I. **PURPOSE**

This Policy applies to ACC, ALTCS E/PD, DES/DDD (DDD), and RBHA Contractors. The Contractor is responsible for adhering to all requirements as specified in Contract, Policy, 42 CFR Part 457 and 42 CFR Part 438. This Policy establishes requirements for Contractors regarding the Access to Professional Services Initiative (APSI).

II. **DEFINITIONS**

**ACCESS TO PROFESSIONAL SERVICES INITIATIVE (APSI) ELIGIBLE ENCOUNTERS**

Fully adjudicated and approved Prospective and Prior Period Coverage (PPC) professional and dental expenses incurred by the Contractor that are subject to the rate increase to designated hospitals for services performed by Qualified Practitioners.

APSI Eligible Encounters excludes the following:

1. Subcapitated/block purchase expenses,
2. Encounters where AHCCCS is not the primary payer, and
3. Encounters billed for Long-Acting Reversible Contraceptives (LARC) billed on a 1500 by the hospital using these CPT codes: J7296 - J7298, J7300, J7301, and J7307.
AFFILIATION AGREEMENT

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.

DESIGNATED HOSPITALS

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.

PREMIUM TAX

The tax imposed pursuant to A.R.S. §36-2905 and §36-2944.01 for all payments made to Contractors for the Contract year.
III. Policy

AHCCCS seeks to provide enhanced support to certain Qualified Practitioners who deliver essential services to AHCCCS members in Arizona and to support Qualified Practitioners who are critical to professional training and education efforts.

Access to Professional Services Initiative (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.

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/Valleymwise Health Integrated Health System,
   f. Phoenix Children’s Hospital,
   g. Dignity Health St. Joseph’s Hospital and Medical Center, and
   h. Tucson Medical Center.

The amount due from or due to the Contractors as a result of this payment methodology is determined on an annual basis and is based on a rate increase of 85% over the contracted rates.
B. CONTRACTOR RESPONSIBILITIES

1. AHCCCS is removing APSI from capitation rates and Contractors will no longer directly reimburse the APSI increase on a per claim basis. Instead, AHCCCS will make quarterly lump sum directed payments to Contractors as specified in the Section on AHCCCS Responsibilities.

2. Contractors will be responsible for making payments to Designated Hospitals as directed by AHCCCS. By the end of the second month of the first three quarters of the Contract year (November, February, May), AHCCCS will make estimated payments for APSI to each of the Contractors who contract with Designated Hospitals (e.g. for the quarter that runs from October 1, 2019 to December 31, 2019, payments will be made to Contractors by November 30, 2019).

3. The fourth payment will be based on actual encounters for the Contract year as specified in the Section on AHCCCS Responsibilities.

4. Contractors will have 15 business days from receipt of funds to pay the Designated Hospitals, less Premium Tax, as directed by AHCCCS.

5. Submitted APSI Eligible Encounters shall indicate if the encounter is eligible to have APSI applied. Technical guidance has and will continue to be provided on how to transmit this information. Contractors will no longer directly reimburse the APSI increase on a per claim basis.

6. It is the responsibility of the Contractor to have any identified encounter data issues corrected and adjudicated no later than nine months from the end of the Contract year. AHCCCS will not consider any data for final payments 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 payment.

7. 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 final payment results for the impact of the revised encounters and recoup any amounts due to AHCCCS. If the Contractor does not submit the revised encounters within the required timeframe, AHCCCS may recoup the estimated impact on the final payment and reserves the right to impose Administrative Action on the Contractor.

8. The Contractor shall submit any additional data as requested by AHCCCS for final payment calculation purposes (e.g. encounter data file).
C. AHCCCS Responsibilities

1. AHCCCS will communicate the Tax Identification Numbers (TIN)s to Contractors prior to the beginning of the Contract Year End (CYE).

2. AHCCCS will estimate the total dollar amount to be paid to Designated Hospitals by TIN prior to the beginning of the Contract year, based on adjudicated and approved encounters from a prior Contract year as specified in Contract. For the first three quarters of the Contract year, 20% of the estimated total owed will be paid to Contractors prior to the end of second month of the quarter (e.g. for the quarter that runs from October 1, 2019 to December 31, 2019, 20% of the estimated total that was based on encounters from a prior Contract year, will be paid before November 30, 2019).

3. The final payment will be calculated with APSI Eligible Encounters for the Contract year being reconciled, less the first three estimated payments that were made during the Contract year. Data for the final payment will be extracted no sooner than nine months following the end of the Contract year (e.g. for CYE 20, AHCCCS will extract APSI Eligible Encounters no sooner than the second encounter cycle in June, calculate the percentage increase, and subtract off the first three estimated payments that were previously made). Refer to Attachment A for an example of the final payment calculation.

4. The final payment will be made to Contractors no sooner than eleven months following the end of the Contract year. This will allow for completion of the claims lag and encounter reporting. AHCCCS will provide to the Contractor the data used for the final payment 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 final payment as warranted.

5. Prior to the payment deadlines for all quarters, AHCCCS will provide a list by TIN reflecting how payments should be made.

6. AHCCCS will make quarterly payments to Contractors once all funds are received via Intergovernmental Transfers (IGTs).

7. All payments made to Contractors will include Premium Tax.