

March 2, 2017

Dr. Laura Love  
Assistant Director  
Division of Developmental Disabilities  
Department of Economic Security  
1789 W. Jefferson, 4th floor  
Phoenix, AZ 85007

**SUBJECT: Compliance Action – Notice to Cure**

Dear Dr. Love:

The Arizona Health Care Cost Containment System (AHCCCS) Division of Health Care Management (DHCM) has identified that the Department of Economic Security's Division of Developmental Disabilities (DES/DDD) is in violation of Contract YH06-0014, DES Contract E2005004 (Contract) for contract year ending 2017 as outlined below. As a result of these violations and pursuant to Contract, Section D, Paragraph 80 and AHCCCS Contractor Operations Manual Policy 408, AHCCCS is imposing the following regulatory action:

*Notice to Cure*

DES/DDD has failed to ensure that its process for identification of qualified vendors to provide authorized care and services to members results in the timely provision of authorized services to members. During the past six months, AHCCCS has received member complaints related to untimely access to care for services authorized by DES/DDD. As a result, AHCCCS has identified that the DES/DDD Vendor Call and related processes for identification of service providers to meet specific member needs have resulted in significant delays in obtaining necessary services for members.

AHCCCS has identified the following concerns related to the Vendor Call process:

- DES/DDD lacks a process for effective monitoring of:
  - the number of days from when the first Vendor Call was issued to when a provider was selected by the member to ensure timely the provision of service
  - the percentage of first-time Vendor Calls that received no response from DES/DDD's network
  - the repeated postings for specific members which result in either no vendor responses or responses by unqualified vendors
  - the referral of vendor responses to member representatives to ensure that referrals to members only take place when the vendor possesses the necessary qualifications to meet the member's needs

- DES/DDD does not have a tracking mechanism to monitor Vendor Calls for therapy and community-based services as this information is recorded individually in the member's file and is not centrally tracked.
- DES/DDD does not have an established process for informing appropriate executive level staff of systemic service-related concerns and ensuring their engagement in developing effective strategies to timely address delays in service provision for individual members.
- DES/DDD does not have a process for tracking and trending timeliness of Vendor Call responses and service provision; and for reporting and reviewing those trends at the executive level through Quality Management/Performance Improvement or Medical Management Committees.

Delays in authorized services for AHCCCS members beyond the delineated timeframes violate AHCCCS' contract and policies for timely provision of care. Under the Contract, Paragraph 28, DES/DDD must develop a provider network that takes into account critical issues such as available and accessible services and settings that support the members care plan. Further, the AHCCCS Medical Policy Manual (AMPM) explicitly outlines AHCCCS' expectations for long term care service delivery:

AMPM Policy 1620-A, indicates: "Services determined to be medically necessary for a newly enrolled member must be provided to the member within 30 calendar days of the member's enrollment. Services for an existing member must be provided within 14 calendar days following the determination that the services are medically necessary and cost effective.

### **Required Action**

DES/DDD must develop a comprehensive **Action Plan** that will provide members timely access to services. The **Action Plan** must, at a minimum, include the following:

- A comprehensive review of the Vendor Call process and all associated processes and strategies to remedy inefficiencies including:
  - Actions to reduce the time members wait to obtain services as a result of the Vendor Call process.
  - Actions to address a member's needs when there is not a provider available through the Vendor Call process.
- A centralized system for tracking all residential, nursing, therapy and HCBS Vendor Calls for timeliness.
- Development of standards, to be outlined in DES/DDD policy, setting forth acceptable timelines for Vendor Calls and the criteria that will determine when enhanced efforts such as direct referrals, out of network referrals, and enhanced reimbursement rates must be utilized.
- A detailed process for frequent and routine monitoring of the timeliness of Vendor Calls against these standards.

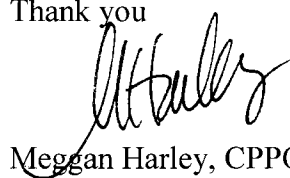
- Criteria for determining when cases involving members who experience delays in obtaining a qualified vendor in excess of AHCCCS contractual standards are elevated to DES/DDD management above the District level for intervention and monitoring.
- Development of criteria for determining when a delay in services beyond the AHCCCS contractual standards must be referred to DES/DDD Quality Management as a quality of care issue.
- A process for determining when a delay in obtaining a qualified vendor and the provision of services for a member beyond the AHCCCS contractual standards will be referred to and staffed with DES/DDD Quality Management and the Medical Director in order to review member status, adverse or potential adverse outcomes, and alternative options to ensure the delivery of authorized care and services.
- Inclusion of review of tracking and trending of vendor call data at the Quarterly Quality Management/Performance Improvement Committee Meetings and documentation of such review and actions in the minutes.
  - Submission of quarterly QM/PI Committee meeting minutes to AHCCCS.
- The provision for AHCCCS updates on the **Action Plan** elements every two weeks beginning *March 24, 2017*.

DES/DDD must promptly demonstrate concerted and effective efforts to ensure the timely provision of care and services to its members. Please submit the Action Plan **by March 10, 2017** and the required every two week updates to Scott Jewart at [Scott.Jewart.@azahcccs.gov](mailto:Scott.Jewart.@azahcccs.gov).

Failure to address the deficiencies as outlined in this letter may result in additional compliance action, in accordance with the Contract, Section D, Paragraph 80 and AHCCCS Contractor Operations Manual Policy 408, including but not limited to sanctions.

If you have any questions or concerns, please contact Virginia Rountree, Assistant Director, at (6202) 417-4122 or via email at [virginia.rountree@azahcccs.gov](mailto:virginia.rountree@azahcccs.gov).

Thank you



Meggan Harley, CPPO, MSW  
Chief Procurement Officer

Cc:

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