ATTACHMENTS AND EXHIBITS
SOLICITATION NO. HP632209

Attachment E: Offer And Acceptance Signed By Authorized Person

	OFFER AND ACCEPTANCE **SOLICITATION NUMBER: HP632209**	**ARIZONA DEPARTMENT OF HEALTH SERVICES** 1740 West Adams Street Phoenix, Arizona 85007 (602) 542-1040 (602) 542-1741 Fax

Submit this form with an original signature to the:

Arizona Department of Health Services
Office of Procurement
1740 West Adams, Room 303
Phoenix, Arizona 85007

The Undersigned hereby offers and agrees to furnish the material, service or construction in compliance with all terms, conditions, specifications and amendments in the solicitation.

Arizona Transaction (Sales) Privilege Tax License No: Applied for as necessary

Federal Employer Identification No: 20-1728452

For Clarification of this Offer, Contact:

Name: Russell C. Petrella, Ph.D

Telephone: 860-507-1910

FAX: 860-507-1990

Magellan Health Services of Arizona, Inc.
Company Name

Signature of Person Authorized to Sign Offer

55 Nod Road
Address

Russell C. Petrella, Ph.D
Printed Name

Avon, CT 06001
City, State, ZIP Code

Chief Operating Officer
Title

OFFER ACCEPTANCE AND CONTRACT AWARD (For State of Arizona Use Only)

Your Offer is hereby accepted as described in the Notice of Award. The Contractor is now bound to perform based upon the Solicitation and the Contractor's Offer as accepted by the State.

This Contract shall henceforth be referred to as Contract Number: HP632209

The Contractor is hereby cautioned not to commence any billable work or provide any material, service or construction under this contract until the Contractor receives an executed purchase order or contract release document or written notice to proceed, if applicable.

State of Arizona

Awarded this 29th day of August, 2007

Christine Ruth
PROCUREMENT OFFICER

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SPECIAL INSTRUCTIONS

A. OFFER PERIOD (180 DAYS)

In order to allow for an adequate evaluation, the State requires an offer in response to this solicitation to be valid and irrevocable for one hundred-eighty (180) days after the opening time and date.

B. PROPOSAL FORMAT

One (1) original and eight (8) copies of each proposal shall be submitted in the format specified below. The original copy of the proposal should clearly be labeled "ORIGINAL", and all copies shall clearly state "COPY". The State shall not provide any reimbursement for the cost of developing or presenting proposals in response to this RFP. Failure to include the requested information may have a negative impact on the evaluation of the Offeror's proposal. The proposal shall include at least the following information:

1. Proposals shall be prepared using a font size of no less than 12 on 8 ½ x 11 paper, single spaced, double-sided, subject to any page limits specified in each individual question. All pages of the proposal shall be page numbered and line numbered, re-starting each page with Line 1.

2. The proposal materials shall be organized into 3-ring binders by subject matter, in the sequence specified and related to the RFP. Include a Table of Contents and number all pages in a consistent manner. Offeror shall create tab dividers for each item requested in the Proposal Content Section.
    a. Table of Contents
    b. Scope of Work
    c. Special Terms and Conditions
    d. Proposal Content
        i. Administration, Organization and Experience
        ii. Collaboration and Performance
        iii. Implementation
        iv. Community Input and Reinvestment
        v. Management Information System
        vi. Managing Care
        vii. Finance and Rates
        viii. Service Delivery System, Network Development and Network Management
        ix. Quality Management, Grievance and Appeals and Compliance
    e. Documents Submitted in Response to Request

f. In addition, the Offerer shall submit their proposal on Compact Disc(s) (CDs) or 31/4 diskette(s) in Microsoft products. Each folder and file within each folder shall be clearly labeled.

C. OFFER AND ACCEPTANCE SIGNED BY AUTHORIZED PERSON

Offeror must complete the following information in Attachment E Offer and Acceptance and submit the signed form with their proposal: Arizona Transaction (Sales) Privilege Tax License No.; Federal Identification No.; Contact information; Company Name; Company Address; City, State, Zip Code; Signature of Person Authorized to Sign Offer and this same person's Printed Name and Title.

D. COMPLETED PRICE SHEET

Offeror must complete Attachment D Completed Price Sheet and submit it with their proposal.

E. PRE-OFFER CONFERENCE

A Pre-Offer Conference has been scheduled for February 14, 2007 at 1:30 pm at the Arizona Department of Administration, Conference Room 300, 100 North 15th Avenue, Phoenix, Arizona, 85007. The purpose of this conference will be to clarify the contents of this request for proposals in order to prevent any misunderstanding of the ADHS position. Any doubt as to the requirements of this request for proposals (RFP) or any apparent omission or discrepancy should be presented to ADHS at this conference. ADHS will then determine the appropriate action necessary, if any, and issue a written amendment to the request for proposals. Oral statements or instructions shall not constitute an amendment to this request for proposals and will not be official until they have been verified, in writing. Attendance at the Pre-Offer Conference is optional. Those who are planning to attend the Pre-Offer Conference should RSVP to the ADHS Procurement Office at (602) 542-1040 by February 1, 2007.

F. PROPOSAL OPENING

Proposals will be opened publicly on March 12, 2007 at 3:00 pm at the ADHS Procurement Office, 1740 West Adams, Phoenix, Arizona 85007. Only the name of each Offeror shall be read publicly and recorded. Proposals shall not be subject to public inspection until after Contract award.

Any proposals received after the time and date stated above will not be accepted. Proposals will not be accepted via E-mail or facsimile transmission.

G. EVALUATION CRITERIA

In accordance with A.R.S. § 41-2534, competitive sealed proposals, an award will be made to the responsible Offeror whose proposal is determined to be the most advantageous in managing and administering the behavioral health programs and services as defined in the Scope of Work and Special Terms and Conditions Section of this RFP. Capitation rates shall not be a factor in the proposal evaluation as ADHS has conducted an analysis and has specified the capitation rates within this solicitation. The objective of the RFP is to select a behavioral health managed care organization A. Administration, Organization and Experience

1. Managed Care Experience with demonstrated success in operating or contracting with complex, publicly-funded behavioral health programs;

2. Experience providing services to other governmental clients and covered populations similar to ADHS and its covered populations, as demonstrated by:

    a. a flexible, responsive customer service approach that is highly ingrained in the organization,
    b. a cohesive, integrated management structure that allows for timely decisions at the local level, within a corporate framework that provides access to industry-leading tools, technology, expertise, and oversight,
    c. a reputation for being responsive and reliable in executing decisions based on values consistent with the system delivery principles defined in this Contract,
    d. experience and demonstrated success in establishing partnerships with governmental clients to engage community leaders, stakeholders, and providers in the delivery of an integrated system of care,
    e. human resource and management support necessary to effectively recruit and retain qualified staff,
    f. a commitment to the local communities in which it operates, as demonstrated by community reinvestment activities and regularly obtaining community input on local and regional needs,
    g. a reputation for being at the forefront of industry-leading initiatives that goes beyond national visibility and has translated into action at the local level, and
    h. innovative approaches to support culturally competent providers and consumer and family-operated organizations to become financially and programmatically successful;

3. Experience and demonstrated success in service delivery to individuals with serious mental illness or the capacity to subcontract with an entity with the same experience and success during the period of time the Contractor transitions the care of the individuals from the Direct Care Clinic Sites to Provider Network Organizations;

4. Experience and demonstrated success in service delivery to children with multiple child-serving state agency involvement or the capacity to subcontract with an entity with the same experience and success during the period of time the Contractor transitions the care of the children to Provider Network Organizations;

5. Experience and demonstrated success in direct oversight and operation of a centralized crisis response system, psychiatric recovery centers, detoxification centers or the capacity to subcontract with an entity with the same experience and success;

6. Experience and demonstrated success in the development, support and monitoring of vertically integrated networks for behavioral health services provided to children, youth, families and adults;

7. Experience and demonstrated success in creative approaches to implementing the principles of recovery and resiliency, including evidence of an organizational implementation culture that addresses the following elements:
   a. Identifies and implements the preferences of individuals and families in the design of services and supports,
   b. Facilitates the development of consumer-operated programs and use of peer support, including consumer/family teams for persons of all ages and behavioral health conditions,
   c. Facilitates the development and utilization of natural supports,
   d. Facilitates the use of self-management and relapse prevention skills,
   e. Supports stable housing, and
   f. Addresses the development and maintenance of healthy social networks and skills, employment, school performance or retirement activities;

8. Experience and demonstrated success in implementing Practice Guidelines that promote an evidence-based culture through provider training, fidelity monitoring, and flexible approaches to funding best practices;

9. Experience and demonstrated success in implementing program innovations that result in improved administrative and clinical outcomes, including increased access to care by traditionally underserved populations, community tenure, behavioral health -physical health integration and integrated assessment and service delivery for both co-occurring mental illness and substance use disorders and co-occurring mental illness and developmental disabilities;

10. A focus on continuous quality improvement with strategies that:
    a. Drive accountability and performance,
    b. Contain valid, reliable metrics for outcome measurement,
    c. Monitor the impact of clinical and other service decisions on behavioral health recipient and provider satisfaction and outcomes, and
    d. Provide adequate oversight of staff making clinical decisions through initial orientation, ongoing training, and formal clinical supervision to ensure that the skills of clinical staff are consistent with best practices while continuously improving;

11. Administrative efficiency through technology, including:
    a. A supportive and responsive Information Technology (IT) department,
    b. Automated systems for detection of suspected fraud and abuse,
    c. Data-driven approaches to operationalizing key Contract requirements, including individualized service plans, treatment/service plans, crisis plans, advance directives, network adequacy, UM, and outcomes monitoring,
    d. Experience and demonstrated success in automated linkages to client information for transmission of large data files, such as timely, accurate transmission of encounter files,
    e. Safeguards to protect the confidentiality of protected health information,
    f. Experience and demonstrated success in integrating and managing large complex data sets,
    g. Technology supports that drive accurate, timely claims administration, and
    h. Industry-leading reporting capabilities; and

12. A proven track record of being accountable to performance requirements under large, complex contracts, including:
    a. Examples of successful achievement of performance thresholds on guarantees that embody the system principles outlined in this Contract,
    b. Acceptance of performance measures, thresholds, and other requirements described in this Contract, and
    c. Capability to update performance measures as industry standards and program requirements evolve.

B. Collaboration and Performance
C. Implementation
D. Community Input and Reinvestment
E. Management Information Systems (MIS)
F. Managing Care
G. Finance and Rates
H. Service Delivery System. Network Development and Network Management
I. Quality Management, Grievances, and Appeals Compliance

J. Conformance to Special Terms and Conditions and RFP Requirements

H. RESTRICTION OF CONTACT

From the issue date of this RFP until ADHS selects a proposal for award, the ADHS Procurement Administrator is the sole point of contact. Offerors must agree not to distribute any part of their proposal beyond the Issuing Office. Offerors shall make no other distribution of its proposal to any other Offeror, ADHS official, or ADHS consultant. Offerors who share information contained in its proposal with other ADHS personnel, ADHS consultants, or competing Offerors may be disqualified.

I. ADDENDA TO THE RFP

Questions and answers will be posted to the website as an addendum to, and shall become part of, this RFP. If ADHS deems it necessary to revise any part of this RFP before the proposal response date, ADHS will post an addendum to the ADHS website at http://www.azdhs.gov. ADHS shall not be bound by any verbal or written information that is not contained within the RFP or formally issued as an addendum by ADHS. Each Offeror shall be responsible to monitor the ADHS website for new or revised RFP information.

J. RESPONDING TO THE RFP

Please respond to the questions in the Scope of Work and Special Terms and Conditions sections by repeating the Contract language and checking Agree, Disagree or Agree with Deviations. For items with deviations, provide a brief description of the deviation. Deviations will be evaluated based on the significance and nature of the deviation from a requirement.

Please respond to the questions in the Proposal Content section per the following instructions.

1. Repeat each question before responding.

2. Answer every question or state that a question is not applicable to your firm.

3. Base your answers on current, not planned, capabilities, unless specifically requested to do so. Current capabilities should be relevant to the population served under this RFP.

4. Use the format provided and do not provide additional information unless requested to do so.

5. Do not reference separate materials unless specifically requested to provide sample documents as an attachment or part of a response.

6. For open-ended text questions, limit your response to one (1) page, unless otherwise specified.

7. Where information on prior experience is requested, provide at least one (1) client reference, including contact information.

K. RESOURCES FOR DEVELOPING PROPOSAL

The documents incorporated by reference and the redacted data files needed for developing the proposal are available on the ADHS website at http://www.azdhs.gov. Under Quick Links, select ADHS Procurement and click on Request for Proposals (RFP) then select the link to RFP HP632209. The RFP HP632209 web page contains the RFP document. The RFP document is posted in its entirety in both Adobe Acrobat PDF and MS Word formats. The PDF version shall be the official version of the RFP document. The MS Word version is provided solely for the Offerors' convenience in developing a response to the RFP. If there are discrepancies between the PDF version of the RFP and the Offeror's response, the language of the PDF version of the RFP shall be controlling. The MS Word version of the RFP document includes links to documents incorporated by reference into the RFP, and the RFP Attachments to be downloaded and completed by the Offeror. Additional resource materials for the prospective Offeror can be accessed at www.azdhs.gov/bhs/rfp_2006/index.htm.

