

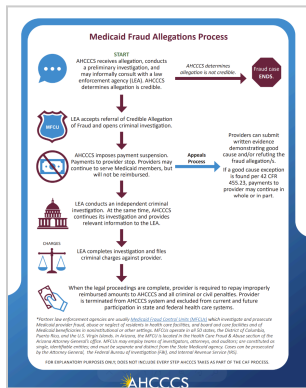
Fact Sheet: AHCCCS Provider Payment Suspensions

Updated May 2024

Visit www.azahcccs.gov/SoberLivingFraud for more information on AHCCCS' response to the sober living fraud scheme.

Provider Payment Suspensions Since May 16, 2023

After the initial notification of provider suspensions in May 2023, AHCCCS has continued its work to find and eliminate fraudulent billers from the Medicaid system. As of May 2024, a total of 378 providers have been suspended from receiving Medicaid payments (since the start of Federal Fiscal Year 2020). See [the list of suspended providers](#).



Additionally, since May 1, 2023, 79 providers have received termination notices due to health and safety concerns and may be in various stages of due process appeals.

The [Medicaid Fraud Allegations Process flier](#) explains some of the steps AHCCCS takes when a Credible Allegation of Fraud (CAF) is determined.

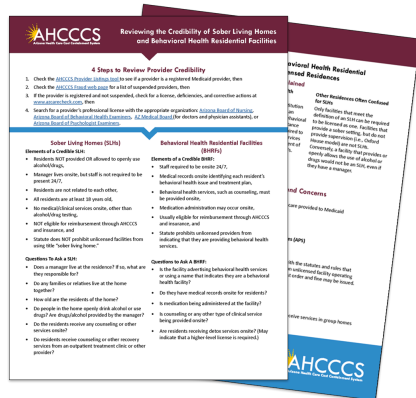
A CAF payment suspension can only be issued to a provider once a law enforcement agency, (for example, the Attorney General’s Medicaid Fraud Control Unit, the FBI, or the IRS) agrees to accept the referral and initiate a criminal investigation.

The law enforcement agency conducts an independent criminal investigation which may result in criminal or civil penalties and termination as a Medicaid provider.

Bad Actors Persist but the Work Continues

Despite suspending 378 fraudulent providers, the closure of numerous Sober Living Homes, and the many AHCCCS claim system improvements made to date, criminals continue to adapt their attempts to defraud the State.

- Current investigations, and increased public awareness, result in new information. AHCCCS continues to work with law enforcement partners to uncover additional fraud schemes that exploit the Medicaid program or victimize AHCCCS members.
- **There is no wrong way to report fraud.** Anyone can report fraud online at the [AHCCCS Report Fraud web page](#), by phone to 888-487-6686, or by email to AHCCCSfraud@azahcccs.gov. AHCCCS shares tips with law enforcement agencies.



How to Check for Credible Providers

There are several ways to check the credibility of a health care provider. See the [4 Steps to Check Provider Credibility](#) flier for more information.

Search for AHCCCS registered providers in the [Provider verifListings Tool](#), check the AHCCCS [Provider Suspension list](#), check [AZ Care Check](#) to verify Arizona Department of Health Services (ADHS) license and check for deficiencies, and verify a provider's license with the various boards (i.e., Arizona Board of Nursing, Arizona Board of Behavioral Health

Examiners, Arizona Medical Board (for doctors and physician assistants), Arizona Board of Psychologist Examiners, etc.) that oversee provider licensure.

How Fraud Was Perpetrated Against the State of Arizona

The Credible Allegation of Fraud (CAF) payment suspensions announced since May 16, 2023 are associated with wide-ranging investigations into fraudulent Medicaid billing by the named providers. The investigations are ongoing. However, credible evidence has been established that individuals were targeted and aggressively recruited with false promises of food, treatment, and housing, only to be taken to locations where providers billed for services that were not provided or were not appropriate or necessary. For example, providers billed for:

- Excessive hours of services in a 24-hour period for a single member,
- Multiple services for the same member at the same time,
- AHCCCS members who were not physically present (“ghost billing”),
- Services after a member’s date of death, and
- Services that were not medically necessary.

