Administrative Code, R9-28 AHCCCS rules for the Title XIX DDD ALTCS Program

1.6 Arizona Administrative Code, R9-31 AHCCCS rules for the Title XXI program.

1.7 Arizona Administrative Code R9-34 AHCCCS rules for the grievance system

2. Balance Budget Act of 1997

3. Arizona Procurement Code

3. GRANTS

3.1 Federal Block Grants

3.1.1 Community Mental Health Services Block Grant pursuant to Division B, Title XXXII, Section 3204 of the Children's Health Act of 2000 (CMHS).

3.1.2 Substance Abuse Prevention and Treatment Block Grant pursuant to Division B, Title XXXIII, Section 3303 of the Children's Health Act of 2000 and pursuant to Section 1921-1954 of the Public Health Service Act and 45 CFR Part 96 Interim Final Rules (SAPT).

3.1.3 Project for Assistance in Transition from Homelessness Grant (PATH)

3.1.4 State Coalition to Promote Community Based Care Under Olmstead

3.1.5 State Mental Health Data Infrastructure Grant for Quality Improvement (DIG II)

3.1.6 Synetics (Drug and Alcohol Services Information System) DASIS

3.1.7 Youth Suicide Prevention and Early Intervention Grant

D. INTERGOVERNMENTAL AGREEMENTS, INTERAGENCY SERVICE AGREEMENTS AND MEMORANDUMS OF UNDERSTANDING

1. Intergovernmental Agreements.

1.1 Intergovernmental Agreement between ADHS and the Arizona Department of Economic Security/Division of Developmental Disabilities (DDD).

2. Interagency Service Agreements.

2.1 Interagency Service Agreement between ADHS and the Arizona Administrative Office of the Courts (AOC).

2.2 Interagency Service Agreement between ADHS and the Arizona Department of Economic Security/Rehabilitation Services Administration (ADES/RSA).

2.3 Interagency Service Agreement between ADHS and the Arizona Department of Housing.

3. Memorandums of Understanding

3.1 Memorandum of Understanding between ADHS and the Arizona Department of Economic Security, Arizona Health Care Cost Containment System, Arizona Department of Education, Arizona Department of Juvenile Corrections and Administrative Office of the Arizona Supreme Court (Children's Executive Memorandum of Understanding).

4. Other

4.1 AHCCCS State Plans with Center for Medicare and Medicaid Services (CMS)

4.2 ADHS/DBHS and Arizona State Hospital Annual Report

4.3 AHCCCS/ADHS Contract

ATTACHMENT C– References

CONTRACT NO: HP032097-001 Cenpatico

(Three references are required)

Do not use references from any past or current contracts with ADHS. Do not use any current ADHS employee as a reference.

Contract Title:

Contract Term/Dates of Work: (Month/Date/Year) through (Month/Date/Year) Geographic Area Served:

Target Population Served:

Reference Company: _____

Contact/Grant Name and Title: _____

Telephone: _____ Address: _____ City/State/Zip: _____

Reference Signature/Date: _____

ATTACHMENT D – Incentives

CONTRACT NO: HP032097-001 Cenpatico

Performance Measure	Goal	General Provisions in Order to Earn Incentive	Incentive Allocation	When Calculated
Employment	26% of the total population served 18 years and older are employed	Using the CIS demographic data, divide the number of enrolled SMI/GMH/SA individuals who are competitively employed (part-time or full-time) by the total number of enrolled in SMI/GMH/SA individuals.	25% (¼ of incentive for each quarter in which goal is met)	Quarterly using CIS data on the last day of each quarter
Annual Assessment Updates	85% of annual assessments are updated	Using the CIS field "Assessment Date," divide the number of enrolled members with a follow-up assessment completed within the past 12 months by the total number of enrolled members with an assessment. Performance will be determined separately for (a) SED and non-SED, (b) SMI, GMH and SA populations.	25% (½ of incentive if goal met for SED and non-SED; ½ of incentive if goal met for SMI/GMH/SA)	Using CIS data from each contract year
Consumer Satisfaction with Service Outcomes	70% on the "Outcomes" domain in the Annual ADHS/DBHS Consumer Survey	Using the Annual ADHS/DBHS Consumer Survey, demonstrate an overall score of 70% ("satisfied" or better) for each set of identified questions in the "Outcomes" domain (*Questions 21-28 for Adults; Questions 16-22 for Kids).* Performance will be determined separately for the youth survey and the adult survey.	25% (½ of incentive if goal met for youth survey; ½ of incentive if goal met for adult survey	Annually using data from Annual Consumer Survey
Title XIX Eligibility Ratio	65% of enrolled Seriously Mentally Ill members eligible for Title XIX	Using the Enrollment/Penetration Report data, divide the number of enrolled TXIX-SMI individuals by the total number of all enrolled SMI individuals.	25% (¼ of incentive for each quarter in which goal is met)	Quarterly using enrollment/ penetration report data from the last day of each quarter