ADHS has established a secure website for the Maricopa County RFP that contains data files redacted for protected health information. Prospective Offerors need to access and use the data files in order to fully respond to the RFP. To access the data files, ADHS has implemented a request process which is available to prospective Offerors during the hours of 8:00 am to 5:00 pm Arizona time, Monday through Friday. Prospective Offerors must request from ADHS a Maricopa County RFP Nondisclosure of Protected Health Information Agreement (Nondisclosure Agreement) by sending a written request via e-mail to the following dedicated e-mail account: BHSRFPDATA@azdhs.gov.

Once ADHS receives the prospective Offeror's request for the Nondisclosure Agreement, ADHS will send the Nondisclosure Agreement to the prospective Offeror. The prospective Offeror must indicate agreement to the terms of the Nondisclosure Agreement by checking the I AGREE line at the bottom of the Nondisclosure Agreement, dating the I AGREE response and completing the required information on the Nondisclosure Agreement, i.e. the name and title of the person requesting access to the data files, the name and address of the prospective Offeror's agency or corporation, the requester's e-mail address and the phone number at which the requester can be reached. The prospective Offeror must then e-mail the completed Nondisclosure Agreement to BHSRFPDATA@azdhs.gov.

When ADHS receives the completed Nondisclosure Agreement, ADHS will review it for completeness, and if complete, will e-mail a user name and password to the prospective Offeror to be used when accessing the secure website containing the redacted data files along with a link to the secure website.

For hard copies of the Request for Proposal, documents incorporated by reference or a CD of data files, contact ADHS Procurement by telephone at (602) 542-1040 or fax at (602) 542-1741. Provide the name of your company, the contact, address, telephone and fax number and e-mail address. Your request should include the RFP number HP632209.

L. DISCUSSIONS

In conducting discussions, there will be no disclosure of any information derived from proposals submitted by other Offerors.

M. EVALUATION PROCESS

Written proposals, and on-site/oral presentations, if scheduled, shall be evaluated on the criteria specified in paragraph G above. On-site and oral presentations, if scheduled, shall be at the option of ADHS.

ADHS may request on-site visits with Offeror(s) to obtain clarification of proposals. If ADHS exercises this option, it will provide Offeror(s) no less than one (1) week notice to prepare. Offeror(s) shall have Key Personnel and any individual(s) who will function as significant contact person(s) in performance of this Contract available during the on-site visit. ADHS shall be the sole determiner of the site(s) selected for on-site/oral presentations.

UNIFORM INSTRUCTIONS
SOLICITATION NO HP632209

A. Definition of Terms. As used in these Instructions, the terms listed below are defined as follows:

1. *"Attachment"* means any item the Solicitation requires an Offeror to submit as part of the Offer.

2. *"Contract"* means the combination of the Solicitation, including the Uniform and Special Instructions to Offerors, the Uniform and Special Terms and Conditions, and the Specifications and Statement or Scope of Work; the Offer and any Best and Final Offers; and any Solicitation Amendments or Contract Amendments, and any terms applied by law.

3. *"Contract Amendment"* means a written document signed by the Procurement Officer that is issued for the purpose of making changes in the Contract.

4. *"Contractor"* means any person who has a Contract with the State.

5. "Days" means calendar days unless otherwise specified.

6. *"Exhibit"* means any item labeled as an Exhibit in the Solicitation or placed in the Exhibits section of the Solicitation.

7. *"Offer"* means bid, proposal or quotation.

8. *"Offeror"* means a vendor who responds to a Solicitation.

9. *"Procurement Officer"* means the person, or his or her designee, duly authorized by the State to enter into and administer Contracts and make written determinations with respect to the Contract.

10. *"Solicitation"* means an Invitation for Bids ("IFB"), a Request for Proposals ("RFP"), or a Request for Quotations ("RFQ").

11. *"Solicitation Amendment"* means a written document that is signed by the Procurement Officer and issued for the purpose of making changes to the Solicitation.

12. *"Subcontract"* means any Contract, express or implied, between the Contractor and another party or between a subcontractor and another party delegating or assigning, in whole or in part, the making or furnishing of any material or any service required for the performance of the Contract.

13. *"State"* means the State of Arizona and Department or Agency of the State that executes the Contract.

14. *"Hospital"* means the Arizona State Hospital where the services will be provided.

15. *"Arizona Community Protection and Treatment Center"* ("ACPTC") means the area of the Hospital where sexually violent persons are committed.

16. *"Joint Commission on Accreditation of Healthcare Organizations"* ("JCAHO") means the independent, not-forprofit organization, which sets standards and accrediting for health care, focusing on improving the quality and safety of care provided to patients by health care organizations.

17. *"Arizona Department of Health Services"* ("ADHS") means the State Agency who is offering the RFP and will enter in to the contract for the stated services.
18. "Centers *for Medicare and Medicaid Services ("CMS")* mean the Federal Agency within the Department of Health and Human Services ("DHHS") that establishes the conditions of participation that must be met by providers and suppliers participating in Medicare and Medicaid programs. CMS is designated to administer standard compliance by the Secretary of DHHS.

19. *"Assurance and Licensure"* means the Agency within the Arizona Department of Health Services that oversees licensing rules and regulations.

B. Inquiries

1. Duty to Examine. It is the responsibility of each Offeror to examine the entire Solicitation, seek clarification in writing (inquiries), and examine its' Offer for accuracy before submitting the Offer. Lack of care in preparing an Offer shall not be grounds for modifying or withdrawing the Offer after the Offer due date and time, nor shall it give rise to any Contract claim.

2. Solicitation Contact Person. Any inquiry related to a Solicitation, including any requests for or inquiries regarding standards referenced in the Solicitation shall be directed solely to the Solicitation contact person. The Offeror shall not contact or direct inquiries concerning this Solicitation to any other State employee unless the Solicitation specifically identifies a person other than the Solicitation contact person as a contact.

3. Submission of Inquiries. The Procurement Officer or the person identified in the Solicitation as the contact for inquiries except at the Pre-Offer Conference, require that an inquiry be submitted in writing. Any inquiry related to a Solicitation shall refer to the appropriate Solicitation number, page and paragraph. Do not place the

Solicitation number on the outside of the envelope containing that inquiry, since it may then be identified as an Offer and not be opened until after the Offer due date and time. The State shall consider the relevancy of the inquiry but is not required to respond in writing.

4. Timeliness. Any inquiry or exception to the solicitation shall be submitted as soon as possible and should be submitted at least seven (7) days before the Offer due date and time for review and determination by the State. Failure to do so may result in the inquiry not being considered for a Solicitation Amendment.

5. No Right to Rely on Verbal Responses. An offeror shall not rely on verbal responses to inquiries. A verbal reply to an inquiry does not constitute a modification of the solicitation.

6. Solicitation Amendments. The Solicitation shall only be modified by a Solicitation Amendment.

7. Pre-Offer Conference. If a pre-Offer conference has been scheduled under this Solicitation, the date, time and location shall appear on the Solicitation cover sheet or elsewhere in the Solicitation. Offerors should raise any questions about the Solicitation or the procurement at that time. An Offeror may not rely on any verbal responses to questions at the conference. Material issues raised at the conference that result in changes to the Solicitation shall be answered solely through a written Solicitation Amendment.

8. Persons With Disabilities. Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the Solicitation contact person. Requests shall be made as early as possible to allow time to arrange the accommodation.

C. Offer Preparation

1. Forms: No Facsimile, Telegraphic or Electronic Mail Offers. An Offer shall be submitted either on the forms provided in this Solicitation or their substantial equivalent. Any substitute document for the forms provided in this Solicitation must be legible and contain the same information requested on the forms, unless the solicitation indicates otherwise. A facsimile, telegraphic, mailgram or electronic mail Offer shall be rejected if submitted in response to requests for proposals or invitations for bids, unless the solicitation indicated otherwise.

2. Typed or Ink; Corrections. The Offer shall be typed or in ink. Erasures, interlineations or other modifications in the Offer shall be initialed in ink by the

person signing the Offer. Modifications shall not be permitted after Offers have been opened except as otherwise provided under applicable law.

3. Evidence of Intent to be Bound. The Offer and Acceptance form within the Solicitation shall be submitted with the Offer and shall include a signature (or acknowledgement for electronic submissions, when authorized) by a person authorized to sign the Offer. The signature shall signify the Offeror's intent to be bound by the Offer and the terms of the Solicitation and that the information provided is true, accurate and complete. Failure to submit verifiable evidence of intent to be bound, such as an original signature, shall result in rejection of the Offer.

4. Exceptions to Terms and Conditions. All exceptions included with the Offer shall be submitted in a clearly identified separate section of the Offer in which the Offeror clearly identifies the specific paragraphs of the Solicitation where the exceptions occur. Any exceptions not included in such a section shall be without force and effect in any resulting Contract unless such exception is specifically accepted by the Procurement Officer in a written statement. The Offeror's preprinted or standard terms will not be considered by the State as a part of any resulting Contract.
   i. Invitation for Bids. An Offer that takes exception to a material requirement of any part of the Solicitation, including terms and conditions, shall be rejected.
   ii. Request for Proposals. All exceptions that are contained in the Offer may negatively affect the State's proposal evaluation based on the evaluation criteria stated in the Solicitation or result in rejection of the Offer. An offer that takes exception to any material requirement of the solicitation may be rejected.
5. Subcontracts. Offeror shall clearly list any proposed subcontractors and the subcontractor's proposed responsibilities in the Offer. Offerors/Bidders are encouraged to make every effort to utilize subcontractors that are small, women-owned and/or minority-owned business enterprises. This could include subcontracts for locksmithing, heating/cooling maintenance, or dietary janitorial services. Offerors who are committing a portion of their work to such subcontractors shall do so by identifying the type of services and work to be performed by providing detail concerning your organization's utilization of small, women-owned and/or minority business enterprises. Emphasis should be placed on specific areas that are subcontracted and percentage of contract utilization and how this effort shall be administered and managed, including reporting requirements.

6. Cost of Offer Preparation. The State will not reimburse any Offeror the cost of responding to a Solicitation.

7. Solicitation Amendments. Each Solicitation Amendment shall be signed with an original signature by the person signing the Offer, and shall be submitted no later than the Offer due date and time. Failure to return a signed (or acknowledgement for

electronic submission, when authorized) copy of a Solicitation Amendment may result in rejection of the Offer.

8. Federal Excise Tax. The State of Arizona is exempt from certain Federal Excise Taxes on manufactured goods. Exemption Certificates will be provided by the State.

9. Provision of Tax Identification Numbers. Offerors are required to provide their Arizona Transaction Privilege Tax Number and/or Federal Tax Identification number in the space provided on the Offer and Acceptance Form.

10. Employee Identification. Offeror agrees to provide an employee identification number or social security number to the State for the purposes of reporting to appropriate taxing authorities, monies paid by the State under this contract. If the federal identifier of the offeror is a social security number, this number is being requested solely for tax reporting purposes and will be shared only with appropriate state and federal officials. This submission is mandatory under 26 U.S.C. § 6041 A.

11. Identification of Taxes in Offer. The State of Arizona is subject to all applicable state and local transaction privilege taxes. All applicable taxes shall be identified as a separate item offered in the solicitation when applicable, the tax rate and amount shall be identified on the price sheet. At all times, payment of taxes and the determination of applicable taxes is the sole responsibility of the contractor. The Arizona State Hospital is Tax Exempt.

12. Disclosure. If the firm, business or person submitting this Offer has been debarred, suspended or otherwise lawfully precluded from participating in any public procurement activity, including being disapproved as a subcontractor with any Federal, state or local government, or if any such preclusion from participation from any public procurement activity is currently pending, the Offeror shall fully explain the circumstances relating to the preclusion or proposed preclusion in the Offer. The Offeror shall include a letter with its Offer setting forth the name and address of the governmental unit, the effective date of this suspension or debarment, the duration of the suspension or debarment, and the relevant circumstances relating to the suspension or debarment. If suspension or debarment is currently pending, a detailed description of all relevant circumstances including the details enumerated above shall be provided.

13. Solicitation Order of Precedence. In the event of a conflict in the provisions of this Solicitation, the following shall prevail in the order set forth below:

    13.1 Special Terms and Conditions;
    13.2 Uniform Terms and Conditions;
    13.3 Statement or Scope of Work;

13.4 Specifications;
13.5 Attachments;
13.6 Exhibits;
13.7 Special Instructions to Offerors;
13.8 Uniform Instructions to Offerors.
13.9 Other documents referenced or included in the Solicitation.

