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ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM

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**DATE:** September 24, 2013  
**TO:** AHCCCS Providers  
**FROM:** Marc Leib, M.D., Chief Medical Officer  
**SUBJECT:** Prior Quarter Coverage Eligibility

Beginning January 1, 2014, AHCCCS will be required to expand the time period AHCCCS pays for covered services for an eligible individual, to include the three months prior to the month the individual applied for AHCCCS, if the individual met AHCCCS eligibility requirements during the month in which the Medicaid covered service was provided. Currently, AHCCCS is only responsible for covered services received by the individual from the eligible individual's effective date of eligibility for AHCCCS which in most cases is the first day of the month of application.

Federal requirements provide that an applicant may be eligible for covered services during any of the three months prior to the application date if the applicant:

1. Received one or more AHCCCS covered services during the month and
2. Would have qualified for AHCCCS at the time services were received if the person had applied for AHCCCS.

If the applicant is determined to qualify for AHCCCS during any one or more of the three months prior to the month of application, then the individual will be determined to have "Prior Quarter Coverage" eligibility during those months. As a result, AHCCCS will pay for AHCCCS covered services provided during those months.

As stated above, Prior Quarter Coverage eligibility will begin January 1, 2014 which means that individuals applying for AHCCCS in February 2014 may be determined to qualify for prior quarter coverage during the month of January 2014. Persons applying in March may qualify for prior quarter coverage in January and February whereas persons who apply on or after April 1, 2014 may qualify for prior quarter coverage for up to the full 3 months prior to the month of application. AHCCCS will not institute prior quarter coverage eligibility before January 1, 2014.

The AHCCCS Administration will determine whether or not an applicant meets prior quarter coverage criteria. If so, providers will be required to bill the AHCCCS Administration for services provided during a prior quarter eligibility period upon verification of eligibility or upon notification from the member of prior quarter coverage eligibility. Upon notification of prior quarter coverage eligibility, **the provider *must* promptly refund to the member** any payments that have been received for services in an approved prior quarter period and must accept payment by the Administration as payment in full. For covered services received during the prior quarter which have not yet been reimbursed or billed the provider must submit a claim to the AHCCCS Administration. AHCCCS Managed Care Contractors **are not** responsible for determining prior quarter coverage or for payment for covered services received during the prior quarter. Claims submitted to AHCCCS Managed Care Contractors for prior quarter coverage will be denied.

Providers may submit prior quarter coverage claims for payment to AHCCCS in one of the following ways: the HIPAA compliant 837 transaction, through the AHCCCS on-line claim submission process, or by submitting a paper claim form. Billing requirements can be found at:  
<http://www.azahcccs.gov/commercial/ProviderBilling/manuals/FFSProviderManual.aspx>.

Matters involving a provider's failure to reimburse a member for any payments made by the member during a prior quarter eligibility time period will be referred to the AHCCCS Office of Inspector General for investigation and action.

For more information regarding prior quarter coverage eligibility, please visit our website at:  
<http://www.azahcccs.gov/commercial/PriorQuarterCoverage.aspx>.

You will find the proposed rules at the following link  
<http://www.azahcccs.gov/reporting/state/proposedrules.aspx#PQE>.

If you have any questions regarding prior quarter coverage eligibility or the process for submitting prior quarter coverage claims, please contact 602-417-7670 option 4.