- For Contract Year beginning July 1st 2012, there will be five (5) Quarters used in the calculation for incentives.

	Best and Final Offer Requirement	General Provisions in Order to Comply/Deliverable	Due Date
1	1.7. Detailed Organizational Charts	The Contractor shall not exceed the required 7.5% allowed for administrative expense.	Ongoing
2	2a. Method of Approach	The Contractor shall have implemented the road to recovery program in all awarded GSA's. The Contractor shall include case manager caseload rations of 1:20, as well as five (5) dedicated employment staff and three (3) dedicated wellness staff per generalist agency.	October 1, 2011
3	2b. Method of Approach	The Contractor shall have implemented the family support component of the Nurse Wise crisis phone team, including at least one (1) full-time Program Coordinator and four (4) part time Family Support Partners.	TBD
4	2c. Method of Approach	The Contractor shall have implemented the Crisis After Care Recovery Team including at least two (2) full time master's level clinicians, one (1) part-time Family Support Partner and one (1) part-time Peer Support Specialist.	TBD
5	2d. Method of Approach	The Contractor shall have implemented the 24/7 online scheduling system to schedule emergent follow-up appointments with a provider after a crisis episode.	July 1, 2010
6	2e. Method of Approach	The Contractor shall have implemented the Native American warm-line transfer system including availability of part-time tribal member employees from each tribe served by the Contractor and one (1) full time program coordinator.	TBD
7	2f. Method of Approach	The Contractor shall have implemented its Health Passport system including identification of one (1) full-time Passport Liaison.	October 1, 2010
8	2g. Method of Approach	The Contractor shall provide to all crisis mobile team staff laptop computers that have built in connectivity to the Passport system and the Previdence system.	October 1, 2010
9	2h. Method of Approach	The Contractor shall have implemented its Portico and Emptoris electronic credentialing and contracting system.	October 1, 2011
10	2i. Method of Approach	The Contractor shall have agreements in place with Arizona State University, University of Arizona and Northern Arizona University and have established internship opportunities in all awarded GSA's.	January 1, 2011
11	2j. Method of Approach	The Contractor shall have added its internet career center to its website.	August 1, 2010

12	2k. Method of Approach	The Contractor shall have established a relationship / agreement with the University of Mexico, through the University of Phoenix in Yuma, to offer student internships in all awarded GSA's.	January 1, 2011
13	2l. Method of Approach	The Contractor shall have implemented the Ingenix predictive modeling software system in all awarded GSA's.	July 1, 2010
14	2m. Method of Approach	The Contractor shall have completed efforts to establish agreements with all acute care AHCCCS health plans in the awarded GSA's to incorporate medical claims data into the Ingenix predictive modeling software system. For all acute AHCCCS health plans entering into agreements with the Contractor, the Contractor will confirm that integrated claims data shall be completed within six (6) weeks if establishing such agreements.	October 1, 2010
15	2n. Method of Approach	The Contractor shall have implemented the Previdence risk assessment system.	October 1, 2010
16	2o. Method of Approach	The Contractor shall have implemented its Caring Voices program, by modifying provider contracts. The Contractor's training will be completed. Phones shall be acquired and programmed. The Contractor shall confirm that Seriously Mentally Ill (SMI) provider agencies shall each have fifteen (15) to twenty (20) phones per agency. The Contractor shall have implemented the Caring Voices program expanded to include children and their families. Each child serving intake agency shall be required to maintain eight (8) phones per agency to meet the connectivity needs of children and their families.	July 1, 2010 August 1, 2010 September 1, 2010 January 1, 2011
17	2p. Method of Approach	The Contractor shall complete integration of behavioral health and medical care at all adult intake and care coordination provider agencies, either by becoming primary care providers for members with serious mental illness or working with community health clinics to co-locate behavioral health and medical staff.	March 1, 2011
18	2q. Method of Approach	Contractor shall have case manager/direct support staff that focus on wellness and coordinate all health and wellness treatment plans, accompany recipients to PCP appointments, arrange for other health care as needed and monitor health outcomes.	July 1, 2010