14 Delivery. Unless stated otherwise in the Solicitation, all prices shall be F.O.B. Destination and shall include all freight, delivery and unloading at the destination(s).

D. Submission of Offer

1. Sealed Envelope or Package. Except for electronic submissions, when authorized, each Offer shall be submitted to the submittal location identified in this Solicitation. Offers should be submitted in a sealed envelope or container. The envelope or container should be clearly identified with name of the Offeror and Solicitation number. The State may open envelopes or containers to identify contents if the envelope or container is not clearly identified.

2. Offer Amendment or Withdrawal. An Offer may not be amended or withdrawn after the Offer due date and time except as otherwise provided under applicable law.

3. Public Record. All Offers submitted and opened are public records and must be retained by the State. Offers shall be open to public inspection after Contract award, except for such Offers deemed to be confidential by the State. If an Offeror believes that information in its Offer should remain confidential, it shall indicate as confidential the specific information and submit a statement with its Offer detailing the reasons that the information should not be disclosed. Such reasons shall include the specific harm or prejudice which may arise. The State shall determine whether the identified information is confidential pursuant to the Arizona Procurement Code.

4. Non-collusion. Employment, and Services. By signing the Offer and Acceptance Form or other official contract form, the Offeror certifies that:
   i. The Offeror did not engage in collusion or other anti-competitive practices in connection with the preparation or submission of its Offer; and
   ii. The Offeror does not discriminate against any employee or applicant for employment or person to whom it provides services because of race, color, religion, sex, national origin, or disability, and that it complies with all applicable Federal, state and local laws and executive orders regarding employment.

E. Evaluation

1. Unit Price Prevails. In the case of discrepancy between the unit price or rate and the extension of that unit price or rate, the unit price or rate shall govern.

2. Equitable Evaluation. To evaluate all the Proposals equitably, Contractor shall provide all the documentation requested, for each service(s) provided, per the Special Instructions to Offerors, Special Terms and Conditions and Scope of Work, Section 4, Project Operational Requirements.

3. Prompt Pavment Discount. Prompt payment discounts of thirty (30) days or more set forth in an Offer shall be deducted from the offer for the purposes of evaluating that price.

4. Late Offers. An Offer submitted after the exact Offer due date and time shall be rejected.

5. Disqualification. A Offeror (including any of its' principals) who is currently debarred, suspended or otherwise lawfully prohibited from any public procurement activity shall have its offer rejected.

6. Offer Acceptance Period. An Offeror submitting an Offer under this Solicitation shall hold its Offer open for the number of days from the Offer due date that is stated in the Solicitation. If the Solicitation does not specifically state a number of days for Offer acceptance, the number of days shall be one hundred-eighty (180). If a Best and Final Offer is requested pursuant to a Request for Proposals, an Offeror shall hold its Offer open for one hundred-eighty (180) days from the Best and Final Offer due date.

7. Waiver and Resection Rights. Notwithstanding any other provision of the Solicitation, the State reserves the right to:
   7.1 Waive any minor informality;
   7.2 Reject any and all Offers or portions thereof; or
   7.3 Cancel the Solicitation

F. Award

1. Number or Types of Awards. The State reserves the right to make multiple awards or to award a Contract by individual line items or alternatives, by group of line items or alternatives, or to make an aggregate award, or regional awards, whichever is most advantageous to the State. If the Procurement Officer determines that an aggregate award to one Offeror is not in the State's best interest, "all or none" Offers shall be rejected.

2. Contract Inception. An Offer does not constitute a Contract nor does it confer any rights on the Offeror to the award of a Contract. A Contract is not created until the Offer is accepted in writing by the Procurement Officer's signature on the Offer and Acceptance Form. A notice of award or of the intent to award shall not constitute acceptance of the Offer.

3. Effective Date. The effective date of this Contract shall be the date that the Procurement Officer signs the Offer and Acceptance form or other official contract form, unless another date is specifically stated in the Contract.

G. Protests.

A protest shall comply with and be resolved according to Arizona Revised Statutes Title 41, Chapter 23, Article 9 and rules adopted thereunder. Protests shall be in writing and be filed with both the Procurement Officer of the purchasing agency and with the State Procurement Administrator. A protest of a Solicitation shall be received by the Procurement Officer before the Offer due date. A protest of a proposed award or of an award shall be filed within ten (10) days after the protester knows or should have known the basis of the protest. A protest shall include:

1.1 The name, address and telephone number of the protester;

1.2 The signature of the protester or its representative;

1.3 Identification of the purchasing agency and the Solicitation or Contract number;

1.4 A detailed statement of the legal and factual grounds of the protest including copies of relevant documents; and

1.5 The form of relief requested.

H. Comments Welcome

The State Procurement Office periodically reviews the Uniform Instructions to Offerors and welcomes any comments you may have. Please submit your comments to: State Procurement Administrator, State Procurement Office, 100 North 15th Avenue, Suite 104, Phoenix, Arizona, 85007.

SCOPE OF WORK

A. INTRODUCTION AND BACKGROUND

1. Purpose of the Request For Proposal (RFP)

The purpose of this RFP is for the Arizona Department of Health Services/Division of Behavioral Health Services (ADHS) to contract with a behavioral health managed care organization to become the Regional Behavioral Health Authority (RBHA) for Geographic Service Area (GSA) 6, which encompasses all of Maricopa County, Arizona. The RBHA will administer and manage behavioral health programs in GSA 6. The selected Contractor shall:

a. apply managed care practices in a manner that results in behavioral health recipients and their families receiving behavioral health services that are person- and family-centered, timely, culturally relevant, and effective in reducing symptoms stemming from behavioral health conditions, thus, maximizing functioning and improving the recipient's quality of life;

b. operate in partnership with ADHS and the community to ensure that managed care operations and services result in the delivery of effective behavioral health services. The Contractor will solicit routine input from stakeholders, including behavioral health recipients and family members receiving services, that informs the Contractor about needed behavioral health delivery system improvements;

c. establish an extensive, accessible provider network that offers a choice of providers and a comprehensive array of behavioral health services to behavioral health recipients and their families;

d. be proactive and innovative in organizing and administering a behavioral health delivery system that meets the behavioral health service needs of behavioral health recipients, adjusting operations in response to the needs of the individuals and families served as new information and knowledge is obtained;

e. deliver services to behavioral health recipients that are easily accessible, timely, and effective as demonstrated by improvement on outcome measures; and

f. deliver services with the explicit goal of assisting behavioral health recipients to achieve and maintain success in recovery, gainful employment, age-appropriate education, living in their own homes, avoiding delinquency and criminality, self-sufficiency and meaningful community participation.

2. Contractor Requirements

Specifically, the Contractor shall:

a. manage behavioral health care for residents of GSA 6 who meet the eligibility requirements defined in this RFP;

b. perform and provide managed care and administrative services that include, at a minimum:
   i. Credentialing and Privileging,
   ii. Encounter Processing and Oversight,
   iii. Claims Payment,
   iv. Provider Network Development and Management,
   v. Customer Services,
   vi. Information and Referral,
   vii. Care Management (CareM),
   viii. Utilization Management (UM),
   ix. Quality Management (QM),
   x. Financial Oversight,
   xi. Information Technology Services,
   xii. Resolution of Complaints,
   xiii. Grievances and Appeals Processing,
   xiv. Education and Training, and
   xv. Business Continuity, Disaster Recovery and Emergency Preparedness;

c. establish, operate, monitor and manage the administration of the following services:
   i. Correctional Officer/Offender Liaison (COOL) Program,
   ii. Housing Development and Management,
   iii. Employment Development and Management,
   iv. Maricopa County Jail Diversion Program and Mental Health/Drug Court Liaison Activities,
   v. Pharmacy Benefits Management,
   vi. Pre-Admission Screening and Resident Review (PASRR) Evaluations,
   vii. Laboratory and Radiology Services,
   viii. Sign Language, Translation, and Interpretation Services, and
   ix. The Substance Abuse Prevention and Treatment Performance Partnership (SAPT) Block Grant and Center for Mental Health Services (CMHS) Block Grant Administration;

The Contractor may subcontract with providers for delivery of services related to items c.i. through ix. above; however, the programs/services/grants will be

managed by the Contractor and not through a PNO or the Crisis Response Network.

d. develop, contract and maintain a Crisis Response Network for delivery and management of covered behavioral health crisis intervention services and other high-risk, high-volume services for individuals in GSA 6 who experience a behavioral health crisis;

e. for the duration of the Contract, develop and maintain Level I provider contracts, including Level I Psychiatric Hospitals, Level I Psychiatric Residential Treatment Centers, and Level I Subacute Services. For the duration of the Contract, utilize ADHS-established prior authorization criteria to prior authorize admissions and continued stays at Level I Psychiatric Hospitals, Level I Subacute facilities and Level I Psychiatric Residential Treatment Centers;

f. develop and subcontract with multiple Provider Network Organizations (PNOs) for delivery and management of comprehensive, individualized service planning and well-coordinated covered behavioral health services for adults and children;

g. for an interim period, provide or arrange for the provision of covered behavioral health services for persons with a serious mental illness through existing Direct Care Clinic Sites until the persons served by the Direct Care Clinic Sites are transitioned to PNOs;

h. for the duration of the Contract, conduct SMI Eligibility Determinations to determine if individuals meet the statutory criteria for having a serious mental illness;

i. manage care through a network of qualified service providers for an interim period until the Crisis Response Network and PNOs are established and serving all eligible populations, i.e., individuals with a serious mental illness, general mental health (GMH) or substance abuse (SA) disorders, and children with behavioral health diagnoses;

j. in coordination with the Governor's E-Health Initiative, establish and implement a shared electronic medical record accessible to ADHS, the Contractor, PNOs, the Crisis Response Network and qualified service providers consistent with Federal and State privacy laws that contains clinical, medical, and administrative information, including crisis plans, treatment/service plans for persons other than those with serious mental illness, individual service plans for persons with serious mental illness, and advance directives necessary to coordinate service delivery and conduct care management;

k. establish and implement a shared real-time census database accessible to ADHS, the Contractor, PNOs, the Crisis Response Network, and qualified service providers for daily management of bed/placement availability for the following providers: Level I Psychiatric Hospital, Level I Psychiatric Residential Treatment Center, Level I Subacute (Crisis Stabilization and Detoxification Centers), Level II and Level III Residential, Home Care Training to Client (formerly known as Therapeutic Foster Care), and Respite;

l. establish and implement a shared database accessible to ADHS, the Contractor, PNOs, and qualified service providers that contains information on unmet service needs of behavioral health recipients, including the status and resolution of each unmet need; and

m. establish and implement a shared database accessible to ADHS, the Contractor, PNOs, and qualified service providers that contains real-time information by zip code on outpatient provider appointment availability, contracted capacity, and out-of-region or out-of-network service alternatives.

The Contractor shall demonstrate:

a. substantial managed care experience and demonstrated success in operating or contracting with complex, publicly-funded behavioral health programs;

b. a proven track record in providing superior services to other governmental clients and covered populations similar to ADHS and its covered populations, as demonstrated by:
   i. a flexible, responsive customer service approach that is highly ingrained in the organization,
   ii. a cohesive, integrated management structure that allows for timely decisions at the local level, within a corporate framework that provides access to industry-leading tools, technology, expertise, and oversight,
   iii. a reputation for being responsive and reliable in executing decisions based on values consistent with the system delivery principles defined in this Contract,
   iv. experience and demonstrated success in establishing partnerships with governmental clients to engage community leaders, stakeholders, and providers in the delivery of an integrated system of care,
   v. human resource and management support necessary to effectively recruit and retain qualified staff,
   vi. a commitment to the local communities in which it operates, as demonstrated by community reinvestment activities and regularly obtaining community input on local and regional needs,

vii. a reputation for being at the forefront of industry-leading initiatives that goes beyond national visibility and has translated into action at the local level, and
viii. innovative approaches to support culturally competent providers and consumer and family-operated organizations to become financially and programmatically successful;

c. experience and demonstrated success in service delivery to individuals with serious mental illness or the capacity to subcontract with an entity with the same experience and success during the period of time the Contractor transitions the care of the individuals from the Direct Care Clinic Sites to Provider Network Organizations;

d. experience and demonstrated success in service delivery to children with multiple child-serving state agency involvement or the capacity to subcontract with an entity with the same experience and success during the period of time the Contractor transitions the care of the children to Provider Network Organizations;

e. experience and demonstrated success in direct oversight and operation of a centralized crisis response system, psychiatric recovery centers, detoxification centers or the capacity to subcontract with an entity with the same experience and success;

f. experience and demonstrated success in the development, support and monitoring of vertically integrated networks for behavioral health services provided to children, youth, families and adults;

g. experience and demonstrated success in creative approaches to implementing the principles of recovery and resiliency, including evidence of an organizational culture that addresses the following elements:
i. identifies and implements the preferences of individuals and families in the design of services and supports,
ii. facilitates the development of consumer-operated programs and use of peer support, including consumer/family teams for persons of all ages and behavioral health conditions,
iii. facilitates the development and utilization of natural supports,
iv. facilitates the use of self-management and relapse prevention skills,
v. supports stable housing, and
vi. addresses the development and maintenance of healthy social networks and skills, employment, school performance or retirement activities;

