

421 – CONTRACT TERMINATION: NURSING FACILITIES AND ALTERNATIVE HOME AND COMMUNITY BASED SERVICES SETTINGS

EFFECTIVE DATES: 04/08/09, 11/01/12, 10/01/13, 10/01/15, 10/01/17, 04/03/19, 10/01/24

APPROVAL DATES: 10/11/12, 08/29/13, 07/30/15, 07/26/17, 03/12/19, 06/06/24

I. PURPOSE

This Policy applies to ALTCS E/PD and DES/DDD (DDD) Contractors. This Policy is limited to and defines the relationship between a Nursing Facility (NF) and/or an Alternative Home and Community Based Services (HCBS) Setting and a Contractor following the termination of a contract between these entities, regardless of which entity terminates the contract or the reason for contract termination. This policy delineates how the Contractor, NF and Alternative HCBS Setting shall collaborate to provide for the needs of the members residing in the facility at the time of contract termination.

II. DEFINITIONS

Refer to the [AHCCCS Contract and Policy Dictionary](#) for common terms found in this Policy including:

| | | |
|--|----------------------|------------------------------|
| ANNIVERSARY DATE | BED HOLD | CONTRACTOR |
| HEALTH CARE DECISION MAKER (HCDM) | MEMBER | NURSING FACILITY (NF) |
| ROOM AND BOARD (R&B) | SHARE OF COST | |

For purposes of this Policy, the following terms are defined as:

- ADD-ON** Generally, refers to contract standards that a Contractor may have with a Nursing Facility (NF) to establish criteria for additional payment to the Class 1, 2, or 3 levels determined by the Uniform Assessment Tool (UAT).
- ALTERNATIVE HOME AND COMMUNITY BASED SERVICES (HCBS) SETTING** Under the Home and Community Based Services (HCBS) program, members may receive certain services while they are living in an Alternative HCBS setting. A HCBS settings as defined in 9 AAC 28 Article 1 and AMPM Chapter 1200, section 1230.
- SUBACUTE OR SPECIALTY CARE** Generally, refers to contract standards that a Contractor may have with a Nursing Facility (NF) to establish criteria for paying a rate higher than the Class 1, 2 and 3 levels determined by the Uniform Assessment Tool (UAT).

**UNIFORM ASSESSMENT
TOOL (UAT)**

A standardized tool that is used by Contractors to assess the acuity of Nursing Facility (NF) residents and commonly used for residents residing in Assisted Living Centers (ALC), Assisted Living Holmes (ALH) and Adult Foster Care (AFC) settings. The use of the Uniform Assessment Tool (UAT) is not intended to impact how Contractors determine authorizations for specialty levels of care (e.g., wandering dementia, medical sub-acute and behavioral management). This tool is located in AMPM Chapter 1600, Exhibit 1620-3.

III. POLICY

A. MEMBER/RESIDENT OPTIONS WHEN A NURSING FACILITY OR ALTERNATIVE HOME AND COMMUNITY BASED SETTING CONTRACT IS TERMINATED

Members residing in a Nursing Facility (NF) and/or Alternative HCBS Setting at the time of a contract termination may continue to reside in that facility until the member's open enrollment period, at which time the member will either choose an available Contractor that is contracted with the facility or move to a setting that is contracted with their current Contractor.

The Contractor, in collaboration with the NF and/or Alternative HCBS Setting shall:

1. Develop a member/representative communication plan. The purpose of the communication plan is to provide affected or impacted members and/or their representatives with clear and accurate information regarding the contract termination. All member communications shall be consistent with guidelines as specified in ACOM Policy 404.
2. Develop a member transition plan. The purpose of the transition plan is to ensure a seamless transition for the member to another placement or Contractor, continuity of care, and follow up monitoring of the member post move.

The Contractor shall receive approval of the member or the member's Health Care Decision Maker (HCDM) communication and transition plan from the AHCCCS Operations Unit. The member or HCDM communication plan and transition plan shall be submitted to AHCCCS within five business days of the termination decision.

B. REIMBURSEMENT

During any time when a contract is not in effect, but members are placed in an Alternative HCBS Setting before transitioning as identified in Section III A above, the plan shall reimburse the setting as follows:

1. Nursing Facilities.

The Contractor shall reimburse the NF at the previously contracted rates or the AHCCCS Fee For Service (FFS) schedule rates, whichever are greater. Should AHCCCS increase its fee schedule, the Contractor shall reimburse the NF at the greater of the increased AHCCCS FFS schedule rates or the Contractor's previously contracted rates. Should AHCCCS reduce its fee schedule, the Contractor shall reduce its previously contracted rates by the same percentage and pay the greater of the adjusted rates.

If the Contractor had in place a provision for subacute, specialty care or add-on rates at the time of the contract termination, then the Contractor shall apply those rates. Should AHCCCS adjust its fee schedule, then the Contractor shall adjust its subacute or add-on rate(s) by the average adjustment to the NF fee schedule rates.

2. Alternative Home and Community Based Settings.

The Contractor shall reimburse the Alternative HCBS Setting at the previously contracted rate. Should AHCCCS adjust its HCBS FFS Schedule rates, the Contractor shall adjust its Alternative HCBS rates by the average percentage that the HCBS Fee Schedule rates are adjusted by.

C. QUALITY OF CARE

In the event that a Contractor, other entity, or AHCCCS identify instances where the overall Quality of Care (QOC) delivered by an NF or Alternative HCBS Setting places residents in immediate jeopardy, the Contractor shall inform members or their HCDMs of the problems and offer members alternative placement. Members may have the option to continue to reside in the NF or Alternative HCBS Setting.

In the event that a Contractor identifies a member-specific QOC concern, the Contractor shall identify that concern to the NF or Alternative HCBS Setting for resolution. The Contractor shall also report to external entities, and to AHCCCS as specified in AMPM Policies 910 and 920.

In some QOC cases, AHCCCS may require that the Contractor find new placements for members. In such cases, the Contractor shall work with the members or their HCDM to identify an appropriate placement that meets the needs of the member. AHCCCS may require Contractors to increase monitoring of facilities identified as having health or safety issues until AHCCCS is assured that the issues have been resolved or members have been transitioned to a placement setting that can meet their needs (Refer to AMPM Policy 960).

D. BANKRUPTCY OR FORECLOSURE REQUIREMENTS

In the event of a bankruptcy or foreclosure order of an NF or Alternative HCBS Setting, the Contractor shall notify AHCCCS of the situation no later than one business day of the Contractor becoming aware of the change. In these instances, the Contractor shall review the financial, health, and safety status prior to placing a member in a placement owned by the same entity.

E. ADMISSIONS/DISCHARGES/READMISSIONS

1. The ALTCS E/PD Contractors are prohibited from utilizing, group homes for the Developmentally Disabled, as a placement setting for their members as specified in AAC Title 9, Chapter 33.
2. The NFs or Alternative HCBS Settings are not required to accept new admissions of members who are enrolled with a non-contracted Contractor.
3. The NFs are required to otherwise follow admission, readmission, transfer, and discharge rights as specified in 42 CFR 483.15.
4. The Contractor may authorize bed hold days up to the allowed limit as specified in AAC 9-28-102.