19		Contractor will expand and further customize the MMWIA program for foster families aimed at reducing multiple placements, and reducing their timelines for children to return-to-home or be adopted. The program is geared toward educating first time foster parents about MMWIA and behavioral health services so that they have the resources and understanding of what services are available to avoid disruptions, improve foster care outcomes, and better prepare them to handle crises. The training will outline their vision and goals of MMWIA, identify the support that is available through MMWAI and the behavioral health system, explain the role and function of support and rehabilitation services, and ensure foster families know how to obtain the services. Training for foster families is scheduled to begin in GSA 4 in **April 2010** GSA 2 in **June 2010** and GSA 3 in **August 2010**. Contractor will solicit family involvement in all communities with a focus on encouraging foster parents to participate on MMWIA Design Teams, CFT Practice Improvement Task Forces and family Advisory Councils starting **July 2010**.	April 2010 June 2010 August 2010 July 2010
20	2s. Method of Approach	Contractor will develop curriculum on child development and the effects of trauma of 0-5 children. Behavioral Health provider staff and Child Protection Services staff will be trained. Contractor will require under contract that child intake agencies employ at least two staff with an endorsement of no less than Level 1: Infant Family Associate from the Infant Toddler Mental Health Coalition of Arizona or a similar endorsement from another Infant Toddler Mental Health Institution. Programs and services provided for infants and toddlers will be monitored through fidelity audits. Contractor will implement an assessment to identify children with the highest needs in concert with DBHS. The Early Childhood Service Intensity Instrument (ECSII) is proposed. Provider staff will be trained on the tool. Contractor will offer a preventative parent training program for single parents of newborns to discourage the development of attachment and socialization disorders.	TBD

21	2t. Method of Approach	The Contractor shall have established regional outpatient treatment centers for children who act out sexually as follows: First center Second center Third center .The Contractor shall implement and establish additional centers based on identification of network need.	TBD
22	2u. Method of Approach	The Contractor shall honor the request of tribes to receive services from a single RBHA of its choice. The Contractor shall work with other RBHA's as needed to facilitate capitation allocation issues in a timely manner. The Contractor shall contract with providers currently serving a tribe if requested by the tribe and that the Contractor shall assist the tribe in becoming a RBHA provider within sixty (60) days of award of contract.	As Requested
23	2v. Method of Approach	The Contractor shall by July 1, 2010 for GSA's 2 and 4 and by January 1, 2011, for GSA 3, shall have a contract with at least one (1) peer run agency and one (1) family run agency in all awarded GSA's	July 1, 2010 July 1, 2011
24	2w. Method of Approach	The Contractor shall implement its commitment to employ one (1) Peer Support Specialist on each Adult Recovery Team (ART) for GSA 2 and 4. The Contractor shall implement that GSA 3 providers will be required to meet this expectation.	July 1, 2010 November 2010
25	2x. Method of Approach	Contracts will be issued to GSA 3 providers that will require them to hire Family Support Partners and maintain a ratio of one (1) Family Support Partner per fifty (50) enrolled members. Providers will be required to reach this goal within four months of contract implementation date. Training opportunities will be made available within thirty days of contract award. Ratios will be monitored on a monthly basis and corrective action taken as needed to ensure providers comply with this expectation. In GSA 2 the ratio of enrolled children to Family Support Partners is currently 76:1 and in GSA 4 the ratio is 121:1. Contractor will complete a "Train the Trainer" curriculum for Family Support Partner training. At least four "train the trainer" trainings will be completed to expand training opportunities for Family Support Partners. GSA 2 and 4 providers will be required to meet the 1 to 50 ratio by July 1, 2010. Ratios will be monitored on a monthly basis and corrective action taken as needed to ensure compliance.	Within four months of contract implementation date Within thirty days of contract award April 15, 2010 July 1, 2010 July 1, 2010
26	2y. Method of Approach	The Contractor shall implement that GSA 3 peer and family representation shall be added to the multi-GSA Peer and Family Advisory Board. The Contractor shall send to ADHS/DBHS the written description of the process for members to have input, committee's make up and Committee purpose.	Sixty (60) days of award of contract
27	2z. Method of Approach	Contractor will require in contract that providers involve a peer in the interview process for all direct services staff. Contractor will also require that providers maintain records of peer attendance at interviews through interview sign in sheets.	July 1, 2010