Arizona’s Swift Response to Protect AHCCCS Members

AHCCCS’ first concern, and top priority any time a CAF payment suspension is issued, is the health and safety of enrolled members. While housing is currently not a covered Medicaid service, AHCCCS and its network of health plans, behavioral health providers, tribal partnerships, and other State agencies mobilized resources to coordinate care for affected members and connect them with resources, including:

- A dedicated hotline at 2-1-1 (press 7) for individuals who have been impacted by the closure of a sober living home or residential facility. More resources, including a Member Guide for American Indian Health Program enrollees, are posted on www.211Arizona.org/MMIP. Law enforcement agencies are equipped with 2-1-1 handout cards and a guidance document describing how to help affected members.
 - Since May 2023, the **2-1-1 hotline fielded more than 30,000 calls.**

- Mobile crisis teams who are ready to deploy when members need hands-on, immediate behavioral health services.
 - Since May 2023, nine mobile crisis teams have deployed to help impacted members.
- Coordination of temporary lodging , in- and out-of-state transportation, and behavioral health services in order to continue with the member’s treatment plan if their provider closes.
 - Since May 2023, Community Bridges provided more than **57,000 nights of temporary lodging for over 3,700 individuals**, provided transportation to more than **2,800 individuals**, and directly served more than **10,000 individuals**.
- AHCCCS supported the Navajo Nation’s Operation Rainbow Bridge as they worked to locate Navajo Nation members who were dislocated from northern Arizona and New Mexico and transported to the Phoenix metro area.

Actions Taken To Date To Eliminate Fraudulent Billing

In order to eliminate fraudulent billing, AHCCCS has made holistic, system-wide improvements to the Medicaid payment system, including:

1. Revised the Provider Participation Agreement (PPA) to explicitly require that if a provider stops providing services to AHCCCS members during an ongoing investigation, they must help the member transition to a new provider for care. Similarly they are required to provide to AHCCCS a member census and, upon request, any other information needed to assist in care coordination. If they do not comply, AHCCCS has the right to file an injunction to require the provider to comply with the PPA,
2. Implemented [provider exclusion rules](#) to enhance and expand AHCCCS authority to exclude providers affiliated with bad actors,
3. Eliminated the ability for a member to switch enrollment from a managed care health plan to the American Indian Health Program (AIHP) over the phone,
4. Required behavioral health providers to submit additional assessment, treatment plan, and medical records documentation with their claims,
5. Required Fee-For-Service providers billing more than 2 units of hourly codes or 4 units of 15-minutes codes on a single date of service, to provide [additional documentation](#). [Read more Fee-For-Service claim changes in the Claims Clues newsletters](#).
6. Added a data request process for law enforcement agencies to assist with missing persons cases,
7. Elevated three behavioral health provider types to the high-risk category for all new registrants, requiring fingerprints, on-site visits, background checks, and additional disclosures,
8. Renewed the moratorium on new provider registrations for all Behavioral Health Outpatient Clinics, Integrated Clinics, Non-Emergency Transportation providers, Behavioral Health Residential Facilities, and Community Service Agencies, and created an exception

process. As of May 2024, 88 providers have been granted a moratorium exemption request to move forward with the provider enrollment application and process,

