

DATE: May 07, 2019
To: Holders of the AHCCCS Contractor Operations Manual
FROM: Division of Health Care Management Contracts and Policy Unit
SUBJECT: AHCCCS Contractor Operations Manual (ACOM)

This memo describes revisions and/or additions to the ACOM.

Please direct questions regarding policy updates to the Contracts and Policy Unit at 602-417-4295 or 602-417-4055 or email at DHCMContractsandPolicy@azahcccs.gov.

UPDATES AND REVISIONS TO THE AHCCCS CONTRACTOR OPERATIONS MANUAL (ACOM)

To view the policies and attachments, please access the following link:

[AHCCCS CONTRACTOR OPERATIONS MANUAL \(ACOM\)](#)

POLICY 326, FIXED ADMINISTRATIVE COST COMPONENT RECONCILIATION FOR AHCCCS COMPLETE CARE

ACOM 326 is a new Policy developed for the reconciliation of member months related to its impact on the fixed administrative cost component of the capitation rates.

○ **ATTACHMENT A, ADMIN/MEMBER MONTH RECONCILIATION**

Attachment A is a new attachment which provides an example of the Fixed Administrative Cost Component Reconciliation calculation.

POST-PUBLIC COMMENT CHANGES:

- Definition for Actual Member months: Prospective and PPC Member months paid to the Contractor for the contract year ~~excluding delivery supplement member months~~ ***excluding births associated with delivery supplements*** as noted on Attachment A.
- Attachment A, #3) All member months ~~exclude delivery supplements~~ ***exclude births associated with delivery supplements.***
- Definition for Fixed Administrative Cost Component: The per member per month (PMPM) for the portion of the Administrative Cost component of the capitation rate relating to the Contractor's fixed costs, ***subject to Medical Loss Ratio (MLR) requirements.***
- Section B., added #6., ***If the administrative component of the capitation rate was capped in order to ensure compliance with minimum MLR requirements when the capitation rate was originally developed, the MLR limit and fixed administrative***

component shall be recomputed using actual member months for purposes of this reconciliation.

APPROVED NOT YET EFFECTIVE

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None at this time.