		Contractor will conduct monthly audits of 75% of the sign in sheets until providers demonstrate 100% compliance. Once providers achieve 100% compliance, Contractor will conduct semi-annual audits to ensure continued compliance.	
28	2aa. Method of Approach	The Contractor shall extend invitations to tribal representatives for the Stakeholder Advisory Board.	As Needed
29	2bb. Method of Approach	The Contractor for GSA 2 and 4 shall have implemented its community reinvestment plan to install kiosk in intake sites so members can enroll in AHCCCS and review Health Passport information. Contractor will ensure that Health-e Arizona shall be implemented. Contractor will ensure that Passport shall be implemented. Contractor shall implement requirements for GSA 3	July 1, 2010 August 1, 2010 October 1, 2010 October 1, 2010
30	2ee. Method of Approach	The Contractor shall have two (2) full time equivalents (FTE) for Customer Service in GSA's 2 and 4and will add one (1) more when awarded GSA 3. The Contractor currently has three (3) Grievance and Appeals staff and will add more if needed. In addition, the Contractor confirms that they will monitor time frames closely and will immediately post/recruit for an additional G&A Coordinator if needed.	July 1, 2010
31	2ff. Method of Approach	The Contractor shall utilize dashboard reports to monitor and report performance. The Contractor shall select fifteen (15) performance measures to be included as dashboard reports which will be posted on their website. These measures will be reviewed by the Peer and Family Advisory Councils on April 2010 and upon review will be placed on their website in May 2010. The performance measures include: Prescriber Network Sufficiency, Pharmacy Network Sufficiency, Intake Agency Geo-access, Complaints per 1000 Enrolled Members by Provider, Seven Day Access to Care report, Ethnicity Served by Provider, Claims Timeliness, Member Satisfaction, Case Manager Ratios (Child and Adult), Peer Support Ratios, family Support Ratios, Average Speed to Answer, Thirty Day readmission Rate by Provider, Percentage of Adults Employed, and Percentage of Youths in School.	April 2010 May 2010

32	2ii. Method of Approach	Contractor will implement the web application for member transfers. This application was developed to ensure seamless transitions between providers. Application went live in September 2009 and is fully functional today for all current contracted providers. Contractor agrees to have all proposed enhancements developed, tested and implemented by March 2011.	March 2011
33	2jj. Method of Approach	For GSAs, 2 and 4 the Contractor shall have implemented at least two (2) intake agencies in all major communities per GSA within twenty-five miles of members; for ninety-five percent (95%) of all members. For GSA 3, the Contractor shall have implemented at least two (2) intake agencies in all major communities per GSA within twenty-five miles of members; for ninety-five percent (95%) of all members.	July 1, 2010 January 1, 2011
34	2ll. Method of Approach	The Contractor shall develop and submit to ADHS/DBHS its preliminary Implementation Project Plan.	Within fourteen (14) days of contract award
35	3d. Describe your anticipated network server upgrades and updates and include your timeline	In December 2009 Contractor rolled out Network enhancements including implementation of Juniper WAN accelerator devices which optimizes the transmission of information between sites and improves response times for applications across the wide area network WAN. A 1,000 sq foot addition to Contractor's datacenter is currently being commissioned and will be online. This expansion will house a number of networking devices and blade server chassis which will provide the capacity to scan applications, users or environments quickly. The backup environment is in the process of a major upgrade to be completed by May 2010. Two new Tivoli Storage Manager (TSM) servers have been installed to upgrade to the software version 6.1. TSM provides intelligent backup and restore capabilities utilizing a progressive incremental strategy where only new and used files are backed up. Data Domain achieves this by identifying redundant files and data as they are stored. This information will then be replicated across our WAN to another Data Domain device located at our disaster recovery facility in Philadelphia.	March 15, 2010 May 2010
36	3e. Arizona IT positions do not appear to be filled. Explain how and when this will be accomplished.	The Contractor shall fill all vacant data Analyst positions by start date of contract. Any additional positions identified in the organizational charts will be filled at least 14 days prior to the implementation start date.	July 1, 2010
37	*For GSA-3 only, due dates for the Best and Final Offer deliverables will be 12/1/2010.		December 1, 2010

