|  |  |  |  |
| --- | --- | --- | --- |
| **CONTRACTOR NAME:** |  | **SUBMISSION DATE:** |  |
| **SUBCONTRACTOR NAME:** |  |  |  |

**INSTRUCTIONS:** The Contractor shall complete column (B), identifying where in the Administrative Services Subcontract or Management Services Agreement (MSA) each requirement is found. If the requirement is not applicable, indicate N/A in column (B). For an item that requires explanation, add the comments in column (C). AHCCCS staff will complete columns (D) and (E) and will contact the Contractor if additional information is needed. Submit the completed Administrative Services Subcontract Checklist sheet with the Administrative Services Subcontract or MSA to AHCCCS/DHCS as specified in Contract.

|  | **CONTRACTOR** | **CONTRACTOR** | **AHCCCS** | **AHCCCS** |
| --- | --- | --- | --- | --- |
| **ITEM NUMBER** | **(A)****REQUIREMENTS** | **(B)****PAGE NUMBER AND LOCATION** | **(C)****CONTRACTOR COMMENTS*(INCLUDING IF N/A IN COLUMN B)*** | **(D)****COMPLIANT Y/N** | **(E)****FOLLOW-UP REQUIRED** |
|  | The Subcontract contains a plan for the Contractor to evaluate the prospective Subcontractor’s ability to perform the delegated duties and addressed this evaluation in the submission to AHCCCS. |  |  |  |  |
|  | The Subcontract specifies the activities, obligations, and reporting responsibilities delegated to the subcontractor. |  |  |  |  |
|  | The Subcontract contains a plan to monitor the subcontractor’s performance on an ongoing basis and subject it to formal review according to a periodic scheduled approved by AHCCCS. |  |  |  |  |
|  | The Subcontract provides for the communication of performance reviews and Corrective Action Plans (CAP)s to the subcontractor. |  |  |  |  |
|  | The Subcontract provides for revoking delegation or imposing other sanctions if the subcontractor’s performance is not adequate. |  |  |  |  |
| 6**.** | The Subcontract specifies that the Contractor’s local CEO retains the authority to direct and prioritize any delegated contract requirements. |  |  |  |  |
|  | The Subcontract incorporates by reference the terms and conditions of the AHCCCS Medicaid contract. |  |  |  |  |
|  | The Subcontract references and requires compliance with the AHCCCS Minimum Subcontract Provisions. |  |  |  |  |
|  | The Subcontract requires that all member communications furnished by the subcontractor include the Contractor’s name. |  |  |  |  |
|  | The Subcontract requires that the Subcontractor develops and maintains a Business Continuity Plan. |  |  |  |  |
|  | The Subcontract contains the following: |  |  |  |  |
|  | 1. Full disclosure of the method and amount of compensation or other consideration to be received by the subcontractor.
 |  |  |  |  |
|  | 1. Identification of the name and address of the subcontractor.
 |  |  |  |  |
|  | 1. Identification of the population, to include member capacity, to be covered by the subcontractor.
 |  |  |  |  |
|  | 1. The amount, duration, and scope of medical services to be provided, and for which compensation will be paid.
 |  |  |  |  |
|  | 1. The term of the subcontract, including beginning and ending dates, methods of extension, termination, and re-negotiation.
 |  |  |  |  |
|  | 1. A provision that the subcontractor agrees to perform the delegated activities and reporting responsibilities specified in compliance with the Contractor’s contract obligations.
 |  |  |  |  |
|  | 1. The specific duties of the subcontractor related to coordination of benefits and determination of third-party liability for all members.
 |  |  |  |  |
|  | 1. A provision that the subcontractor agrees to identify Medicare and other third‑party liability coverage and to seek such Medicare or third‑party liability payment before submitting claims to the Contractor.
 |  |  |  |  |
|  | 1. The specific duties of the subcontractor relating to coordination of care for all members.
 |  |  |  |  |
|  | 1. A description of the subcontractor's patient medical, dental, and cost record keeping system.
 |  |  |  |  |
|  | 1. Specification that the subcontractor shall cooperate with quality assurance programs and comply with the utilization control and review procedures specified in 42 CFR Part 456, as specified in the AMPM Chapter 900 and 1000.
 |  |  |  |  |
|  | 1. A provision stating that a change in organizational structure (as specified in ACOM Policy 438) of a subcontract shall require a contract amendment.
 |  |  |  |  |
|  | 1. A provision stating that if a change in organizational structure is related to a Contractor’s Management Service Agreement (MSA) prior approval by AHCCCS is required. (As specified in ACOM Policy 438)
 |  |  |  |  |
|  | 1. A provision that indicates that AHCCCS is responsible for enrollment, re-enrollment, and disenrollment of the covered population.
 |  |  |  |  |
|  | 1. A provision that the subcontractor shall be fully responsible for all tax obligations, Worker’s Compensation Insurance, and all other applicable insurance coverage obligations which arise under this subcontract, for itself and its employees, and that AHCCCS shall have no responsibility or liability for any such taxes or insurance coverage.
 |  |  |  |  |
|  | 1. A provision that the subcontractor shall obtain any necessary authorization from the Contractor or AHCCCS for services provided to eligible and/or enrolled members.
 |  |  |  |  |
|  | 1. A provision that the subcontractor shall comply with encounter reporting and claims submission requirements as described in the subcontract.
 |  |  |  |  |
|  | 1. Provision(s) that allows the Contractor to suspend, deny, refuse to renew or terminate any subcontractor in accordance with the terms of the AHCCCS Medicaid contract and applicable law and regulation, including an immediate termination clause in the event of a risk to member health or safety.
 |  |  |  |  |
|  | 1. The subcontract shall either provide for revocation of the delegation of activities or obligations or specify other remedies in instances where the State or the Contractor determines that the subcontractor has not performed satisfactorily.
 |  |  |  |  |
|  | 1. A provision that the subcontractor may provide the member with factual information but is prohibited from recommending or steering a member in the member’s selection of a Contractor.
 |  |  |  |  |
|  | 1. A provision that compensation to individuals or entities that conduct utilization management and concurrent review activities is not structured so as to provide incentives for the individual or entity to deny, limit or discontinue medically necessary services to any member [42 CFR 457.1230(d), 42 CFR 438.210€].
 |  |  |  |  |
|  | 1. A requirement that the subcontractor shall not arbitrarily deny or reduce the amount, duration, or scope of a required service solely because of the diagnosis, type of illness, or condition of the member [42 CFR 438.210(a)(3)(ii)],
 |  |  |  |  |
|  | 1. A provision that requires the subcontractor to assist members in understanding their right to file grievances and appeals in conformance with all AHCCCS Grievance and Appeal System and member rights policies.
 |  |  |  |  |
|  | 1. A provision that the subcontractor agrees to comply with all applicable Medicaid laws, regulations, including applicable sub regulatory guidance and contract provisions.
 |  |  |  |  |
|  | 1. A provision that the subcontractor agrees that the State, CMS, the HHS Inspector General, the Comptroller General, or their designees have the right to audit, evaluate, and inspect any books, records, contracts, computer, or other electronic systems of the subcontractor, or of the subcontractor’s contractor, that pertain to any aspect of services and activities performed, or determination of amounts payable under the AHCCCS Medicaid Contract with the Contractor.
 |  |  |  |  |
|  | 1. Provisions for the following:

The subcontractor will make available, for purposes of an audit, evaluation, or inspection, its premises, physical facilities, equipment, books, records, contracts, computer, or other electronic systems relating to its Medicaid enrollees. The subcontract shall include that the right to audit will exist through 10 years from the final date of the contract period or from the date of completion of any audit, whichever is later.If the State, CMS, or the HHS Inspector General determines that there is a reasonable possibility of fraud or similar risk, the State, CMS, or the HHS Inspector General may inspect, evaluate, and audit the subcontractor at any time. |  |  |  |  |
|  | The subcontract includes reference to and requires compliance with the Disclosure of Ownership and Control and Disclosure of Information on Persons Convicted of Crimes requirements as outlined in contract and 42 CFR 455.101 through 106, 42 CFR 455.436, and SMDL09-001. |  |  |  |  |
|  | The Contractor requires that the Subcontractor meets any performance standards applicable to the delegated services as mandated by AHCCCS (e.g., Telephone Performance Standards as specified in ACOM Policy 435). |  |  |  |  |

In addition, all items listed below shall be completed for Pharmacy Benefit Manager (PBM) Subcontracts:

|  | **CONTRACTOR** | **CONTRACTOR** | **AHCCCS** | **AHCCCS** |
| --- | --- | --- | --- | --- |
| **ITEM NUMBER** | **(A)** **PBM SUBCONTRACT REQUIREMENTS** | **(B)****PAGE NUMBER AND LOCATION** | **(C)****CONTRACTOR COMMENTS*****(INCLUDING IF N/A IN COLUMN B)*** | **(D)****COMPLIANT****Y/N** | **(E)****FOLLOW-UP REQUIRED** |
| 1. | A clause that allows for an annual review of the contract for rate setting, adjustments to market conditions, and to ensure network adequacy. |  |  |  |  |
| 2. | Language requiring the PBM to monitor and update the Maximum Allowable Cost (MAC) for generic drugs and other pricing benchmarks on a schedule at least as consistent with market changes, including additions and changes as the cost of generic drugs increase or decrease. Upon request from the Contractor or a network pharmacy, the PBM shall provide at least one source where a non- 340B network pharmacy is able to purchase the drug at the PBM’s MAC rate for that drug, or lower. The PBM shall provide a reasonable and direct process for network pharmacies to communicate with the PBM and report the pharmacy’s inability to purchase at the PBM’s MAC price and receive instructions from the PBM as to where to purchase the drug at the MAC price. The language shall include a specific response time for pricing resolution when inquiries are brought to the attention of the PBM by the Contractor or Network Pharmacy. |  |  |  |  |
| 3. | Language with performance guarantees that address adherence to the AHCCCS Drug List Preferred Agents for the AHCCCS Supplemental Rebate Classes Preferred Agents. |  |  |  |  |
| 4. | Language that allows the Contractor to terminate the PBM subcontract without cause and without penalty. |  |  |  |  |
| 5. | Language that upon termination of the PBM’s Contract the following, at a minimum, will be transferred to the new PBM at no charge: |  |  |  |  |
| a. Claims History File, |  |  |  |  |
| b. Prior Authorization File, |  |  |  |  |
| c. Mail Order Open Refills File, |  |  |  |  |
| d. Specialty Drug Open Refills File, |  |  |  |  |
| e. Accumulators File (if the Contractor has a corresponding Medicare Advantage Plan for Dual Eligible members), |  |  |  |  |
| f. Adjustments, and |  |  |  |  |
| g. Other requests by AHCCCS.  |  |  |  |  |