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ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM

DATE: June 7, 2010

TO: Participating LEAs

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

SUBJECT: MSBC Program Updates

There are several highlights that AHCCCS, in our partnership with Arizona Department of Education (ADE), would like to share with the LEAs as another school year comes to a close. AHCCCS has received the Department of Health Services, Office of the Inspector General (OIG) final report on the Direct Service Claiming (DSC) program. As a result of the report, as well as our own ongoing monitoring of the program, AHCCCS is updating the AHCCCS Medical Policy Manual (AMPM) to provide clarification in several program areas. Finally, AHCCCS has awarded a contract to the Public Consulting Group (PCG) to continue as the Third Party Administrator (TPA) for the MSBC program.

As many of you are aware Arizona has been engaged in an audit by the OIG since January 2007. OIG has recently delivered their findings and recommendations to the Centers for Medicare and Medicaid Services (CMS) for review and action. AHCCCS is currently working with CMS to address the findings. AHCCCS is not in agreement with the methodology used for sampling and with many of the subsequent findings. AHCCCS is currently engaging a statistician to review the methodology as part of our ongoing discussions with CMS. In addition, AHCCCS is conducting an internal review of the documentation used in the audit by OIG to identify findings with which we disagree. However, during the course of the audit, OIG did identify areas of concern that merit additional oversight and clarification in the program.

In an effort to address valid concerns raised by OIG and through our own reviews, AHCCCS is publishing clarifying language in the AMPM. The following areas represent those items that will be addressed in the updates to the AMPM:

- Appropriate Qualified Medical Provider: The requirement that each service be prescribed and documented by the appropriate qualified medical provider for each specific service;
- Appropriate Signatures: For documents considered an integral part of the medical record where AHCCCS requires that there be a signature by the appropriate qualified medical provider;

- Scope, Frequency and Duration: The requirement that all elements of scope, frequency and duration must be identified on the IEP by the appropriate qualified medical provider.
- Pre-payment Review: In an effort to improve documentation requirements, AHCCCS will be requiring LEAs to provide information regarding elements of students' IEPs. Additional details of this requirement will be provided in advance of implementation.

Most LEAs will not be impacted by the updated language in the AMPM as they are already meeting the requirements to the fullest. However, in an effort to address some of the findings made by OIG, to increase program compliance statewide, and to enhance oversight, AHCCCS believes it will be beneficial to LEAs to provide this clarification. LEAs will receive notification of the updates to the AMPM language once they have been published by AHCCCS.

Finally, AHCCCS is pleased to announce, that following the completion of a competitive bidding process, PCG was awarded the contract to continue as the TPA for the MSBC program. AHCCCS believes that this will continue to be a productive partnership and that PCG will be instrumental in helping the LEAs with their successful participation in the program. PCG brings a wide breadth of knowledge to assist the LEAs which has been demonstrated over the past year and half.

AHCCCS appreciates all the efforts LEAs put forth to participate in this program, including the efforts made to work closely with CMS, OIG, AHCCCS and our contractors to continuously improve the success of the MSBC program.

cc: Alissa Trollinger, Exceptional Student Services, ADE
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