Capitation Rates for GSA 2 Effective Dates 10/01/2011 through 06/30/2012	
CENPATICO GSA-2	PMPM
Title XIX eligible children, under the age of 18 (represents the cost of providing covered behavioral health services to children), not enrolled in CMDP:	$42.10 pm/pm
Title XIX eligible children, under the age of 18 (represents the cost of providing covered behavioral health services to children), enrolled in CMDP:	$1,099.41 pm/pm
Title XIX eligible adults, age 18 and older (represents the cost of providing covered behavioral health services to SMI adults):	$33.36 pm/pm
Title XIX eligible adults, age 18 and older (represents the cost of providing covered behavioral health services to non-SMI adults):	$42.90 pm/pm
Title XXI eligible children under age 18 (represents the cost of providing covered behavioral health services to children):	$22.81 pm/pm
Title XXI eligible adults age 18 and older (represents the cost of providing covered behavioral health services to SMI and non-SMI adults):	$22.81 pm/pm
DES DD ALTCS eligible children representing the cost of providing covered behavioral health services to DES DD ALTCS children	$98.55 pm/pm
DES DD ALTCS eligible adults representing the cost of providing covered behavioral health services to DES DD ALTCS adults	$95.28pm/pm

Capitation Rates for GSA 3 Effective Dates 10/01/2011 through 06/30/2012	
CENPATICO GSA-3	PMPM
Title XIX eligible children, under the age of 18 (represents the cost of providing covered behavioral health services to children), not enrolled in CMDP:	$32.47 pm/pm
Title XIX eligible children, under the age of 18 (represents the cost of providing covered behavioral health services to children), enrolled in CMDP:	$1,468.80 pm/pm
Title XIX eligible adults, age 18 and older (represents the cost of providing covered behavioral health services to SMI adults):	$48.60 pm/pm
Title XIX eligible adults, age 18 and older (represents the cost of providing covered behavioral health services to non-SMI adults):	$28.34 pm/pm
Title XXI eligible children under age 18 (represents the cost of providing covered behavioral health services to children):	$22.02 pm/pm
Title XXI eligible adults age 18 and older (represents the cost of providing covered behavioral health services to SMI and non-SMI adults):	$22.02 pm/pm
DES DD ALTCS eligible children representing the cost of providing covered behavioral health services to DES DD ALTCS children	$71.92 pm/pm
DES DD ALTCS eligible adults representing the cost of providing covered behavioral health services to DES DD ALTCS adults	$72.04 pm/pm

Capitation Rates for GSA 4 Effective Dates 10/01/2011 through 06/30/2012	
CENPATICO GSA-4	PMPM
Title XIX eligible children, under the age of 18 (represents the cost of providing covered behavioral health services to children), not enrolled in CMDP:	$46.81 pm/pm
Title XIX eligible children, under the age of 18 (represents the cost of providing covered behavioral health services to children), enrolled in CMDP:	$680.88 pm/pm
Title XIX eligible adults, age 18 and older (represents the cost of providing covered behavioral health services to SMI adults):	$47.09 pm/pm
Title XIX eligible adults, age 18 and older (represents the cost of providing covered behavioral health services to non-SMI adults):	$54.47 pm/pm
Title XXI eligible children under age 18 (represents the cost of providing covered behavioral health services to children):	$28.13 pm/pm
Title XXI eligible adults age 18 and older (represents the cost of providing covered behavioral health services to SMI and non-SMI adults):	$28.13 pm/pm
DES DD ALTCS eligible children representing the cost of providing covered behavioral health services to DES DD ALTCS children	$118.76 pm/pm
DES DD ALTCS eligible adults representing the cost of providing covered behavioral health services to DES DD ALTCS adults	$134.81 pm/pm

- Effective Dates for DES DD ALTCS 07/01/2011 through 06/30/2012
- These rates will be in effect until approvals are made by CMS and AHCCCS and then reviewed by JLBC.