# CONTRACT AMENDMENT

<table>
<thead>
<tr>
<th>1. AMENDMENT #:</th>
<th>2. CONTRACT #:</th>
<th>3. EFFECTIVE DATE OF AMENDMENT:</th>
<th>4. PROGRAM:</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>YH13-0024</td>
<td>January 1, 2014</td>
<td>DHCM</td>
</tr>
</tbody>
</table>

5. CONTRACTOR/PROVIDER NAME AND ADDRESS:

Arizona Department of Health Services (ADHS)  
150 North 18th Avenue  
Phoenix, Arizona 85007

6. PURPOSE:  
To remove and replace entire contract with updated terms and requirements.

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

Contract YH13-0024 for Tribal Subcontractor Claims and Encounters project is hereby REMOVED IN ITS ENTIRETY, including but not limited to all terms, conditions, requirements, pricing and REPLACED with the documents attached hereto. This Contract Amendment #2 and the documents attached are the complete and exclusive statement of the understanding between the parties, and it supersedes all contractual agreements, proposals, oral or written, and all other documents or communications between the parties relative to the subject matter herein covered, unless such documents or communications are specifically included by reference.

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

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

<table>
<thead>
<tr>
<th>9. NAME OF CONTRACTOR/PROVIDER:</th>
<th>10. ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM</th>
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</thead>
<tbody>
<tr>
<td>SIGNATURE OF AUTHORIZED INDIVIDUAL:</td>
<td>SIGNATURE:</td>
</tr>
<tr>
<td>Typed Name: Christine Ruth</td>
<td>Meggan Harley, CPPO, MSW</td>
</tr>
<tr>
<td>TITLE: Chief Procurement Officer</td>
<td>TITLE: Procurement and Contracts Manager</td>
</tr>
<tr>
<td>DATE: 8/29/14</td>
<td>DATE: July 2, 2014</td>
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</table>
SCOPE OF WORK

1. **PROJECT TITLE:** ISA with ADHS for ADHS-contracted Tribal Subcontractor Claims and ADHS-contracted Regional Behavioral Health Authority (RBHA) Enrollment and Encounters, and Tribal Regional Behavioral Health (TRBHA) claim processing

2. **PURPOSE OF THIS AGREEMENT:** To establish an agreement between AHCCCS and ADHS that outlines the roles and responsibilities of AHCCCS and ADHS relating to the State's Tribal Subcontractor Claims and RBHA Encounters and member enrollment records.

3. **BACKGROUND:** Since 1998, on behalf of ADHS, AHCCCS has agreed to pay claims submitted by providers for behavioral health services provided to Title XIX and Title XXI members who are behavioral health recipients of Tribal subcontractors. Tribal subcontractors (or their providers) submit claims directly to AHCCCS. This revised agreement extends to include encounter processing for all ADHS-contracted RBHAs, and incorporates the processing of encounters and enrollment records for non-Medicaid eligible members (i.e. NTXIX/State-Only members), as well as services deemed not reimbursable by Medicaid (i.e. State-Only services).

4. **TERM OF AGREEMENT:** The term of the Agreement is from July 1, 2012, as amended effective January 1, 2014 to include RBHA encounter processing, through June 30, 2017 unless otherwise extended by mutual agreement of the parties in a duly authorized and executed amendment.

5. **FEES:**

   **TRIBAL Regional Behavioral Health (TRBHA) Claim Processing:**

   5.1 For the purposes of this agreement, ADHS agrees to pay AHCCCS a fee to reimburse AHCCCS for the costs associated with this service.

   5.2 Overturned TRBHA claims disputes grievances submitted by ADHS to AHCCCS for payment shall be completed within 10 days following AHCCCS’ receipt from ADHS.

   5.3 AHCCCS will set an estimated annual number of claims to be processed and an estimated annual fee to process the claims. On a quarterly basis, ADHS shall submit to AHCCCS 25% of the estimated annual fee. No invoice will be sent to ADHS for this transaction.