h. experience and demonstrated success in implementing Practice Guidelines that promote an evidence-based culture through provider training, fidelity monitoring, and flexible approaches to funding best practices;

i. experience and demonstrated success in implementing program innovations that result in improved administrative and clinical outcomes, including increased access to care by traditionally underserved populations, community tenure, behavioral health - physical health integration and integrated assessment and service delivery for both co-occurring mental illness and substance use disorders and co-occurring mental illness and developmental disabilities;

j. a focus on continuous quality improvement with strategies that:
   i. drive accountability and performance,
   ii. contain valid, reliable metrics for outcome measurement,
   iii. monitor the impact of clinical and other service decisions on behavioral health recipient and provider satisfaction and outcomes, and
   iv. provide adequate oversight of staff making clinical decisions through initial orientation, ongoing training, and formal clinical supervision to ensure that the skills of clinical staff are consistent with best practices while continuously improving;

k. administrative efficiency through technology, including:
   i. a supportive and responsive Information Technology (IT) department,
   ii. automated systems for detection of suspected fraud and abuse,
   iii. data-driven approaches to operationalizing key Contract requirements, including individualized service plans, treatment/service plans, crisis plans, advance directives, network adequacy, UM, and outcomes monitoring,
   iv. experience and demonstrated success in automated linkages to client information for transmission of large data files, such as timely, accurate transmission of encounter files,
   v. safeguards to protect the confidentiality of protected health information,
   vi. experience and demonstrated success in integrating and managing large complex data sets,
   vii. technology supports that drive accurate, timely claims administration, and
   viii. industry-leading reporting capabilities; and

l. a proven track record of being accountable to performance requirements under large, complex contracts, including:
   i. examples of successful achievement of performance thresholds on guarantees that embody the system principles outlined in this Contract,
   ii. acceptance of performance measures, thresholds, and other requirements described in this Contract, and

iii. capability to update performance measures as industry standards and program requirements evolve.

B. OVERVIEW OF ARIZONA'S BEHAVIORAL HEALTH PROGRAM

ADHS is the State agency responsible for administering Arizona's behavioral health programs and services for children, adults and their families. The State's Medicaid agency, the Arizona Health Care Cost Containment System Administration (AHCCCSA), contracts with ADHS, which is the Prepaid Inpatient Health Plan (PIHP) that administers the Medicaid behavioral health benefits for Title XIX and Title XXI acute care child and adult members. Additionally, the Arizona Department of Economic Security/Division of Developmental Disabilities (ADES/DDD) contracts with ADHS to administer the behavioral health benefits for the AHCCCS Arizona Long Term Care System's (ALTCS) DDD eligible members. ADHS is required to administer community-based treatment services for adults who have been determined to have a serious mental illness, as defined by Arizona statute. ADHS is also responsible for administering behavioral health services funded through the two (2) Substance Abuse and Mental Health Services Administration (SAMHSA) Federal block grants: Substance Abuse Prevention and Treatment Performance Partnership (SAPT) and the Community Mental Health Services Performance Partnership (CMHS). ADHS administers other special or discretionary Federal, State, and local grants, as well as specific intergovernmental service agreements (ISAs) (e.g. Maricopa County ISA, City of Phoenix ISA, Arizona Department of Corrections (ADOC) ISA, and Rehabilitative Services Administration ISA).

ADHS contracts with four RBHAs to administer integrated managed care delivery systems in six (6) GSAs throughout Arizona. ADHS has intergovernmental agreements (IGAs) with four (4) Federally recognized Tribal Nations to deliver behavioral health services to eligible behavioral health recipients registered with the Navajo Nation or the Gila River, Pascua Yaqui or Colorado River Indian Tribes. The Gila River and Pascua Yaqui IGAs are structured for the delivery of Tribal RBHA services, that is, behavioral health services for registered members of the respective tribe and managed care functions. The Navajo Nation IGA is for the provision of case management services to enrolled Navajo Nation members and requires the Navajo Nation to perform limited administrative functions. The Colorado River Indian Tribe IGA is for the delivery of non-Medicaid behavioral health services to registered Colorado River Indian Tribes' members.

The successful Offeror awarded the Contract shall operate the RBHA for GSA 6, which includes all of Maricopa County and shall operate this Contract consistent with the following principles.

1. Arizona System Principles for Delivery of Behavioral Health Services

Arizona's behavioral health service delivery system is guided by six system principles. The Contractor shall manage and deliver services in a manner consistent with these principles.

a. Easy Access to Care
   i. Accurate information is readily available in an understandable format that informs behavioral health recipients, family members, and stakeholders how to access services.
   ii. The behavioral health network is organized in a manner that allows for easy access to behavioral health services.
   iii. Services are delivered in a manner, location, and time frame that meet the needs of behavioral health recipients and their families.

b. Behavioral Health Recipient and Family Member Involvement
   i. Behavioral health recipients and family members are active participants in behavioral health delivery system design, prioritization of behavioral health resources, and planning for and evaluating the services provided to them.
   ii. Behavioral health recipients, family members, and other parties involved in the person's and family's lives are central and active participants in the assessment, service planning, and delivery of behavioral health services and connection to natural supports.

c. Collaboration with the Greater Community
   i. Stakeholders, including general medical, child welfare, criminal justice, education, other social service providers and Tribes are actively engaged in the planning and delivery of integrated services to behavioral health recipients and their families.
   ii. Relationships are fostered with stakeholders to maximize access by behavioral health recipients and their families to other needed resources, such as housing, employment, medical and dental care, and other community services.
   iii. Providers of behavioral health services collaborate with community stakeholders to assist behavioral health recipients and family members in achieving their goals.
   iv. Communities and neighborhoods are empowered and supported to identify and address their unique local needs.

d. Effective Innovation
   i. Behavioral health providers are continuously educated in, and use, evidenced-based practices, promising practices, and other best practices.
   ii. The service system recognizes that substance use disorder and other mental health disorders are inextricably intertwined, and integrated substance abuse and mental health assessment and treatment are the community standard.
   iii Behavioral health recipients and family members are offered training and supervision to become, and be retained as, providers of peer support services.

e. Expectation for Improvement
   i. Services are delivered with the explicit goal of assisting behavioral health recipients to achieve and maintain success in recovery, gainful employment, age-appropriate education; living in their own homes; avoidance of delinquency and criminality, self-sufficiency, and meaningful community participation.
   ii. Delivery of services are continuously evaluated and modified if they are ineffective in helping to meet these goals.
   iii Behavioral health providers instill hope that even for the most disadvantaged, achievement of goals and recovery is possible.

f. Cultural Competency
   i. Behavioral health providers are recruited, trained, and evaluated based upon competence in linguistically and culturally appropriate skills for responding to the individual needs of each behavioral health recipient and family member.
   ii. Corporate management reflects cultural diversity in values and action.
   iii. Corporate management and behavioral health service providers strive to improve through cultural sensitivity periodic cultural self-assessment and modification of individual services or the system as a whole, to achieve this goal.

Two (2) other sets of system principles guide operations: Principles for Persons with a Serious Mental Illness http://www.azdhs.gov/bhs/ppsmi.pdf and the Arizona Children's System of Care Vision and Principles http://www.azdhs.gov/bhs/principles.pdf.

Response: Agree ____, Agree with Deviations ____, or Disagree ____
(If Offeror marked "Disagree" or "Agree with Deviations," please provide the rationale and any alternative provision to which Offeror would agree.)

2. Eligible Populations

The Contractor shall be responsible for delivering covered behavioral health services to the following populations:

- Title XIX and Title XXI eligible children and adults;
- DDD eligibility key codes listed in the ADHS/DBHS Provider Manual, except for DDD Title XIX and Title XXI eligible Native Americans enrolled with a Tribal Contractor;
- Persons who are determined to have a serious mental illness in accordance with the Serious Mental Illness Eligibility Determination policy requirements in the ADHS/DBHS Provider Manual; and
- Non-Title XIX and non-Title XXI eligible persons who have not been determined to have a serious mental illness, but are otherwise eligible for behavioral health services, including prevention services.

a. Title XIX and Title XXI Populations

The Contractor shall be responsible for providing all covered behavioral health services to Title XIX and Title XXI populations. As of July 2006, there were approximately 428,000 Title XIX and 53,000 Title XXI eligible individuals in Maricopa County. Approximately 46,700 Title XIX and 1,800 Title XXI eligibles were enrolled as behavioral health recipients with the Maricopa County RBHA at that time. Approximately 15,200 Title XIX and 1,400 Title XXI behavioral health recipients were children. Approximately 23,000 Title XIX and 400 Title XXI behavioral health recipients were adults with general mental health or substance abuse conditions. Persons determined to have a serious mental illness comprised approximately 11,000 of the Title XIX and Title XXI behavioral health recipients.

b. Non-Title XIX and Non-XXI Populations

To the extent that funding is available and allocated to the Contractor, the Contractor is responsible for providing behavioral health services to the following five populations:

i. Non-Title XIX/XXI persons determined to have a serious mental illness;

ii. Non-Title XIX/XXI General Mental Health Adults (GMH) who are adult persons age eighteen and older who have general behavioral health issues and have not been determined to have a serious mental illness;

iii. Non-Title XIX/XXI Substance Abuse Adults (SA) who are adult persons age eighteen (18) and older who have a substance abuse disorder, are a priority population under the SAPT Block Grant, or are referred for DUI screening, education and treatment, and have not been determined to have a serious mental illness;

iv. Non-Title XIX XIX/XXI Children through the age of seventeen who are in need of behavioral health services; and

v. Prevention Participants, defined as any child or adult who participates in prevention programs provided by the Contractor.

In July 2006, there were approximately 7,700 Non-Title XIX/XXI adults with Serious Mental Illness; 11,400 Non Title XIX/XXI adults with General Mental Health or Substance Abuse issues; and 2,400 Non-Title XIX/XXI child behavioral health recipients enrolled in the Maricopa County behavioral health system.

In sum, there were approximately 70,000 behavioral health recipients enrolled in the Maricopa County behavioral health system as of July 2006 that would be served under this Contract. Each month enrollment and eligibility statistics are posted on the ADHS website at the following address: http://azdhs.gov/bhs/enroll_pen.htm.

3. Pending Legislative, Legal, and Regulatory Issues

In addition to the requirements described in this Contract, there may be legislative issues or directives, regulatory changes, or law suits that will have an impact on services delivered by the Contractor on or after the Contract Start Date. The following is a brief description of the issues known to ADHS at this time:

a. Arizona Early Intervention Program (AZEIP). AZEIP is implemented through the coordinated activities of ADES, ADHS, Arizona State Schools for the Deaf and Blind (ASDB), AHCCCSA, and the Arizona Department of Education (ADE). AZEIP is operated under the authority of the Individuals with Disabilities Act, Part C. Through Federal regulation, AZEIP is stipulated as the payor of last resort to Medicaid, and is prohibited from supplanting another entitlement program, including Medicaid. AHCCCSA is currently collaborating with ADES to provide increased Medicaid funding to this program. If Medicaid funding is increased, the Contractor may be required to engage in additional coordination with the AZEIP program.

b. Litigation. There are two (2) lawsuits that have had, and will continue to have an effect on the Contractor's service delivery. The Contractor's obligations regarding the lawsuits are incorporated into the Arizona Administrative Code Title 9. Chapter 21 (A.A.C.-R9-21), the terms of this Contract, and documents

incorporated into this Contract by reference. The following is a brief description of the lawsuits:

i. *Arnold vs. ADHS.* In Maricopa County, *Arnold vs. ADHS* class members have been awarded injunctive relief that compels ADHS to establish and maintain a comprehensive community-based treatment system. A class member under *Arnold vs. ADHS* is a resident of Maricopa County, indigent, has a serious mental illness, and would reasonably benefit from appropriate behavioral health treatment due to his or her mental illness. A priority class member under *Arnold vs. ADHS* is a person who meets all of the above criteria for a class member and is enrolled in the behavioral health system as of the date of the Joint Stipulation on Exit Criteria and Disengagement (Exit Stipulation) or anytime thereafter; is eligible for an extended individual service plan (ISP); and since July 1, 1993, is or has been a resident of the Arizona State Hospital (AzSH), a resident of a supervisory care home, a resident of a twenty-four (24) hour residential program, a jail inmate with a major biological mental illness, hospitalized twice or more in one (1) year or a frequent user of crisis services.

