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ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM

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DATE: April 8, 2009

TO: All Participating LEAs

FROM: Melinda Hollinshead, Ph.D., MSBC Manager, AHCCCS
Tricia Krotenberg, M.Ed., MBA, MSBC Manager, AHCCCS

SUBJECT: Medicaid Administrative Claiming (MAC) Update

As you are aware, effective February 1, 2009 the Third Party Administrator (TPA) contract for administration of the Medicaid School Based Claiming (MSBC) program was assigned to Public Consulting Group (PCG). As part of the transition of the TPA responsibilities, AHCCCS has asked PCG to conduct a review of the current procedures in place for the MAC program. The PCG review identified areas related to the use of District Wide Expenditures (DWE) that AHCCCS believes must be changed to more appropriately capture DWE.

In an effort to immediately address the issue, AHCCCS has instructed PCG to exclude the DWE reported by the LEAs in the calculation of the October through December 2008 claim; and to provide an amended financial reporting template to the LEAs for the January through March 2009 quarter that does not include an option to report DWE. AHCCCS and PCG are currently working to develop a financial reporting template for use in future quarters that will more accurately capture appropriate DWE.

As part of their review, AHCCCS asked that PCG provide an approximate impact to the statewide claim if DWE was excluded for the December 2008 and March 2009 quarters. The analysis projects a less than four percent impact to the statewide claim based on the exclusion of DWE. The percentage may vary by individual district.

As AHCCCS works with PCG to transition the MAC program, there will be additional modifications and adjustments to the procedures used for MAC claiming. As new procedures and processes are developed those changes will be communicated to the LEAs and additional trainings will be provided.

If you have any questions regarding these changes, please contact either Melinda Hollinshead at 602-417-4746, or Tricia Krotenberg at 602-417-4149. LEAs with questions specific to the calculation of their MAC claim or requested documentation should contact their PCG Account Manager directly.