   5.4 **SPY 2014:** For State Fiscal Year 2014 (July 1, 2013 – June 30, 2014) the estimated number of claims to be processed is 470,000. The cost per claim is $3.52. The estimated fee is $1,654,400.

   5.5 Both parties agree to amend this ISA on a yearly basis to add in the estimated claim amount and estimated annual fee.

   5.6 After the end of the fiscal year and once the actual claims volume is calculated, AHCCCS will reconcile the amount paid by ADHS and either reimburse ADHS or invoice ADHS according to the following:

   5.6.1 If the actual claims volume exceeds 110% of the estimated annual claims volume, then ADHS will reimburse AHCCCS for each claim over that threshold.

   5.6.2 If the actual claims volume is less than 90% of the estimated annual claims volume, then AHCCCS will reimburse ADHS for each claim under that threshold.
SCOPE OF WORK

5.7 ADHS shall reimburse AHCCCS 2.5% of the annual Data Warehouse hardware/software and support costs as it pertains to ADHS-specific system needs (maintenance and replacement, if needed) AHCCCS will invoice ADHS for this transaction.

5.8 ADHS shall reimburse AHCCCS for the costs of three COGNOS Business Intelligence software licenses. AHCCCS will invoice ADHS for this transaction. Should ADHS need to adjust the number of licenses, ADHS shall notify AHCCCS and AHCCCS will invoice ADHS accordingly.

5.9 ADHS shall reimburse AHCCCS for ISD programmer and consultant time to develop a new report, modify existing reports, time for system modifications specific to processing claims associated with this agreement and to attend meetings with ADHS staff. The charge for ISD time billed pursuant to this agreement will be at the rate of $175 per hour. ADHS shall not be liable for ISD programming or any other costs associated with changes made to the AHCCCS claims processing system pursuant to the Health Insurance Portability and Accountability Act of 1996 unless such costs are directly associated with the Tribal subcontractor payment process and the only reason for the change is for the processing of ADHS-contracted Tribal claims. In its role as TPA for ADHS, AHCCCS shall not hold ADHS liable for ISD programming or any other costs associated with restoring functionality to the AHCCCS system as a result of programming changes that were not requested by ADHS.

5.10 Additional Services: ADHS shall pay for any additional work requested by ADHS that is performed by AHCCCS which is not described in this agreement at a rate of $175 per hour. Additional work or services may include, but not limited to the creation of reports and schedules, programming, analysis of data, etc. AHCCCS will bill ADHS quarterly for extra services or work performed.

RBHA Encounter Processing:

5.11 ADHS shall pay AHCCCS a flat annual fee of $0.032 per encounter regardless of volume of encounters submitted and processed. The fee will be adjusted annually based on projected volume.

5.12 ADHS shall reimburse AHCCCS for ISD programmer and consultant time to develop a new report, modify existing reports, time for system modifications specific to processing encounters associated with this agreement and to attend meetings with ADHS staff. The charge for ISD time billed pursuant to this agreement will be at the rate of $175 per hour. ADHS shall not be liable for ISD programming or any other costs associated with changes made to the AHCCCS encounter processing system pursuant to the Health Insurance Portability and Accountability Act of 1996 unless such costs are directly associated with the RBHA payment process and the only reason for the change is for the processing of ADHS-contracted RBHA encounters. ADHS shall not be liable for costs associated with correcting programming to remedy any identified system logic or coding issue that adversely impacts the processing of RBHA enrollment or encounter records (bug correction).

5.13 Additional Services: ADHS shall pay for any additional work requested by ADHS that is performed by AHCCCS which is not described in this agreement at a rate of $175 per hour. Additional work or services may include, but not limited to the creation of reports and schedules, programming, analysis of data, etc. AHCCCS will bill ADHS quarterly for extra services or work performed.
5.14 AHCCCS shall submit invoices to: Cynthia Layne, Chief Financial Officer
ADHS/DBHS
150 N. 18th Avenue, Suite #250
Phoenix, AZ 85007
P. 602-542-2879
Cynthia.Layne@azdhs.gov

5.15 ADHS shall submit payment to: Karen D. MacLean
Assistant Finance Administrator
AHCCCS
701 E. Jefferson Street, MD 5400
Phoenix, AZ 85034
P. 602-417-4293
Karen.MacLean@azahcccs.gov

5.16 ADHS shall provide money to pay claims and shall submit payment to AHCCCS quarterly, by the fifth business day of the quarter, subject to availability of funds.