The parties to the litigation have agreed that ADHS will exit the lawsuit when ADHS satisfies certain terms and conditions in the Exit Stipulation and supplemental court orders, including the May 23, 2006 Revised Completion Date for *Arnold vs. ADHS* Requirements for the Joint Stipulation on Exit Criteria and Disengagement, which is a court-ordered obligation. The Court Monitor appointed to oversee ADHS' compliance conducts annual audits to measure compliance with the *Arnold v. ADHS* requirements and modifications to Contract requirements may result. Additional requirements stemming from this lawsuit, are described in five (5) Maricopa County Strategic Plans, incorporated by reference into the terms of this Contract. These plans are the:

1) Arizona Department of Health/Division of Behavioral Health Strategic Plan for Housing for Maricopa County for Individuals With a Serious Mental Illness;
2) Maricopa County Plan for Employment and Rehabilitation;
3) Maricopa County Case Management and Clinical Team Services Plan;
4) Strategic Plan for Dual Diagnosis; and
5) Maricopa County Quality Management Plan.

ii. *JK vs. Gerard.* The JK Settlement Agreement was approved by the U.S. District Court in June 2001. In accordance with the Final Settlement Agreement and its specific requirements, ADHS is required to: foster the development of a Title XIX behavioral health system that delivers services according to the Children's System Vision and Principles; develop and

maintain a statewide training program; add behavioral health respite services; devise and implement a means of allowing RBHAs to contract with licensed Master's level behavioral health professionals; expand Title XIX services; designate $600,000 for the use of flex funds; develop practice guidelines for the monitoring of medications; initiate a 300 Kids Project; develop annual action plans; change the ADHS quality management and improvement system; and involve Plaintiff's counsel and other stakeholders.

Many of these obligations have been successfully implemented; however, ADHS continues to focus attention on overall quality management and improvement as well as ensuring all children and their families are served according to the Children's System Vision and Principles. ADHS continues to develop annual action plans and requires the Contractor to develop RBHA-level and provider-level supporting workplans. These workplans are monitored by ADHS for successful implementation.

ADHS obligations under the Settlement Agreement were due to expire on July 1, 2007. The parties subsequently stipulated that the terms of the Settlement Agreement would be extended to July 1, 2010.

c. Waiver. The AHCCCSA program operates under the authority of a Section 1115 Research and Demonstration Waiver. From time-to-time, AHCCCSA may seek authority to implement new programs or benefits for eligible individuals in Arizona and Maricopa County. Changes to the authority provided by the waiver will likely affect the management of services delivered to eligible individuals in GSA 6 under this Contract and may require Contract amendment.

Response: Agree ____, Agree with Deviations ____, or Disagree ____
(If Offeror marked "Disagree" or "Agree with Deviations" please provide the rationale and any alternative provision to which Offeror would agree.)

C. COVERED BEHAVIORAL HEALTH SERVICES AND MANAGED CARE SERVICE DELIVERY

1. General Requirements

The Contractor shall deliver covered behavioral health services in accordance with the requirements contained in this Contract and the following documents:

a. ADHS/DBHS Policies and Procedures Manual, which contains administrative requirements, http://www.azdhs.gov/bhs/policy.htm;

b. ADHS/DBHS Covered Behavioral Health Services Guide, which provides a full description of covered behavioral health services, including definitions, service standards, provider qualifications, code specific information and billing limitations for each service http://www.azdhs.gov/bhs/bhs_gde.pdf. The ADHS/DBHS Covered Behavioral Health Services Guide specifies funding sources that shall be used to reimburse the provision of covered behavioral health services based upon eligibility of the person and the permissible reimbursement for Title XIX and Title XXI funding. From time to time, ADHS may add or delete specific codes and services; and

c. ADHS/DBHS Provider Manual, which contains service delivery policies, procedures and expectations for providers. The Contractor shall add the Contractor's specific provider operational requirements and information into the ADHS/DBHS Provider Manual. ADHS will provide the Contractor an electronic version of the ADHS/DBHS Provider Manual that allows the Contractor to add Contractor-specific information within the ADHS/DBHS Provider Manual.

Provider Network Organizations will utilize the Contractor-specific version of the Provider Manual for the provision of covered behavioral health services (see Scope of Work, Section C. Covered Behavioral Health Services and Managed Care Service Delivery, 1.c.). The Contractor may add Contractor-specific policies in Section 10 of the Provider Manual that the Contractor requires. Additionally, PNOs may add content to the Provider Manual to comply with the Office of Behavioral Health Licensure (OBHL) requirements (see ADHS/DBHS Policy Clarification Memorandum: Provider Manual OBHL Requirement Additions: http://www.azdhs.gov/bhs/provider/policy_memos.htm). Policies utilized by PNOs may be detailed and specific to requirements established by the Contractor; however, PNO policies must not be contrary or redundant to content already established in the ADHS/DBHS Provider Manual and Contractor edition of the Provider Manual. The ADHS/DBHS Provider Manual is located at http://www.azdhs.gov/bhs/provider/provider_main.htm.

Response: Agree ____, Agree with Deviations ____, or Disagree ____
(If Offeror marked "Disagree' or "Agree with Deviations," please provide the rationale and any alternative provision to which Offeror would agree.)

2. Covered Behavioral Health Services

The Contractor, Provider Network Organizations (PNOs) or qualified service providers shall complete a comprehensive assessment for each enrolled behavioral health

recipient and identify goals and services needed to meet the goals in the behavioral health recipient's individualized service plan. The Contractor, PNOs, or qualified service providers shall deliver the following covered behavioral health services as described in the ADHS/DBHS Covered Behavioral Health Services Guide, in sufficient amount, duration, and scope to reasonably be expected to achieve the purpose for which the services are furnished and to achieve the goals in the individualized service plan:

a. Treatment Services
   Behavioral Health Counseling and Therapy
   Assessment, Evaluation, and Screening Services
   Other Professional Services

b. Rehabilitation Services
   Skills Training and Development
   Psychosocial Rehabilitation Living Skills Training
   Cognitive Rehabilitation
   Behavioral Health Prevention/Promotion Education
   Medication Training and Support Services
   Psycho-educational Services
   Ongoing Support to Maintain Employment

c. Medical Services
   Medication Services (including methadone services)
   Laboratory, Radiology and Medical Imaging
   Medical Management
   Electro-Convulsive Therapy

d. Support Services
   Case Management
   Personal Care Services
   Home Care Training Family (Family Support)
   Home Care Training to Client (formerly known as Therapeutic Foster Care)
   Self-Help/Peer Services (Peer Support)
   Unskilled Respite Care
   Supported Housing Services
   Sign Language or Oral Interpretative Services
   Non-Medically Necessary Covered Services (Flex Funds)
   Transportation

e. Crisis Intervention Services
   Crisis Intervention Services (Mobile)
   Crisis Intervention Services (Stabilization)
   Crisis Intervention Services (Telephone)

f. Inpatient Services
Hospital Services
Sub acute Facility Services
Residential Treatment Center Services

g. Residential Services
Level II Residential Services without room and board
Level III Residential Services without room and board
Mental Health Services NOS (room and board)

h. Behavioral Health Day Programs
Supervised Behavioral Health Treatment and Day Programs
Therapeutic Behavioral Health Services and Day Programs
Community Psychiatric Supportive Treatment and Medical Day Programs

i. Prevention Services

Response: Agree ____, Agree with Deviations ____, or Disagree ____
(If Offeror marked "Disagree' or "Agree with Deviations," please provide the rationale and any alternative provision to which Offeror would agree.)

3. RBHA Service Delivery

ADHS intends through this Contract, to separate the provision of direct service delivery from the behavioral health managed care vendor. If the RBHA elects not to provide, reimburse for or provide coverage of a counseling or referral service because of an objection on moral or religious grounds, it must furnish information about the services it does not cover to ADHS, with its application for a Medicaid contract and whenever it adopts the policy during the term of the Contract.

The Contractor shall establish, operate, monitor, manage and maintain a service delivery model that addresses the following requirements:

a. The Contractor shall directly perform the following managed care services and other related program administrative functions:
   i. Credentialing and Privileging;
   ii. Encounter Processing and Oversight;
   iii. Claims Payment;
   iv. Network Development and Management including:
      1) Crisis Response Network,
      2) PNOs, and
      3) Qualified Service Providers, including
         a. Level I Inpatient Hospitals and Level I Subacute Facilities delivering 24 hour substance use disorder/psychiatric

stabilization services within a reasonable geographic distance of all behavioral health recipients,
b. Community Service Agencies, and
c. Consumer and/or Family Operated Organizations;

v. Customer Services;
vi. Information and Referral;
vii. Care Management;
viii. Utilization Management (including Prior Authorization, Concurrent and Retrospective Review);
ix. Quality Management;
x. Direct Provision and Management of Eligibility Determinations for Persons with Serious Mental Illness;
xi. Financial Management;
xii. Information Management/Technology and Reporting;
xiii. Resolution of Complaints;
xiv. Grievances and Appeals Processing;
xv. Education and Training; and
xvi. Business Continuity, Disaster Recovery and Emergency Preparedness.

b. The Contractor shall establish, operate, monitor and manage the following:
i. Correctional Officer/Offender Liaison (COOL) Program Contract Administration;
ii. Housing Development and Management Contract Administration;
iii. Employment Development and Management Contract Administration;
iv. Maricopa County Jail Diversion Program and Mental Health/Drug Court Program Administration;
v. Pharmacy Benefits Management Administration;
vi. Laboratory and Radiology Services Contract Administration;
vii. PASRR Evaluation Contract Administration;
viii. Sign Language, Translation and Interpretation Contract Administration; and
ix. SAPT Block Grant and CMHS Block Grant Administration.

The Contractor may subcontract with providers for delivery of services related to items i. thorugh ix. above; however, the programs/services/grants will be managed by the Contractor and not through a PNO or the Crisis Response Network.

<u>Response</u>: Agree ____, Agree with Deviations ____, or Disagree ____
(If Offeror marked “Disagree’ or “Agree with Deviations,” please provide the rationale and any alternative provision to which Offeror would agree.)

4. Network Service Delivery

The Contractor shall subcontract with the following entities for the delivery and management of covered behavioral health services:

a. Crisis Response Network

The Contractor shall contract with a county-wide Crisis Response Network Organization (Crisis Response Network) for high-volume, high-cost, or high-risk crisis services for all individuals located in Maricopa County. The Crisis Response Network shall have a sufficient number of qualified staff to deliver services twenty-four (24) hours a day, seven (7) days a week which must be provided when and where the individual needs them, not in connection with a scheduled appointment. The Crisis Response Network shall deliver clinically appropriate crisis intervention, stabilization and resolution services in the most appropriate setting and coordinate appointments for follow-up services within ADHS time frames.

The Crisis Response Network shall provide the following crisis intervention and resolution services:

i. 24/7/365 Telephone Crisis Response Services,
ii. At least two (2) Hopital-based Rapid Response Mobile Teams,
iii. At least two (2) Community-based Mobile Crisis Teams,
iv. At least two (2) Rapid Response Assessment for Children at risk for or removed from their homes,
v. Twenty (20) facility based respite beds and twenty (20) in-home respite beds;
vi. Emergency Transportation;
vii. Level I Crisis Stabilization Services (provider type B7); and
viii. Pre-Petition Screening and Court-Ordered Evaluations.

The Contractor shall manage, monitor, and oversee the operations of the Crisis Response Network. The Crisis Response Network shall directly provide or subcontract with qualified service providers to deliver the covered behavioral health crisis intervention and Level I services listed above.

b. Provider Network Organizations (PNOs)

The Contractor shall contract with vertically integrated PNOs that consist of employed and independently contracted behavioral health professionals and other qualified service providers, including minority and faith-based providers, that collectively provide a continuum of covered behavioral health services, including case management, for adults, children, and families developed pursuant to an individualized, comprehensive service plan. All providers selected by the PNOs must be qualified service providers.

The PNO is responsible for conducting service planning that promotes recovery and resilience, provides prevention services, and includes involvement of the individual, family members, friends, mentors, advocates, practitioners, educators, case managers, the Clinical Liaison, court and agency representatives, ADHS, and the Contractor's personnel, as clinically appropriate and desired by the behavioral health recipient and family.

The PNOs shall be the first to respond to enrolled behavioral health recipients experiencing a behavioral health crisis, but shall not be responsible for inpatient services or mobile crisis response. The Contractor shall include a sanction provision in its subcontract with PNOs to prevent a PNO from shifting service delivery and cost of care to the Crisis Response Network instead of delivering needed covered behavioral health services to their enrolled behavioral health recipients.

Although it is the preference of ADHS that each PNO serve all populations (children/ youth, General Mental Health, Substance Abuse, and persons with serious mental illness), a particular PNO may opt to serve a specific population group County-wide. The PNO shall provide timely access to covered behavioral health services that are effective in achieving individual service plan (ISP) goals and are delivered in a manner consistent with the Arizona System Principles. If the PNO does not offer a needed service, the PNO is responsible for developing the service or subcontracting for the service with another qualified service provider located within or out-of-network. The Contractor shall assure that any cost to a behavioral health recipient receiving services from an out-of-network provider, because services are not available in network, is no greater than if the services were provided by a network provider. In conjunction with the Contractor, the PNO shall oversee the quality of care and covered behavioral health services provided by the PNO and its subcontracted qualified service providers.

