

Arizona Health Care Cost Containment System

Manual:	Office of Managed Care Policy and Procedures	Effective Date: 10/10/93 Revision Date: 07/01/03
Subject:	401 Marketing Policy	
Authorized Signature:	Page 1 of 5	

I. Purpose:

In addition to the requirements of R9-22-504 for Acute Care, R9-31-504 for KidsCare, and R9-28-507 (K) for ALTCS, this policy establishes guidelines and restrictions for all contractors, awarded a contract or under contract with AHCCCS to deliver health care services, for marketing and outreach activities related to the AHCCCS Program. Contractors are encouraged to focus marketing efforts on various forms of outreach, which encourage the use of medical services or provide educational materials.

II. Definitions:

CONTRACTOR means AHCCCS contracted Acute Care Health Plans and ALTCS Program Contractors.

HEALTH EDUCATION means programs, services or promotions that are designed or intended to advise or inform the contractor's actual or potential members about the issues related to healthy lifestyles, situations that affect or influence health status, behaviors that affect or influence health status or methods or modes of medical treatment.

HEALTH EDUCATION MATERIALS mean collateral materials that are designed, intended, or used for health education or outreach by the contractor. Health education materials include, but are not limited to: general distribution brochures, member newsletters, posters, and member handbooks. Health educational materials may also include incentives, such as, infant car seats, gift certificates, discounts for merchandise or services and manufacturer or store coupons for savings on products or services or any other objects, that are designed or intended to be used in health education or outreach.

MARKETING is any medium of communication, written or oral, whereby the intent of such medium is to increase the contractor's membership. Marketing also includes any promotional activities.

MARKETING MATERIALS means general audience materials such as general circulation brochures, advertising copy and collateral materials that are designed, intended, or used for increasing contractor membership. Such marketing materials may include, but are not limited to: scripts or outlines for member services representatives, letters to AHCCCS members, provider directories, newsletters, newspaper advertisements, billboards and billboard layouts, radio scripts and advertisements, direct mail materials or stuffers, brochures or leaflets that are distributed or circulated by any third party (including providers), and posters.

OUTREACH is defined as any means of educating or informing the contractor's actual or potential members about health issues. (See Health Education)

OUTREACH MATERIALS see **HEALTH EDUCATION MATERIALS**

PROMOTION is defined as any activity in which materials are given away where the intent is to increase the contractor's membership.

PROMOTIONAL MATERIALS means objects, services, or materials that are designed or intended to be given away by the contractor to actual or potential members. Promotional materials may be intended for marketing.

PROVIDER means a hospital and hospital staff; a physician and physician office staff; a pharmacy and a pharmacist; and ancillary service providers and their staff.

III. Policy:

A. Submission of Materials

All materials, including those pertaining to health education, marketing, outreach, and promotions, must be prior approved by the AHCCCS Marketing Committee. Proposed materials (including the cost of the outreach or marketing "give-away" item) shall be submitted to:

Assistant Director (or her/his designee)
Office of Managed Care, Mail Drop 6100
801 East Jefferson
Phoenix, AZ. 85034
FAX: (602) 256-6421

Proposed materials must be submitted no later than 30 days prior to the desired date of dissemination. AHCCCS will attempt to notify the contractor in writing within 10 working days of receipt of the complete materials packet whether or not the proposed materials have been approved, denied or require modification. If a contractor wishes to contest AHCCCS' decision, it may do so by filing a grievance in accordance with Title 9, Chapter 22, Article 8 for Acute Care and Title 9, Chapter 200, Article 8 of the Arizona Administrative Code. The contractor may request an accelerated hearing.

Any changes or amendments to the approved marketing materials (e.g. prior billboard ad approved but subsequently modified) must also be submitted in advance to AHCCCS for approval and are subject to the same policies as described above. Approval shall only apply to the form of communication described with the initial submission. For example, verbiage approved for a billboard is not considered approved if used in a brochure.

B. Marketing Costs

All contractors will be required to report their marketing costs on a quarterly basis as a separate line item in the quarterly financial statements. This requirement also applies to any marketing costs included in an allocation from a parent or other related corporation.

All marketing costs, allocated and otherwise, will be excluded in the determination of capitation rate ranges. Additionally, any contractor not in compliance with the AHCCCS viability criteria indicators, as defined in the RFP, may be restricted from further marketing until the contractor is in compliance with the viability criteria indicators.

C. Restrictions

- 1) The following shall *not* be allowed for marketing:
 - a) Give-aways such as t-shirts, buttons, balloons, key chains, etc. unless the intent of such give-away is outreach in nature [i.e. for educating members of the benefits of safety, immunizations, or well-care]. All give-aways must be prior approved by the AHCCCS Marketing Committee.
 - b) Solicitation of any individual face-to-face, door-to-door, or over the telephone
 - c) References to competing plans
 - d) Television advertising
 - e) Direct mail advertising outside of the 90-day period immediately preceding open enrollment

- f) Marketing of non-mandated services
 - g) Utilization of the word “free” in reference to covered services
 - h) Listing of providers in marketing and open enrollment materials who do not have signed contracts with the contractor
 - i) Use of the AHCCCS logo
 - j) Inaccurate, misleading, confusing or negative information about AHCCCS or the contractor; and any information that may defraud members or the public
 - k) Discriminatory marketing practices as specified in the Arizona Administrative Code R9-22-504, R9-28-507 (K), and R9-31-504.
- 2) AHCCCS reserves the right to impose additional restrictions.
 - 3) The contractor shall ensure that:
 - a) Any outreach item given away by the contractor to its members shall not exceed \$50.00. Any marketing item given away by the contractor shall not exceed \$10.00. (The total cost of all marketing and outreach items given to each member household, at each event, may not exceed \$50.00.)
 - b) All marketing materials identify the contractor as an AHCCCS provider and are consistent with the requirements for information to members described in the RFP and AHCCCS policies.
 - c) All marketing materials which have been produced by the contractor and refer to contract services shall specify such services are funded in part under contract with the State of Arizona.
 - d) Contractors or staff may not assist potential members in completing eligibility applications. This prohibition covers all situations, whether sponsored by the contractor, their parent company, or any other entity.
 - e) Subcontractors are advised that they must comply with this policy. Failure of a subcontracted provider to adhere to this policy may result in sanctions/penalties to the contractor contracted with such provider.

D. Sanctions/Penalties

Any violations of this policy may result in:

- 1) Financial sanctions not to exceed five percent per month of monthly capitation, and/or
- 2) Immediate suspension of all forms of marketing for a period not to exceed six months, and/or
- 3) Placement of an enrollment cap or
- 4) Termination of the Contract.

E. References

- 1) 42 CFR 434.36
- 2) Arizona Administrative Code R9-22-504 and 505, R9-28-507 (K), and R9-31-504 and 505
- 3) Request for Proposal (RFP)

F. Review

Contractors shall refer all marketing materials for review and approval to the AHCCCS Marketing Committee. The AHCCCS Marketing Policy will be reviewed and approved by the State Medicaid Advisory Committee and administered by the AHCCCS Marketing Committee.