325 – ACCESS TO PROFESSIONAL SERVICES INITIATIVE AND RECONCILIATION

EFFECTIVE DATES: 10/01/17, 10/01/18

APPROVAL DATE: 09/05/19

I. PURPOSE

This Policy applies to Acute Care and CRS Contractors for CYE 2018 and ACC, DES/DDD, and RBHA Contractors for CYE 2019. This Policy establishes requirements for Contractors regarding the Access to Professional Services Initiative (APSI) and related reconciliation for CYE 2018 and CYE 2019. AHCCCS seeks to provide enhanced support to certain Qualified Practitioners in order to:

1. Preserve and enhance access to these Qualified Practitioners who deliver essential services to AHCCCS members in Arizona.

2. Support Qualified Practitioners who are critical to professional training and education efforts. APSI is a program to preserve and promote access to medical services through a uniform percentage increase to the Contractor's rates for professional services provided by Qualified Practitioners affiliated with Designated Hospitals.

Due to uncertainty regarding actual utilization of Qualified Practitioners, and because the state share of the capitation paid to the Contractors shall be funded using Inter-Governmental Transfer (IGT) funds for this specific purpose, AHCCCS intends to eliminate the financial risk to its Contractors for CYE 2018 and CYE 2019. AHCCCS will isolate the APSI revenue and expenses and reconcile Contractors' prospective and Prior Period Coverage (PPC) profits and losses to 0%.

II. DEFINITIONS

AFFILIATION AGREEMENT For purposes of this Policy, means:

1. The practitioner is employed by an organization owned by the designated hospital,
2. The practitioner is employed by an organization that is owned by an organization that also owns the designated hospital and the practitioner is practicing at one of the designated hospitals,
3. There is a contract between a practitioner (or the practitioner's employer) and
   a. the designated hospital,
   b. an organization owned by the designated hospital, or
   c. an organization that is owned by an organization that also owns the designated hospital,

   that requires the practitioner to provide services exclusively to the designated hospital or the organization that the practitioner (or practitioner's employer) has contract with and the practitioner is practicing at one of the designated hospitals, or
4. There is a contract between the practitioner (or the practitioner's employer) and a hospital whose employed physicians and physicians contracted exclusively at a designated hospital makes up less than 25% of its credentialed medical staff.

APSI EXPENSE Prospective and PPC Expenses incurred by the Contractor for the 40% rate increase to providers. APSI Expenses excludes Subcapitated/Block Purchase Expenses.

APSI REVENUE Amount of additional Prospective and PPC capitation provided for the 40% (CYE 2018 and CYE 2019) rate increase to providers.

DESIGNATED HOSPITALS

For purposes of this Policy, designated hospitals include:

1. A hospital facility with an Accreditation Council for Graduate Medical Education (ACGME)-accredited teaching program and which is operated pursuant to the authority in A.R.S. Title 48, Chapter 31; or,
2. A hospital facility with:
   a. An ACGME-accredited teaching program with a state university, and
   b. AHCCCS inpatient discharge utilization volume greater than or equal to 30 percent as calculated by the Arizona Department of Health Services for calendar year 2014; or,
3. A freestanding children's hospital or a pediatric unit of a general acute care hospital with greater than 100 licensed pediatric beds, excluding nursery beds.

QUALIFIED PRACTITIONER

For purposes of this Policy, qualified practitioners are providers who bill for services under one of the Tax Identification Numbers (TINs) that are employed by or have an affiliation agreement with one of the Designated Hospitals identified in Section III of this Policy, and include the following practitioners:

1. Physicians, including doctors of medicine and doctors of osteopathic medicine (Provider Types 08 and 31).
2. Certified Registered Nurse Anesthetists (Provider Type 12).
3. Certified Registered Nurse Practitioners (Provider Type 19).
4. Physician Assistants (Provider Type 18).
5. Certified Nurse Midwives (Provider Type 09).
6. Clinical Social Workers (Provider Type 85).
7. Clinical Psychologists (Provider Type 11).
8. Dentists (Provider Type 07).
9. Optometrists (Provider Type 69).
10. Other Providers that bill under Form Type A (Form 1500) and D (Dental).

III. POLICY

A. GENERAL

1. Designated Hospitals participating in APSI include the following:
   a. Banner University Medical Center Phoenix,
   b. Banner University Medical Center Tucson,

c. Banner University Medical Center South,
d. Cardon Children's Medical Center at Banner Desert Medical Center,
e. Maricopa Medical Center,
f. Phoenix Children's Hospital,
g. St. Joseph's Hospital and Medical Center, and
h. Tucson Medical Center.

2. The reconciliation (for CYE 2018 and CYE 2019) shall relate solely to the APSI portion of encounters for fully adjudicated prospective and PPC medical expenses, excluding services provided under subcapitated/block purchase arrangements, for Qualified Practitioners. The amount due from or due to the Contractor as a result of this reconciliation will be based on aggregated profits and losses from APSI Revenue and Expenses across both prospective and PPC risk groups.