5.17 AHCCCS reserves the right to suspend or terminate these services if a quarterly payment is not received in accordance with the terms herein.

6. PROCESSING REQUIREMENTS:

CLAIMS:
6.1 AHCCCS will accept and process claims for adjudication from ADHS-contracted Tribal subcontractors for TXIX/TXXI eligible members and/or services.

6.2 Covered services must be medically necessary and rendered by providers that are appropriately licensed or certified, operating within their scope of practice, and registered as AHCCCS providers.
   (a) Unless AHCCCS otherwise notifies ADHS, claims shall be processed nightly.

6.3 AHCCCS will reprocess ADHS-contracted Tribal subcontractor claims overturned through the claims dispute process, as identified by ADHS, in a timely manner.

6.4 In accordance with the Balanced Budget Act of 1997 and 42 CFR 447.45 and in accordance with A.R.S. §36-2904 (G), an initial claim for services provided to an AHCCCS recipient must be received by AHCCCS not later than six months after the date of service (for hospital inpatient claims, “date of service” means the date of discharge of the patient), or six (6) months after the date of eligibility posting, whichever date is later. The Administration shall not pay a clean claim for a covered service unless the claim is submitted within one of the following time limits, whichever is later:
   (a) Twelve months from the date of service or for an inpatient hospital claim, 12 months from the date of discharge; or
   (b) Twelve months from the date of eligibility posting

6.5 Except for claims submitted for reinsurance pursuant to section 36-2906 except in the following circumstances:
SCOPe OF WORK

(a) This time limitation does not apply to retroactive adjustments paid to providers who are reimbursed under a retrospective payment system, as defined in 42 CFR 447.272.
(b) If a claim for payment under Medicare has been filed in a timely manner AHCCCS may pay a Medicaid claim relating to the same services within six (6) months after AHCCCS, ADHS or the provider receives initial notice of the disposition of the Medicare claim.
(c) The time limitation does not apply to claims from providers under investigation for fraud or abuse.
(d) ADHS may require payments be made at any time in accordance with a court order, to carry out hearing decisions or corrective actions taken to resolve a dispute, or to extend the benefits of a hearing decision, corrective action, or court order to others in the same situation as those directly affected by it.
(e) ADHS may require payments to be made at any time in accordance with ADHS’ grievance appeal process.
(f) Notice of Adverse Action: [42 CFR 438.210(c)] ADHS shall include an operational definition of medically necessary behavioral health services in policy [42 CFR 438.210 (a)(4)]. ADHS shall ensure notification to requesting providers and give the behavioral health recipient written notice of any decision to deny a service authorization request, discontinue a service previously authorized, or to authorize a service in an amount, duration, or scope that is less than requested. The notice shall meet the requirements of 42 CFR 438.404, except for the requirement that the notice to the provider must be in writing.

6.6 AHCCCS will adjudicate ninety five percent (95%) of all clean claims from practitioners who are in individual or group practice or who practice in shared health facilities, within thirty (30) days of receipt.

6.7 AHCCCS will adjudicate ninety nine percent (99%) of all clean claims from practitioners who are in individual or group practice or who practice in shared health facilities, within ninety (90) days of the date of receipt.

ENCOUNTERS:

6.8 AHCCCS will accept and process encounters for adjudication from ADHS-contracted RBHAs for TXIX/TXXI and Non-Medicaid (NTXIX/State-Only) eligible members and/or services.

