

February 20, 2019

The Honorable Karen Fann, President  
Arizona State Senate  
1700 W. Washington  
Phoenix, AZ 85007

The Honorable Russell Bowers, Speaker  
Arizona State House of Representatives  
1700 W. Washington  
Phoenix, AZ 85007

Dear President Fann and Speaker Bowers:

A.R.S. 41-1092.08(B) provides that, within thirty days of receiving an administrative law judge's decision, the head of the agency may review the decision and accept, reject or modify it. If the head of the agency rejects or modifies the decision, the agency head must provide a written justification for the rejection or modification of each finding of fact or conclusion of law.

Subsection (B) also requires that if the agency head rejects or modifies a conclusion of law (COL), the written justification shall be sent to the President of the Senate and the Speaker of the House of Representatives.

Most, if not all, administrative law judge decisions and the associated decision of the agency head regarding the AHCCCS program include the information that is confidential under State and federal law. See 45 CFR Part 164 and AAC R9-22-309. As such, AHCCCS cannot provide the full text of the administrative law judge decisions or the agency decision. As a practical matter, redacted versions of the justification for a modification or rejection of an administrative law judge's conclusion of law are not comprehensible without the full context of findings of fact and conclusion of law made by the administrative law judge.

For that reason, AHCCCS is providing quarterly summary information. For the quarter ending December 31, 2018, AHCCCS has identified 18 matters where the agency head rejected or modified an administrative law judge's conclusions of law. During that same quarter, AHCCCS reviewed 132 administrative law judge decisions. The relevant cases involved issues regarding:

- Added COL regarding federal regulation applicable to electronic claims (two decisions)
- Modified and added COLs regarding the FTW program and the federal requirement that applicants also apply for Social Security benefits
- COLs modified regarding the ALTCS transitional program and the requirement that the agency consider eligibility for that program

- Modified COLs regarding the request for a State Fair Hearing and the requirement to file a request for hearing within 30 days
- Modified COL regarding the federal regulation requirement for applications to be signed under penalty of perjury
- Modified COLs regarding prior authorization
- Removed COLs regarding Medicare Cost Sharing Program determined to be unnecessary to the decision
- Added COLs regarding federal regulation applicable to Special Treatment Trusts and the statutory requirements to qualify as a Special Treatment Trust
- Added COL requiring Notice of Decision compliance with Provider Claim Disputes Standards and clarified when provider's use of the FFS manual is appropriate
- Modified and added COLs regarding federal and state regulations applicable to the eligibility renewal process
- Modified and added COLs regarding the Pre-Admission Screening (PAS) instrument for persons with an Developmental Disability to determine ALTCS eligibility
- Modified and added COLs regarding reimbursement using the DRG payment methodology
- Modified and added COLs regarding the transfer of assets for less than fair market value
- Rejected COL denying sepsis claim and added COL upholding sepsis claim supported by physician's judgment and clinical documentation
- Rejected COLs finding additional points for grooming and mobility under the PAS Assessment for persons who are elderly or physically disabled
- COLs modified regarding the maximum income limits for SSI/MAO, ALTCS, and the Medicare Savings Program

Please feel free to contact me if you have any questions about this report.

Sincerely,



Jami Snyder  
Director

cc: Richard Stavneak, Director, Joint Legislative Budget Committee  
Matt Gress, Director, Governor's Office of Strategic Planning and Budgeting  
Christina Corieri, Governor's Office, Senior Policy Advisor