3. The reconciliation (for CYE 2018 and CYE 2019) will limit the Contractor's profits and losses from APSI Revenue and APSI Expenses to 0% (See Attachment A for calculation). Any losses in excess of 0% will be reimbursed to the Contractor, and likewise, profits in excess of 0% will be recouped.

B. CONTRACTOR RESPONSIBILITIES

The Contractor shall provide a 40% increase (for CYE 2018 and CYE 2019) to the otherwise contracted rates to Qualified Practitioners for all claims for eligible services (excluding subcapitated/block payment encounters) for which AHCCCS is the primary payer. The Contractor shall use the TIN associated with the Designated Hospital in A.1 above as a guide for when to add the APSI increase to professional services billed on 1500 (Form Type A) and ADA - Dental Services (Form Type D). Only TINs provided by AHCCCS should be used for the enhanced payment. See C.1 below.

1. Long-Acting Reversible Contraceptives (LARC) billed on a 1500 by the hospital is not considered a professional service and does not qualify for an APSI payment.

2. The Contractor shall not make an APSI payment to providers each year until CMS pre-approval is obtained through the CMS Pre-Print process and IGT funding is in place. The approval and funding is expected by October 1.

The Contractor Responsibilities below relate to CYE 2018 and CYE 2019.

3. The Contractor shall submit encounters for APSI medical expenses and those encounters shall reach fully adjudicated status by the required due dates. AHCCCS will only utilize fully adjudicated encounters reported by the Contractor to determine the APSI medical expenses used in the reconciliation.

4. The Contractor shall maintain financial records that separately identify all APSI-related prospective and PPC transactions, and shall submit such information through a footnote in the financial statements as required by Contract and as specified in the AHCCCS Financial Reporting Guide.

5. The Contractor shall monitor the estimated APSI reconciliation receivable/payable and record appropriate accruals on financial statements submitted to AHCCCS as specified in the AHCCCS Financial Reporting Guide.

6. It is the Contractor's responsibility to identify to AHCCCS any encounter data issues or necessary adjustments associated with the initial reconciliation by the deadlines for review and comment. It is also the responsibility of the Contractor to have any identified encounter data issues corrected and adjudicated no later than 15 months from the end of the period being reconciled. AHCCCS will not consider any data for reconciliations submitted by the Contractor after these timeframes. Any encounter data issues identified that are the result of an error by AHCCCS will be corrected prior to the final reconciliation.

7. The Contractor shall submit any additional data as requested by AHCCCS for reconciliation purposes (e.g. encounter detail file).

8. If the Contractor performs recoupments/refunds/recoveries on any APSI claims, the related encounters shall be adjusted (voided or void/replaced) pursuant to ACOM Policy 412. AHCCCS reserves the right to adjust any previously issued APSI reconciliation results for the impact of the revised encounters and recoup any amounts due AHCCCS. If the Contractor does not submit the revised encounters within the required timeframe, AHCCCS may recoup the estimated impact on the reconciliation and reserves the right to impose Administrative Action on the Contractor.

8. For CYE 2019, the DES/DDD Contractor shall have zero-risk reconciliation for its DDD Subcontracted Health Plans and report to AHCCCS DDD Subcontracted Health Plan level APSI-related revenue and expenses through a footnote in the DDD financial statements.

C. AHCCCS RESPONSIBILITIES

1. AHCCCS will communicate the TINs to Contractors prior to the beginning of the Contract Year End (CYE).

2. No less than six months after the Contract Year to be reconciled, AHCCCS shall perform an initial reconciliation. The reconciliation will be calculated as follows:

   Profit/Loss to be reconciled = APSI Capitation – APSI Medical Expense
   Attachment A provides an example of the APSI reconciliation calculation.

3. AHCCCS will utilize only expenses supported by fully adjudicated encounters reported by the Contractor to determine the expenses subject to reconciliation.

4. AHCCCS will compare fully adjudicated encounters to Contractor financial statements and other Contractor submitted files for reasonableness.

5. AHCCCS will provide to the Contractor the data used for the initial APSI reconciliation and provide a set time period for review and comment by the Contractor. Upon completion of the review period, AHCCCS will evaluate Contractor comments and make any adjustments to the data or reconciliation as warranted. AHCCCS may then process partial distributions/recoupments through a future monthly capitation payment.

6. A final APSI reconciliation will be performed no sooner than 15 months after the end of the contract year to be reconciled. This will allow for completion of the claims lag and encounter reporting. AHCCCS will provide to the Contractor the data used for the final reconciliation and provide a set time period for review and comment by the Contractor.

   Upon completion of the review period, AHCCCS will evaluate Contractor comments and make any adjustments to the data or reconciliation as warranted.

7. Any amount due to or due from the Contractor as a result of the final APSI reconciliation that was not distributed or recouped as part of the initial reconciliation will be paid or recouped through a future monthly capitation payment.

8. AHCCCS may include adjustments to the initial APSI reconciliation to account for completion factors.