6.9 Unless AHCCCS otherwise notifies ADHS, encounters shall be processed not less than twice monthly.

6.10 AHCCCS will appropriately recognize and load instances of member retroactive eligibility and reprocess encounters as necessary to account for changes in responsible payer, including any instances of Third-Party Liability (TPL) for the Date of Service. This reconciliation shall occur not less than once monthly.

6.11 AHCCCS will appropriately classify services deemed not-Medicaid reimbursable under the NTXIX payer source for TXIX/TXXI-eligible members, or eligible State-Only members.
6.12 Encounters must be submitted in the format prescribed by AHCCCS. Encounter data must be provided to AHCCCS as outlined in the HIPAA Transaction Companion Guides, Trading Partner Agreements and the AHCCCS Encounter Manual.

6.13 Professional, Institutional and Dental Encounters not involving services eligible for Federal Drug Rebate processing should be received by AHCCCS 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. Pharmacy related encounter data and other encounters involving services eligible for Federal Drug Rebate processing must be provided to AHCCCS no later than 30 days after the end of the quarter in which the pharmaceutical item was dispensed.

7. PROVIDER ASSISTANCE AND TRAINING:

7.1 ADHS shall provide technical assistance to subcontractors regarding covered services and documentation requirements on an as needed basis.

7.2 AHCCCS Claims Customer Service and Provider Registration staff will be available to assist the Tribal subcontractor’s behavioral health providers with registration, claims processing, research, and overall AHCCCS claims submission and training as outlined in the AHCCCS Fee-for-Service Manual. Such training is to be provided at AHCCCS’s Phoenix Office.

7.3 If AHCCCS is required to travel for training, ADHS will reimburse AHCCCS for reasonable and necessary travel costs including, but not limited to, transportation and per diem payments.

7.4 AHCCCS will provide ADHS/DBHS with the processing and adjudication rules, edits and business logic to the AHCCCS claims processing system and any changes thereto.

7.5 AHCCCS will provide ADHS/DBHS programming and reporting staff with in-person training, not less than once annually, on the COGNOS Business Intelligence Software platform. This training shall include, yet not be limited to, data warehouse schema and architecture, and data querying and report creation specific to the ADHS/DBHS member population and dataset(s).

8. CLAIMS DATA AND REPORTS:

8.1 AHCCCS shall provide ADHS with the following deliverables:

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<thead>
<tr>
<th>REPORT OR FILE</th>
<th>FREQUENCY</th>
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<tbody>
<tr>
<td>Remittance Advises</td>
<td>Per Claim Processing Cycle</td>
</tr>
<tr>
<td>Claims Aging Report</td>
<td>Monthly</td>
</tr>
<tr>
<td>Encounter Data*</td>
<td>Per Adjudication Cycle</td>
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* New Day or other electronic file format agreed to between AHCCCS and ADHS.
9. ENCOUNTER DATA AND REPORTS:
   9.1 Following the completion of each Adjudication cycle, AHCCCS shall provide ADHS with a Detailed Status Response File, by GSA per Form Type, indicating the adjudication status of each encounter record submitted by the RBHA (both original and voids) since the prior cycle was completed, including the disposition and any error preventing the encounter from being approved. This Response file:
      (a) Must report at a 1:1 equivalency level and include all encounters submitted by each RBHA, regardless of disposition – including those that were not processed within the submission cycle.
      (b) Must include the disposition of any encounter processed during the most recent adjudication cycle, regardless of when the encounter was originally submitted.
      (c) Be submitted in a format as agreed upon by ADHS and the AHCCCS.