5. Qualified Service Providers

For the duration of the Contract, the Contractor shall subcontract for psychiatric inpatient hospital services with qualified service providers that are credentialed, licensed, Medicaid/Medicare certified, and accredited by the Joint Commission on Accreditation of Health Care Organizations under the inpatient standards, if delivering services to persons ages twenty-one (21) years and under. The Contractor shall subcontract with qualified service providers to deliver covered behavioral health services until the PNOs are fully operational or to deliver services that will be directly managed by the Contractor.

Behavioral health recipients have open access and can self-refer to the Provider Network. When an individual requests to access services, *there shall be no wrong door.* The Contractor, the Crisis Response Network, the PNOs, or a qualified service provider

shall respond when an individual requests services. A qualified service provider, PNO, the Crisis Response Network or Contractor personnel shall assist any individual with obtaining services for which the individual is eligible, from the providers best-suited to deliver effective services to him or her.

Response: Agree ____, Agree with Deviations ____, or Disagree ____
(If Offeror marked "Disagree" or "Agree with Deviations," please provide the rationale and any alternative provision to which Offeror would agree.)

6. Integration, Collaboration, and Continuity of Care

a. Integration of Behavioral Health with Primary Care Physicians/Practitioners and Collaboration with AHCCCS Health Plans

The Contractor shall require its subcontracted PNOs and qualified service providers to identify whether a behavioral health recipient has a Primary Care Physician/Practitioner and encourage and assist the individual to engage in primary care. The Contractor shall require its subcontracted PNOs and qualified service providers to seek and share information with the behavioral health recipient's Primary Care Physician/Practitioner and promptly communicate relevant information in accordance with the contract between AHCCCSA and ADHS and governing regulations concerning confidentiality and sharing of health information.

The Contractor shall provide training on and require its subcontracted PNOs and qualified service providers to adhere to the requirements of the AHCCCS/ADHS Psychotropic Medication Initiative. The training shall specify how and when Title XIX and Title XXI behavioral health recipients may receive medications for psychiatric disorders from a health plan Primary Care Physician/Practitioner, and include procedures to ensure that behavioral health recipients do not simultaneously receive psychotropic medications from both a behavioral health provider and the health plan Primary Care Physician/Practitioner. The Contractor shall implement the remedies specified by the State's Psychotropic Medication Initiative if a behavioral health recipient is simultaneously receiving medications from a health plan Primary Care Physician/Practitioner and a behavioral health provider. The Contractor shall pay for psychotropic medications prescribed by its qualified service providers that are included in the ADHS/DBHS Medication Formulary.

The Contractor shall assist behavioral health recipients with establishing a relationship with and making use of their Primary Care Physician/Practitioner for preventive and urgent care. In addition, the Contractor shall have a process to ensure that behavioral health recipients who have urgent or emergent medical needs have access to emergency medical services. The Contractor shall not exclusively rely upon hospital emergency rooms to fulfill this requirement.

The Contractor shall collaborate with Maricopa County AHCCCS Health Plans to address integration of mental health, substance abuse, and primary care service delivery at the system level. The Contractor shall designate a "Health Plan Liaison" to work with the Behavioral Health Coordinators of AHCCCS-contracted health plans on complex cases and overall coordination issues.

To facilitate collaboration with the AHCCCS Health Plans, the Contractor shall meet with each of the AHCCCS Health Plans operating in the GSA on a quarterly basis or more frequently as needed to identify and resolve issues in a timely manner. These meetings shall be held to address coordination of care issues between the two (2) systems, including, at a minimum, sharing information with health plans regarding referral and consultation services and solving identified problems. The meetings shall be facilitated by Contractor staff members that have sufficient program and administrative knowledge and authority to resolve issues.

b. Collaboration with the Arizona State Hospital

The Contractor shall collaborate with the Arizona State Hospital for referrals, census management, coordination of care, discharge planning, and dispute resolution in accordance with the ADHS/DBHS Arizona State Hospital: Effective Utilization and Collaboration Practice Improvement Protocol, http://www.azdhs.gov/bhs/guidance/ash.pdf. The Contractor's collaboration efforts shall include the following activities: diversion of potential admissions to the Arizona State Hospital, as appropriate; prior authorization and coordination of the admission process with the Arizona State Hospital Admissions Office; participation in Arizona State Hospital treatment and discharge planning; oversight of Community Placement Funds and the AzSH Transition Fund to ensure appropriate and timely community support for individuals leaving the Arizona State Hospital including their housing needs; forwarding of available clinical and medical record information upon or shortly after admission; and any other requested communication or collaboration with the Arizona State Hospital.

The Contractor shall pay claims for covered behavioral health services delivered by the Arizona State Hospital to the following populations in accordance with the AHCCCS Fee-For-Service Rate Schedule in effect on the date the service is delivered:

i. Title XIX and Title XXI behavioral health recipients, under the age of twenty-one (21) and over sixty-five (65) years of age, in the same manner as other covered behavioral health services delivered to Title XIX and Title XXI behavioral health recipients, if and to the extent service authorizations are in effect and to the extent that the Arizona State Hospital is a registered AHCCCS provider.

ii. Title XIX behavioral health recipients, ages twenty-one (21) through sixty-four (64), are subject to the Title XIX Institution for Mental Disease (IMD) benefit limitations as outlined in the ADHS/DBHS Provider Manual, the

ADHS/DBHS Covered Behavioral Health Services Guide, the Section 1115 AHCCCS Research and Demonstration Waiver and also to the extent service authorizations are in effect and provided that the Arizona State Hospital is a registered AHCCCS provider.

The Contractor shall deliver sufficient community living arrangements with appropriate supports are available to meet the individual needs of behavioral health recipients upon discharge and shall ensure the appropriate, timely discharge of behavioral health recipients with a serious mental illness from the Arizona State Hospital in accordance with the ADHS/DBHS Arizona State Hospital Clinical Practice Improvement Protocol. The Contractor shall administer the Arizona State Hospital Transition Fund, http://azdhs.gov/bhs/policies/mi5-4.pdf and the Community Placement Funds to meet these objectives.

c. System Collaboration

The Contractor shall collaborate with State and Maricopa County agencies, including the Maricopa County Health Department, AHCCCS Health Plans, Arizona ALTCS, the judicial system, and Tribes that have enrolled tribal members living within the GSA. The Contractor shall address and attempt to resolve coordination of care issues with other State agencies, AHCCCS Health Plans, and Tribes at the lowest possible level of each organization.

The Contractor shall establish specific mechanisms for improving coordination with Tribes and tribal agencies in Maricopa County, including:

i. the full time employment of a Tribal Liaison;
ii. methods to ensure the availability and provision of culturally appropriate care within the network;
iii. methods to coordinate eligibility and service delivery with Urban Indian Health Centers and 638 provider facilities owned and operated by a Native American Tribe and authorized to provide services pursuant to Public Law 93-638, as amended;
iii. methods to elicit routine customer satisfaction and feedback from providers owned and/or operated by a Native American Tribe and located in Maricopa County; and
iv. an annual meeting with Indian Health Service, the Veterans Administration, 638 providers and Urban Indian Centers to coordinate and facilitate behavioral health service delivery.

The Contractor shall utilize the ADHS/DBHS Provider Manual to communicate to qualified service providers, in the applicable content area, any agreed upon Collaboration Plan or AHCCCS collaboration protocols that shall be carried out by providers.

d. Maintaining Continuity of Services

The Contractor shall develop, implement, and monitor written policies and procedures consistent with the ADHS/DBHS Provider Manual, the ADHS/DBHS Policies and Procedures Manual and Network Management requirements regarding continuity of care. In particular, the policies and procedures shall address the following situations:

i. behavioral health recipients whose treating qualified service provider becomes unable to continue service delivery for any reason;
ii. behavioral health recipient transitions to or from another RBHA or PNO or other qualified service provider;
iii. behavioral health recipient transitions to ALTCS;
iv. behavioral health recipient transitions from the children's system to the adult system;
v. behavioral health recipient transitions to and from Indian Health Service or TRBHAs; and
vi. behavioral health recipient discharges from a Level I Inpatient, Subacute or residential treatment center.

Response: Agree ____, Agree with Deviations ____, or Disagree ____
(If Offeror marked "Disagree" or "Agree with Deviations," please provide the rationale and any alternative provision to which Offeror would agree.)

7. Specific Service Components

a. Crisis Response Network

The Contractor shall, at a minimum, develop and maintain the following services through the Crisis Response Network in accordance with the Network Transition Plan and as adjusted annually thereafter in the Annual Provider Network Development and Management Plan:

j. 24/7/365 Telephone Crisis Response Services,
ii. At least two (2) Hopital-based Rapid Response Mobile Teams,
iii. At least two (2) Community-based Mobile Crisis Teams,
iv. At least two (2) Rapid Response Assessment for Children at risk for or removed from their homes,
v. Twenty (20) facility based respite beds and twenty (20) in-home respite beds;
vi. Emergency Transportation;
vii. Level I Crisis Stabilization Services (provider type B7); and
viii. Pre-Petition Screening and Court-Ordered Evaluations.

The Contractor shall require the Crisis Response Network to maintain a twenty-four (24) hour, seven (7) days per week crisis response system with one (1) toll-free crisis telephone number. The crisis telephone number shall be widely publicized within the

GSA, and listed in the resource directory of local telephone books. The Crisis Response Network shall have a sufficient number of qualified staff to operate telephone crisis response lines to meet the service demand of all persons in the GSA (currently 24,000 – 30,000 calls per month), and shall answer within three (3) telephone rings, with a call abandonment rate of less than three percent (3%). Crisis phone response shall include triage, referral, and dispatch of Crisis Response Network qualified service providers as applicable. The Crisis Response Network shall respond to crisis calls in accordance with the immediate and urgent response requirements as outlined in the ADHS/DBHS Provider Manual and have a process to record referrals, dispositions, and overall response time. The Contractor shall have the capacity within its crisis phone response and crisis response services to communicate with individuals who do not speak or understand English. The Contractor shall require the PNOs or other qualified service providers to be the primary contact for crisis calls from enrolled behavioral health recipients that the provider serves.

The Contractor shall require PNOs or qualified service providers to make use of the full range of covered behavioral health services when intervening to stabilize a crisis situation by coordinating the transition of the behavioral health recipient in crisis to clinically indicated services and accessing and utilizing, when clinically appropriate, the behavioral health recipient's crisis plan, if one exists. The Contractor shall require PNOs and qualified service providers that deliver services in response to immediate and urgent needs to intervene and offer resolutions, not merely triage and transfer. The Contractor shall require PNOs and qualified service providers to deliver covered behavioral health services in the least restrictive setting appropriate to meet the needs of the behavioral health recipient, consistent with individual and family needs and community safety.

When a qualified service provider determines that a person receiving services may need court-ordered evaluation pursuant to A.R.S. § 36-520 et seq. (http://www.azleg.state.az.us/FormatDocument.asp?inDoc=/ars/36/00520.htm&Title=36&DocType=ARS), the individual's qualified service provider or assigned Clinical Liaison is required to complete and submit a petition, a pre-petition screening report, and any other relevant documentation to the Legal Department at Maricopa Integrated Health System's (MIHS) Desert Vista Campus for individuals who, as a result of a mental disorder, have become:

- a danger to self (DTS);
- a danger to others (DTO);
- persistently or acutely disabled (PAD); or
- gravely disabled (GD).

For individuals receiving pre-petition screening or court-ordered evaluation or who are referred for court-ordered, medically necessary treatment, the Contractor shall coordinate with the PNO or the appropriate qualified service provider to determine if the

individual is eligible for Title XIX and Title XXI services or eligible for services for persons with serious mental illness, but not yet enrolled. If so, the Contractor shall conduct an assessment to determine if the person meets the criteria for serious mental illness and arrange for the Title XIX and Title XXI eligibility screening.

For Title XIX and Title XXI behavioral health recipients and those determined to qualify for serious mental illness services, the Contractor shall arrange for a behavioral health assessment to identify the person's service needs, and arrange for medically necessary, court-ordered treatment and other covered behavioral health services in accordance with the person's needs.

The Crisis Response Network shall arrange for psychiatric and/or psychological consultations for Title XIX and Title XXI behavioral health recipients in emergency room settings through the use of Hospital-based Rapid Response teams or other available consultants. The person's AHCCCS Health Plan is responsible for all other medical services, including triage, physician assessment, and diagnostic tests for services delivered in an emergency room setting. The Contractor shall collaborate with the behavioral health recipient's health plan to confirm that the health plan has provided the services for which it is responsible.

The Contractor shall develop and maintain a collaborative effort with Tribes, fire, police, emergency medical services, hospital emergency departments, AHCCCS Health Plans, and other providers of public health and safety services to inform them of how to access the crisis response system. The Contractor shall meet regularly with representatives of the Crisis Response Network, fire, police, emergency medical services, and hospital emergency departments to coordinate services and to assess and continuously improve the crisis response system.

