

December 20, 2016

Eddy Broadway, CEO  
Mercy Maricopa Integrated Care  
4350 East Cotton Center Blvd., Bldg. D  
Phoenix, Arizona 85040

**REA: Notice to Cure – Arnold v. Sarn Fidelity Reporting\_ REVISED**

Dear Mr. Broadway:

The Arizona Health Care Cost Containment System Division of Health Care Management (hereinafter “AHCCCS”) is writing Mercy Maricopa Integrated Care (hereinafter “Mercy Maricopa”) regarding a Notice to Cure issued on September 27, 2016. AHCCCS is rescinding the original Notice to Cure and is issuing a *revised* Notice to Cure that aligns the contract citation and the Stipulation Agreement with the areas of concerns regarding the *Arnold v. Sarn* fidelity requirements. All subsequent reports, letters and actions plans received in response to the Notice to Cure issued on September 27, 2016 are accepted as submissions in response to the areas of concerns as outlined below.

**Notice to Cure**

On February 19, 2016, AHCCCS and the Arizona Department of Health Services (hereinafter “ADHS”) issued Mercy Maricopa a letter summarizing the status of Mercy Maricopa’s System of Care in meeting the requirements for providing community services under the Litigation (“Stipulation”) entered into by the parties in *Arnold v. Sarn*. The State identified critical areas of focus to further advance Mercy Maricopa’s system performance. In response, Mercy Maricopa conducted a Self Assessment and implemented an Improvement Plan to address the identified critical areas. Mercy Maricopa provided weekly reporting on its implementation of corrective action.

Upon review of the Self Assessment and Improvement Plan Status Reports received by Mercy Maricopa and the identified performance standards as prescribed in the February 19, 2016 AHCCCS/ADHS letter, AHCCCS has identified continued concerns in the following areas:

- Capacity for Assertive Community Treatment (ACT) Teams
- Face-to-face contacts; and
- Discrepancies between reported claims data and actual claims filed for processing.

Pursuant to the Contract YH17-0001-03, Section 18.15.2, “the Contractor shall comply with requirements as directed by AHCCCS contained in *Arnold v. Sarn*, Maricopa County Superior Court, No. C-432355.” As a result, AHCCCS is requiring that Mercy Maricopa achieve and maintain sustained compliance for all fidelity standards and identified performance measures to include the following:

- Capacity for Assertive Community Treatment (ACT) Teams  
Paragraph 26 of the Stipulation states that, “...ADHS, through the RBHA will take all necessary steps, system improvements, and corrective actions to ensure that each provider offers services consistent with the SAMHSA standards for ACT, Supported Housing, Supported Employment, and Consumer Operated Services.”

The SAMHSA ACT model requires a minimum of two substance abuse specialists meeting the SAMHSA defined minimum qualifications. Mercy Maricopa failed to comply with the Stipulation Agreement and performance improvement measure as outlined by AHCCCS and ADHS regarding employment of two substance abuse specialists that meet full fidelity to staffing requirements for the position.

Mercy Maricopa must ensure that the required staffing for two Substance Abuse Specialists are maintained on each ACT team to meet full fidelity for requirements of the position. Mercy Maricopa is required to implement strategies for improved recruitment and hiring of qualified staff to achieve sustained compliance.

- Face-to-Face Contacts

Paragraph 14 of the Stipulation, states that “ADHS will make its best efforts to develop ACT capacity. . .”. AHCCCS and ADHS required that Mercy Maricopa ensure service delivery provided by the ACT teams aligned with fidelity in the following areas:

- The frequency of face-to-face contacts per week;
- The duration of face-to-face delivery per week; and
- The delivery of services of the office.

On average, Mercy Maricopa has reported that the ACT team conducts 3.4 weekly face-to-face contacts. However, AHCCCS has identified discrepancies between reported claims data regarding face-to-face contacts and actual claims filed for processing.

AHCCCS is requiring that the frequency of face-to-face face contacts be increased to a 3.1 weekly average. Additionally, Mercy Maricopa must ensure that all claims are filed per face-to-face contact and in accordance with submission requirements for claim filings. Only filed claims should be included in reporting. Self- reported data **is not** acceptable.

Mercy Maricopa must develop an Action Plan to Immediately address and resolve the aforementioned requirements. The Action Plan must be comprehensive and include at a minimum;

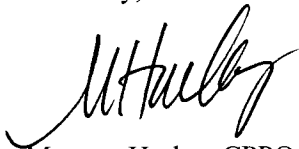
1. Detailed description of the performance improvement activities implemented by Mercy Maricopa to address Provider performance including but not limited to the following:
  - Dates for Provider trainings and/or technical assistance;
  - Action steps for how Mercy Maricopa will hold Providers accountable for noncompliance;
  - Specific short term and long term strategies that will be implemented to increase the frequency of face-to-face contacts.
2. Monthly submissions will be provided to AHCCCS on *Arnold v. Sarn* fidelity requirements. The report will be submitted on the **15<sup>th</sup> of each month** and will include the following:
  - Status of staffing for Substance Abuse Specialists;
  - Frequency of weekly face-to-face contacts;
  - Claims data for weekly face-to-face contacts;
  - Status updates regarding performance improvement activities;
  - Completed trainings and/ or technical assistance provided; and
  - Any corrective actions administered.

AHCCCS will monitor monthly reporting for resolution of issues and compliance with contract requirements. Mercy Maricopa is required to submit the monthly reports to Kelli Donley at [Kelli.Donley@azahcccs.gov](mailto:Kelli.Donley@azahcccs.gov) with a copy submission to Ena Binns at [Ena.Binns@azahcccs.gov](mailto:Ena.Binns@azahcccs.gov).

Failure to correct deficiencies as outlined in this letter may result in additional compliance action, including but not limited to sanctions as in accordance with the AHCCCS Contract Section 19.5.

If you have any questions regarding this letter, you may contact Kelli Donley at the above referenced email or 602.364.4651.

Sincerely,



Meggan Harley, CPPO, MSW  
Chief Procurement Officer

- Cc: Virginia Rountree, AHCCCS  
Paul Galdys, AHCCCS  
Kari Price, AHCCCS  
Kelli Donley, AHCCCS  
Christina Quast, AHCCCS  
Ena Binns, AHCCCS  
Angelo Edge, Mercy Maricopa  
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