10. ADHS RESPONSIBILITIES:
   10.1 ADHS will ensure ADHS personnel and T/RBHA participation in all AHCCCS sponsored or hosted technical meetings and communications.
   10.2 ADHS must ensure that services rendered are sufficient in amount, duration or scope to reasonably be expected to achieve the purpose for which the services are furnished. ADHS must not arbitrarily deny or reduce the amount, duration, or scope of a required service solely because of the diagnosis, type of illness, or condition. ADHS may place appropriate limits on a service on the basis of criteria such as medical necessity or for utilization control, provided the services furnished can reasonably be expected to achieve their purpose.
   10.3 ADHS will provide enrollment data for non-TXIX State-Only members for encounter processing for standard HIPAA compliant enrollment submissions.
   10.4 ADHS will provide a minimum of 120 days’ notice of any changes related to or required to support non-TXIX State-Only member or service encounter processing.
   10.5 ADHS will ensure T/RHBA compliance with all AHCCCS guidelines and requirements related to the reporting of Claims and Encounter data.
   10.6 ADHS will provide detailed specifications related to the following and ensure as any changes occur to these specifications AHCCCS is notified on a timely basis:
      (a) Minimal level of editing requirement for non-TXIX members and non-TXIX services
      (b) Any additional data elements related to non-TXIX members and/or non-TXIX services to be reported and captured as components for standard HIPAA compliant Encounter submissions

11. FINANCIAL FUNCTIONS:
   11.1 AHCCCS shall provide ADHS with the “Payment Register by Group Pay” along with the Arizona Financial Information System (AFIS) status of Grant report on a weekly basis. This report should be adjusted to reflect the current or weekly pay cycle for ADHS-contracted Tribal subcontractor claims processed.
   11.2 Payment of the claims is contingent upon sufficient ADHS funds being set aside and made available to AHCCCS in advance.
12. NOTICES:

12.1 Any notices or correspondence related to this Agreement shall be sent to the parties or their designees listed below. Parties agree to inform of any changes in contact persons via email within 10 days of the change.

AHCCCS Procurement and Contracts:
Mark Held, Sr. Procurement Specialist
Arizona Health Care Cost Containment System
701 East Jefferson St., MD 5700
Phoenix, AZ 85034
Mark.Held@azahcccs.gov
P. 602-417-4094  F. 602-417-5957

ADHS Procurement:
Christine Ruth, Chief Procurement Officer
ADHS Office of Procurement
1740 West Adams Street, Room 303
Phoenix, Arizona 85007
Tel: 602-542-0442
Fax: 602-542-1741
Email: Christine.Ruth@azdhs.gov
i. **CONFLICT OF INTEREST**
This Agreement may be terminated as provided in accordance with A.R.S. §38-511.

ii. **TERMINATION**
Each party shall have the right to terminate this Agreement by hand-delivering to the other parties written notice of termination at least 30 days prior to the effective date of said termination.

iii. **AMENDMENTS OR MODIFICATIONS**
This Agreement may be amended or modified at any time by mutual agreement. No agent, employee, or other representative of either party is empowered to alter any of the terms of the Agreement, unless done in writing and signed by the authorized representative of the respective parties.

iv. **NON-AVAILABILITY OF FUNDS**
Every payment obligation of the State under the Contract is conditioned upon the availability of funds appropriated or allocated for payment of such obligation. If funds are not allocated and available for the continuance of this Contract, this Contract may be terminated by the State at the end of the period for which funds are available. No liability shall accrue to the State in the event this provision is exercised, and the State shall not be obligated or liable for any future payments of for any damages as a result of termination under this paragraph.

v. **APPLICABLE LAW**
This Contract shall be governed and interpreted by the laws of the State of Arizona, including the Arizona Procurement Code (A.R.S. §41-2501, et. seq.)

vi. **ARBITRATION**
The Parties to this Agreement 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 (Title 41).

vii. **IT 508 COMPLIANCE**
Unless specifically authorized in the Contract, any electronic or information technology offered to the State of Arizona under this solicitation shall comply with A.R.S. §41-2531 and §41-2532 and Section 508 of the Rehabilitation Act of 1973, which requires that employees and members of the public shall have access to and use of information technology that is comparable to the access and use by employees and members of the public who are not individuals with disabilities.

viii. **Confidentiality.**
Confidential information shall be safeguarded pursuant to 42 CFR 431.300, et seq., Part 431, Subpart F, A.R.S. §36-107, §36-2903, §41-1959 and §46-135, and AHCCCS Rules.
END OF CONTRACT