The Crisis Response Network shall implement and maintain (24) hour, seven (7) day a week electronic access to crisis plans and advance directives for all behavioral health recipients and families. The PNOs shall have (24) hour, seven (7) day a week electronic access to the crisis plans and advance directives of the individuals and families they serve, as applicable. The Crisis Response Network shall share information with fire, police, hospital emergency departments, and other emergency providers as permitted by Federal and State laws regarding confidentiality.

The Contractor shall be responsible for coordination of care and payment of all Level I inpatient hospital services provided to Title XIX and Title XXI eligible behavioral health recipients when the Contractor or Crisis Response Network has had contact with the behavioral health recipient prior to the admission into the Level I inpatient setting.

The Contractor is responsible for payment of Emergency Services, even if provided by an out-of-network provider. Emergency behavioral health services shall not require prior

authorization and shall be delivered in compliance with the ADHS/DBHS Provider Manual, including the section on Securing Services and Prior Authorization. The Contractor may not deny reimbursement for Emergency Services if Contractor or its subcontractor personnel direct the behavioral health recipient to seek Emergency Services or in cases when the absence of immediate medical attention could reasonably be expected by a prudent layperson to result in serious impairments to bodily functions, serious dysfunction of any bodily organ or part, or placing the health of the behavioral health recipient (or with respect to a pregnant woman, the health of the woman of her unborn child) in serious jeopardy.

Further, the Contractor may not refuse to cover or reimburse a provider for Emergency Services when the emergency room provider, hospital, or fiscal agent does not notify the Contractor or provider of the behavioral health recipient's screening and treatment within ten (10) calendar days of presentation for Emergency Services. A behavioral health recipient who has an Emergency Medical Condition shall not be held liable for payment of subsequent screening and services needed to diagnose the specific condition or stabilize him or her.

The Contractor is responsible for coverage and payment of post-stabilization services provided by in and out-of-network providers that are prior authorized in accordance with the ADHS/DBHS Provider Manual. The Contractor is also responsible for coverage and payment for post-stabilization services delivered by in and out-of-network providers that are <u>not prior-authorized,</u> but are administered within one (1) hour of a request for prior authorization for further post-stabilization services. The attending emergency physician, or the provider actually treating the behavioral health recipient, is responsible for determining when the behavioral health recipient is sufficiently stabilized for transfer or discharge, and that determination is binding on the Contractor.

The Contractor is financially responsible for payment of post-stabilization services delivered by in or out-of-network providers that are <u>not prior-authorized</u>, but administered to maintain, improve or resolve the behavioral health recipient's stabilized condition if:

i. the Contractor does not respond to a request for prior authorization within one (1) hour;
ii. the Contractor cannot be contacted; or
iii. the Contractor and the treating physician cannot reach agreement concerning the behavioral health recipient's care and a Physician Advisor is not available for consultation. In this situation, the Contractor must give the treating physician the opportunity to consult with a Physician Advisor and the treating physician may continue with care of the behavioral health recipient until a Physician Advisor is reached or one (1) of the criteria below is met.

The Contractor's financial responsibility for post-stabilization care for services that were not prior-authorized ends when:

i. a network physician with privileges at the treating hospital assumes responsibility for the behavioral health recipient's care;
ii. a network physician assumes responsibility for the behavioral health recipient's care through transfer;
iii. a Contractor's representative and the treating physician reach an agreement concerning the behavioral health recipient's care; or
iv. the behavioral health recipient is discharged.

The Contractor shall not balance bill, or permit providers to balance bill the behavioral health recipient for post-stabilization services.

Response: Agree ____, Agree with Deviations ____, or Disagree ____
(If Offeror marked "Disagree" or "Agree with Deviations," please provide the rationale and any alternative provision to which Offeror would agree.)

b. Pharmacy Services

The Contractor shall administer pharmacy benefits. The Contractor shall select a pharmacy benefits manager that provides best pricing and rebates for psychiatric medications purchased and report such rebates in accordance with the requirements set forth in the Financial Reporting Guide for Regional Behavioral Health Authorities. The Contractor shall maintain a formulary that, at a minimum, contains the medications listed on the ADHS/DBHS Medication Formulary for Psychotropic Medications (http://azdhs.gov/bhs/md/medlist.pdf). The Contractor may expand its formulary upon the ADHS/DBHS Formulary, but shall not omit any medications included in the ADHS/DBHS Formulary. The Contractor shall obtain the written approval of the ADHS/DBHS Medical Director prior to the use of any prior authorization protocols related to medications. The Contractor shall not propose prior authorization processes or operations that cause undue burden to the behavioral health recipient, prescriber, or pharmacist or that contribute to delays in the behavioral health recipient obtaining a prescribed medication contained on the ADHS/DBHS Formulary. The Contractor shall not propose prior authorization protocols that utilize a "fail first" approach.

The Contractor shall develop and maintain a system for monitoring prescription of psychotropic medications that determines the degree of compliance in accordance with the requirements in the ADHS/DBHS Provider Manual related to psychotropic medications, the ADHS/DBHS QM/UM Plans, and relevant ADHS Clinical Guidance Documents. The Contractor, as part of its monitoring system, shall specify the responsibilities of the Contractor, the PNOs, the Crisis Response Network, and qualified service providers for monitoring psychotropic medications. The Contractor shall cooperate with psychotropic medication monitoring activities conducted by ADHS. The

PNOs, Crisis Response Network and qualified service providers shall comply with all pharmacy requirements and prescribe according to the Formulary.

The Contractor shall establish a Pharmacy and Therapeutics Committee that advises the Contractor regarding the development and maintenance of medication formularies, best practices, proposed prior authorization procedures, and review of prescription patterns and trends.

Response: Agree ____, Agree with Deviations ____, or Disagree ____
(If Offeror marked "Disagree" or "Agree with Deviations," please provide the rationale and any alternative provision to which Offeror would agree.)

c. Pre-Admission Screening and Resident Review (PASRR) Screenings

The Contractor shall administer the PASRR Level II evaluations to determine the appropriateness of admitting persons with mental impairments to Medicaid-certified nursing facilities, to ensure the level of care provided by the nursing facility is needed and whether specialized services for persons with mental impairments are required. The Contractor shall subcontract for these services and ensure that a licensed physician who is Board-certified or Board-eligible in psychiatry conducts PASRR Level II evaluations in accordance with 42 CFR Part §483, Subpart C and the ADHS/DBHS Policies and Procedures Manual. The Contractor shall submit a PASRR Invoice to the ADHS/DBHS Office of Business Operations and Personnel by the 10th day after month end for the previous month.

Response: Agree ____, Agree with Deviations ____, or Disagree ____
(If Offeror marked "Disagree" or "Agree with Deviations," please provide the rationale and any alternative provision to which Offeror would agree.)

d. Serious Mental Illness Eligibility Determination

The Contractor shall directly conduct Serious Mental Illness determinations. The Contractor shall conduct the determinations in compliance with the Serious Mental Illness Eligibility Determination Policy contained in the ADHS/DBHS Provider Manual, (http://www.azdhs.gov/bhs/provider/sec3_10.pdf). The Contractor shall conduct the determinations for all persons who request a determination or those who have a score of fifty (50) or lower on the Global Assessment of Functioning (GAF) Scale and have a qualifying serious mental illness diagnosis. The Contractor, PNOs or qualified service providers shall perform assessments necessary for the Serious Mental Illness determination. The Contractor shall develop and maintain a process to identify and screen youth for potential serious mental illness eligibility prior to turning eighteen (18) years o ld. In addition, the Contractor shall develop and maintain a process to screen for Title XIX eligibility in accordance with the ADHS/DBHS Provider Manual when a person is determined to have serious mental illness.

The Contractor shall consistently apply processes to determine if a person is eligible for serious mental illness services and that determinations are not made based on financial considerations. In applying these processes, the Contractor shall not create barriers to care, for example, excessive expense associated with multiple layers of reviews, beyond what is required by the Serious Mental Illness Eligibility Determination policy.

Response: Agree ____, Agree with Deviations ____, or Disagree ____
(If Offeror marked "Disagree" or "Agree with Deviations," please provide the rationale and any alternative provision to which Offeror would agree.)

e. Housing

The Contractor shall develop and manage a housing continuum for behavioral health recipients with a serious mental illness (Title XIX/XXI and Non Title XIX/XXI), Title XIX/XXI general mental health and substance abuse behavioral health recipients and Title XIX/XXI transition age youth, i.e. youth ages 18 through 24 years inclusive. The Housing Continuum shall include a range of options based upon individual needs. For behavioral health recipients with serious mental illness, the Contractor shall comply with the requirements in the ADHS/DBHS Strategic Plan for Housing for Maricopa County. The Contractor shall subcontract with a Community Development Corporation or other non-profit entity within two (2) months of the Contract Start Date to manage the federal dollar for dollar cash match in the form of housing related support services committed to local non-profit organizations under the HUD Homeless Continuum of Care housing program. The Contractor shall include a continuum of housing options, housing advocacy, networking and resource development as part of a unified and well-coordinated housing program at the RBHA. The Contractor shall submit a plan that outlines the steps and time frames for contracting with a Community Development Corporation or non-profit entity to manage the federally mandated cash match in the form of housing related support services committed to local non-profit organizations as part of their Network Transition Plan described in the Network Development and Management Section of this Contract.

For the interim period, prior to subcontracting with a Community Development Corporation or non-profit entity, the Contractor shall:

i. on an interim basis, work closely with the current non-profit entity, HUD and ADOH to assure that any written commitments of funding of grant funded contracts to local non-profits are continued and that all commitments are met. During the interim period, the Contractor shall be active in the HUD Continuum of Care process, in accordance with the AHDS/DBHS Strategic Plan for Housing for Maricopa County for Individuals with a Serious Mental Illness, to assure all housing providers are accountable to funding agencies as required under the assigned

contract and to assist non-profit organizations in pursuing the renewal of existing housing grants and develop new housing funding resources;

ii. cooperate with any other entity under contract or partnership with ADHS that is administering a supplemental housing or homeless outreach program for ADHS for persons with a serious mental illness, including at a minimum, a subcontractor that is administering a PATH grant for ADHS;

iii. utilize all housing units previously purchased in the GSA, including units acquired through the use of HB2003, *Arnold vs. ADHS* and ComCare Trust funding for purposes of providing housing for persons with a serious mental illness; and

iv. contract with the property management companies under the sponsor-based, tenant-based and project-based housing program currently under the assigned contract.

The Contractor shall meet the requirements listed above as well as the following requirements:

i. maintain a dedicated staff of housing professionals with technical knowledge to collaborate with behavioral health and community housing providers;

ii. maintain a monthly accounting of all behavioral health recipients in its housing program and of its housing and service providers, which is updated monthly;

iii. develop and maintain a semi-annual monitoring plan to conduct housing quality inspection standards tailored to HUD requirements that have been adopted by ADHS/DBHS including the physical plant, taking into account the privacy needs of individual residents as well as the privacy of individuals who live independently. The Contractor shall conduct more frequent monitoring and require corrective action plans for housing projects that have been found to be non-compliant with housing quality standards;

iv. coordinate with the PNOs serving individuals with serious mental illness to provide individuals residing in unlicensed board and care homes and licensed supervisory care homes with opportunities for more independent living;

v. any previously purchased properties and/or those with a current purchase contract for real property or buildings and improvements to buildings (“the property”) purchased by local non-profit organizations under contract with the Contractor, with funds provided by ADHS under the Contract, excluding net profits earned under the Contract.

1) a use restriction in the deed and reversionary clause, and
2) covenants, conditions, or restrictions, or

3) another legal instrument subject to prior written approval by ADHS that requires the property to be used solely for the benefit of behavioral health recipients; and

vi. meet monthly with the Subcontractor's Key Personnel and interested groups, organizations, or individuals identifying themselves as advocates to discuss housing.

f. Annual Housing Plan, Housing Committee, and Disclosures

By October 31, 2007 and subsequently within the first sixty (60) days of each Contract Year, the Contractor shall submit an Annual Housing Spending Plan for development, maintenance, use, and acquisition of housing properties in a format specified by ADHS. The Annual Housing Spending Plan is subject to approval of the ADHS Housing Review Committee. The Contractor shall submit proposals for purchase or acquisition of housing to the Housing Review Committee for approval prior to awarding local non-profit organizations under contract with the Contractor, with funds to purchase new housing projects. The Contractor shall include provider requirements for needed recovery support services to be delivered onsite, if needed, in addition to treatment, medication, and case management services consistent with the needs of tenants in all purchased or leased units in the housing continuum.