9. Ended approval of retroactive provider registrations without good cause documentation,
10. Eliminated the ability for providers to bill on behalf of others,
11. Added new reporting to flag concerning claims for review before payment, including, but not limited to, claims for services that could not be rendered as billed, claims for substance use treatment for minors age 12 and under, claims for services by different providers that should not be provided on the same day, and overlapping services of the same style,
12. Set billing thresholds and imposed prepayment review for various scenarios including multiple providers billing the same client on the same day for similar services, excessive number of hours per day, and the age of patients,
13. All codes intended for per diem services have been limited in the system and providers must bill each day separately rather than in date ranges, so per diem codes cannot be billed more than once a day on any given date of service,
14. Researched and confirmed that the National Correct Coding Initiative (NCCI) Medicaid coding methodologies, which allow for states to reduce improper payments, are in place and functioning correctly,
15. Hired a forensic auditor to review all claims since 2019,
16. Set a specific rate for billing code H0015 for drug and alcohol treatment services, a change from the previous rate that paid a percentage of the billed amount,
17. Revised AMPM Chapter 610 policy to address provider conflicts of interest, and
18. Implemented ID.Me identity verification for provider's to access the AHCCCS Online web portal
19. Effective January 7, 2024, updated AHCCCS' Provider Participation Agreement requiring providers to make arrangements to only accept payment by way of electronic funds transfer within 30 days of enrollment.

AHCCCS plans to implement additional measures to further strengthen the agency's ability to detect and prevent potential fraudulent activity. A partial list includes:

- Making system changes to link Behavioral Health Professionals to the facilities they provide clinical oversight for, and
- Determine methodology for Tribal Affiliation verification for AIHP enrollment criteria.

Background & Findings

- The Arizona Health Care Cost Containment System (AHCCCS) Office of Inspector General and the Arizona Attorney General's Office became aware of potential fraudulent billing practices including significant increases in billing for outpatient behavioral health services. These circumstances triggered a multi-agency review and investigation of potential fraud, waste and abuse. Ultimately, this led AHCCCS to connect the irregular billing of these services with alleged criminal activity targeting Indigenous peoples and other vulnerable Arizonans.

- As of May 2024, a total of 378 providers have been suspended from Medicaid payments (since the start of Federal Fiscal Year 2020). These provider payment suspensions are known as Credible Allegations of Fraud (CAF) suspensions. Additional provider suspensions are expected to continue as the investigative process evolves. A list of suspended providers since the start of Federal Fiscal Year 2020 is posted on the [AHCCCS Provider Suspensions and Terminations web page](#). This list will be updated regularly.
- Federal regulation 42 CFR 455.23 describes a *credible allegation of fraud* as an allegation, which has been verified by the State, from any source, including but not limited to the following:
 - Fraud hotline tips verified by further evidence,
 - Claims data mining, or
 - Patterns identified through provider audits, civil false claims cases, and law enforcement investigations. Allegations are considered to be credible when they have indicia of reliability, and the State Medicaid agency has reviewed all allegations, facts, and evidence carefully and acts judiciously on a case-by-case basis.
- Once a credible allegation of fraud determination is made, AHCCCS is *required* to suspend all payments to a provider unless there is good cause not to while investigations are conducted. The credible allegation of fraud determination results from the agency's preliminary investigation, and the agency must then make a fraud referral to the Arizona Attorney General's Healthcare Fraud and Abuse Section or a federal law enforcement agency for a full investigation. During this time, providers may continue to bill AHCCCS for services provided, but any reimbursement to these providers is withheld pending the outcome of further investigation. Under state statute, providers are entitled to appeal a suspension placed by AHCCCS.
- AHCCCS is working closely with the Arizona Attorney General's Healthcare Fraud and Abuse Section, the Federal Bureau of Investigation (FBI), the U.S. Department of Health and Human Services (HHS), the U.S. Attorney's Office, the Internal Revenue Service (IRS), and local and tribal law enforcement to disrupt organized bad actors, apprehend them, and prosecute them to the full extent allowed by law.
- AHCCCS is a joint federal and state program, with approximately 70% of funding from the federal government and 30% from other state, county, and local funding sources. With an annual operating budget of approximately \$22 billion, AHCCCS uses these funds to provide quality, integrated physical and behavioral health care services to more than two million Arizonans.
- Sober living facilities, behavioral health residential facilities, outpatient treatment centers, and integrated clinics are licensed by the Arizona Department of Health Services (ADHS).