Notwithstanding the funding source used, prior to the purchase of any new property, the Contractor shall submit a Notice of Real Property Transactions, including the following:

i. Disclosure to ADHS of the funding source used to purchase the property that clarifies whether the purchase is to be made with funds provided by ADHS under the Contract, with funds from net profits earned under the Contract, or other funds;

ii. Disclosure to ADHS of the financing arrangements made to purchase the property; and

ii. If the property is purchased with funds provided by ADHS under the Contract, submit to ADHS, for prior approval, a property acquisition application consistent with the prior approved Housing Spending Plan which will contain the use restrictions and covenants, conditions or restrictions, rule of eight (8) waiver, or another legal instrument that ensures the property is used solely for the benefit of behavioral health recipients and that failure to comply with the use restrictions allows the State to take title to the property or otherwise enforce the restrictions.

Response: Agree ____, Agree with Deviations ____, or Disagree ____
(If Offeror marked "Disagree" or "Agree with Deviations," please provide the rationale and any alternative provision to which Offeror would agree.)

g. Sign Language, Translation, and Interpreter Services

The Contractor shall administer sign language, translation and interpreter services. The Contractor shall subcontract with qualified service providers to deliver sign language, translation, and interpretation services. The Contractor shall monitor the qualified service providers to ensure that these covered behavioral health services are delivered to behavioral health recipients in accordance with the requirements of this Contract and all documents incorporated by reference.

h. Laboratory and Radiology Services

The Contractor shall administer laboratory and radiology services. The Contractor shall subcontract with qualified services providers to deliver laboratory and radiology services. The Contractor shall monitor the qualified service providers to ensure that these covered behavioral health services are delivered to behavioral health recipients in accordance with the requirements of this Contract and all documents incorporated by reference.

i. COOL Program

The COOL Program addresses the substance abuse services and behavioral health needs of high-risk offenders on parole from the ADOC. The COOL Program provides designated staff and additional funding for offenders requiring treatment and support services in the community.

The Contractor shall administer the COOL Program. The Contractor shall subcontract or require PNOs to subcontract for the COOL Program in accordance with the ADHS/DBHS Provider Manual by coordinating service referrals and appropriate service placements of offenders with ADOC parole officers and overseeing of services and agencies serving COOL participants, including submission of attendance verification and non-compliance reports. The Contractor shall monitor the qualified service providers and/or the PNOs to ensure that these covered behavioral health services are delivered to behavioral health recipients in accordance with the requirements of this Contract and all documents incorporated by reference.

As part of the COOL Program, the Contractor shall have an Administrator oversee COOL services and serve as the single point-of-contact for the COOL Program. The Contractor's ability to hire additional staff is based on the availability of funds each fiscal year. The Contractor shall submit to ADHS the COOL Quarterly Report in accordance with the ADHS/DBHS Provider Manual and Exhibit A of this Contract.

j. Jail Diversion and Court-Involved Programs

The Contractor shall administer the Jail Diversion program and all court-involved programs. The Contractor shall subcontract with qualified service providers or PNOs to deliver Jail Diversion and court-involved program services. The Contractor shall collaborate with agencies responsible for the administration of jails, prisons and juvenile detention facilities to coordinate the discharge and transition of incarcerated adults and children for the continuation of prescribed medication and other behavioral health services prior to re-entry to the community. For adults with serious mental illness, the Contractor shall subcontract or require the PNOs to subcontract for the post-booking, jail diversion teams at the County's booking facilities. The Contractor shall develop and maintain a similar model for detained juveniles.

The Contractor shall implement pre-booking diversion strategies, including police officer education on behavioral health resources and intervention prior to booking and identification of behavioral health conditions in adults and children, and de-escalation of volatile situations to prevent the use of lethal force.

The Contractor shall employ professional staff with knowledge of the mental health courts, drug courts, family courts, and juvenile courts in Maricopa County to serve as court liaisons to improve access to behavioral health services for eligible individuals under the jurisdiction of a court.

Response: Agree ____, Agree with Deviations ____, or Disagree ____
(If Offeror marked "Disagree" or "Agree with Deviations," please provide the rationale and any alternative provision to which Offeror would agree.)

k. Employment Services

The Contractor shall administer a continuum of vocational, employment, and business development services to assist Title XIX and Title XXI eligible members, including transition age youth, and non-Title XIX members with a serious mental illness to achieve their employment goals. For persons with serious mental illness, the Contractor shall comply with the requirements in the ADHS/DBHS Strategic Plan for Employment and Rehabilitation. The Contractor shall ensure the PNOs subcontract for the continuum of vocational, employment, and business development services. The Contractor shall monitor the PNOs to ensure these covered behavioral health services are delivered in accordance with the requirements of this Contract and all documents incorporated by reference.

The Contractor shall maintain professional staff with knowledge about Psychiatric Rehabilitation, supported and competitive employment, consumer-operated businesses, and the Vocational Rehabilitation system operated by the Department of Economic Security.

The Contractor shall comply with the requirements in any Interagency Services Agreement established by ADHS to provide vocational and employment resources.

Response: Agree ____, Agree with Deviations ____, or Disagree ____
(If Offeror marked "Disagree" or "Agree with Deviations," please provide the rationale and any alternative provision to which Offeror would agree.)

l. Prevention Services

The Contractor shall subcontract with the PNOs for primary prevention services, in accordance with ADHS/DBHS Covered Behavioral Health Services Guide and the ADHS/DBHS Prevention Framework for Behavioral Health (http://azdhs.gov/bhs/scanned/preventfrmwk.pdf). The Contractor shall provide prevention services for non-enrolled persons, their families, and communities to reduce the risk of development or emergence of behavioral health disorders, to improve overall behavioral health status in targeted families and communities and to facilitate referrals for covered behavioral health services for persons with identified needs. There are no eligibility requirements for prevention services.

The Contractor shall develop and maintain prevention strategies to target key populations and areas identified by ADHS in the prevention of substance abuse and substance abuse-related consequences, including child abuse and suicide based on: 1) identified risk factors, and 2) targeting communities and neighborhoods with a high proportion of low-income persons.

The Contractor shall submit an annual report to ADHS describing the Contractor's prevention program and prevention activities in a format in accordance with the ADHS/DBHS Prevention Framework for Behavioral Health.

Response: Agree ____, Agree with Deviations ____, or Disagree ____
(If Offeror marked "Disagree" or "Agree with Deviations," please provide the rationale and any alternative provision to which Offeror would agree.)

8. PNO Service Delivery Requirements for Persons Determined to have a Serious Mental Illness

a. General Requirements

The Contractor shall provide covered behavioral health services to adults with serious mental illness by subcontracting with vertically integrated Provider Network Organizations (PNOs). The Contractor shall require PNOs to be recovery-oriented networks of qualified service providers that conduct individualized service planning, coordinate delivery of covered behavioral health services, and deliver individualized services tailored to the needs of the person. The Contractor shall require each PNO to

deliver all of the covered behavioral health services not otherwise delivered by the Crisis Response Network or the Contractor.

b. Service Delivery

The Contractor shall subcontract with and continuously maintain two (2) PNOs serving persons with serious mental illness in order to provide behavioral health recipients with choice of a PNO and case manager. The Contractor shall require each PNO to deliver covered behavioral health services for the entire Maricopa County GSA. The Contractor shall subcontract for no more than two (2) PNOs serving persons with serious mental illness during the 24 months after the Contract Start Date. Any expansion in the number of PNOs shall be prior approved by ADHS as part of the Contractor's Annual Provider Network Development and Management Plan. The Contractor shall provide technical assistance as needed to qualified service providers forming a PNO.

The Contractor shall require the PNO to provide the first response to the PNO's behavioral health recipients experiencing a crisis. The Contractor shall require PNOs serving persons with serious mental illness to deliver covered behavioral health services consistently and approach service delivery applying the recovery principles described in this Contract including all documents incorporated by reference. The Contractor shall manage the service delivery system for persons determined to have serious mental illness and their families in compliance with State law and in accordance with the ADHS/DBHS Principles for Persons with a Serious Mental Illness (http://www.azdhs.gov/bhs/ppsmi.pdf).

The Contractor shall create and implement financial and other incentives in its subcontracts with PNOs and qualified service providers to promote the delivery of support, rehabilitation, vocational, employment, and substance abuse services in the home or community-based settings as opposed to the qualified service provider's office, unless clinically appropriate and supported by best practice. For example, exceptions may include residential substance abuse treatment and office-based peer or living skill groups.

c. Case Management and Clinical Liaison

For persons with serious mental illness, the Contractor shall require PNOs and qualified service providers assign a credentialed and privileged Clinical Liaison (http://www.azdhs.gov/bhs/provider/sec3_20.pdf) to coordinate, develop and implement the person's Individual Service Plan (ISP) and other duties in accordance with the ADHS/DBHS Provider Manual (http://www.azdhs.gov/bhs/provider/sec3_7.pdf). The Contractor shall develop and keep current a database that identifies a person's assigned Clinical Liaison and contact information for the Clinical Liaison. The Contractor shall allow the

Crisis Response Network and its qualified service providers to have “read only” access to this database.

The Contractor shall require each PNO to directly provide case management services through case managers assigned to each person with a serious mental illness. The Contractor shall require the PNO to segregate the delivery of case management services by the person’s assigned case manager from all other services delivered by the PNO. The Contractor shall deliver case management services consistently across all PNOs in accordance with the standards and levels of intensity necessary to meet the needs of the person in compliance with the Maricopa County Case Management and Clinical Team Services Plan. The Contractor shall enforce this requirement through monitoring, oversight, and intervention, including imposing corrective actions, notices to cure, sanctions, or other contractual remedies.

The Contractor shall require the PNO to deliver timely case management services, which include, at a minimum, a referral to a qualified service provider for covered behavioral health treatment services based on the needs of the person and follow-up to ensure that those services are delivered in a timely manner. If the follow-up reveals that the needed covered behavioral health services were not delivered, the case manager or Clinical Liaison shall refer the unmet need to the Contractor’s Provider Network Management department and enter the unmet need into the shared database constructed for this purpose as described in this Contract.

d. Case Management and Clinical Team Work Plan

The Contractor shall submit to ADHS a Case Management and Clinical Team Work Plan (Work Plan) that describes, in detail, the process to implement and complete all provisions in the Maricopa County Case Management and Clinical Team Services Plan, including goals, objectives, strategies, and methods to implement all provisions of the Maricopa County Case Management and Clinical Team Services Plan. The Work Plan shall, at a minimum, address the following:

i. specific action steps to implement the Case Management and Clinical Team Plan, completion dates for each action step, and a final date when the Case Management and Clinical Team Plan will be fully implemented;
ii. maintenance of the caseload ratios for Assertive, Supportive, and Connective Case Management teams, taking into account the continued expected growth of Maricopa County’s population;
iii. the method(s) utilized to determine a behavioral health recipient’s acuity level and a corresponding process to assign a behavioral health recipient to an Assertive, Supportive, or Connective Case Management team;

iv. the method(s) utilized to determine when a behavioral health recipient's acuity level changes and a corresponding process to reassign a client to an Assertive, Supportive, or Connective Case Management team; and

v. roles and duties performed by each clinical team member and the composition of the team within each case management intensity level, including the requirement that ACT Team psychiatrists are board-certified or board eligible, hold an active Arizona license, reside in Arizona and are regular employees of subcontractors of the Contractor.

Within ninety (90) days of the Contract Start Date, the Contractor shall submit the Work Plan to ADHS as part of the Network Transition Plan referenced in the Network Development and Management Section of this Contract. The Contractor shall begin implementation of the Work Plan within one hundred and twenty (120) days of the Contract Start Date.

e. PNO Policies and Procedures

The Contractor shall supplement the ADHS/DBHS Provider Manual template where applicable to require the PNOs to:

i. provide timely access for adult behavioral health recipients with a serious mental illness to a comprehensive array of recovery-oriented, covered behavioral health services. The PNO shall deliver covered behavioral health services either directly or through subcontracts with other qualified service providers;

ii. provide a Clinical Liaison and case management services in accordance with the Maricopa County Case Management and Clinical Team Services Plan including provision of one (1) of three (3) levels of intensity (e.g., Assertive, Supportive, and Connective) whichever is appropriate for the behavioral health recipient's needs taking into consideration his or her preferences; and the facilitation of individualized service planning that meets the requirements of the Practice Protocol for Adult Clinical Teams http://www.azdhs.gov/bhs/tact.pdf;

iii. offer behavioral health recipients a choice of providers within the PNO network;

iv. coordinate treatment services with system stakeholders, including Tribes, Primary Care Physicians/Practitioners, ALTCS, ADES Rehabilitative Service Administration (RSA), DDD, Child Protective Services, the justice system, the educational system, the Contractor, the Crisis Response Network, other PNOs, and qualified service providers, such as, inpatient psychiatric hospitals, the Arizona State Hospital, and housing providers;

v. conduct service planning that actively addresses recovery goals, including psychosocial rehabilitation and employment or the vocational rehabilitation needs of behavioral health recipients;

vi. actively include, with the permission of an adult with a serious mental illness, all providers serving the behavioral health recipient, family members or significant others, advocates, and other interested parties in service planning:

vii. therapeutically engage behavioral health recipients to prevent crises by identifying stressors and events that precipitate crisis, develop crisis plans and advance directives as a routine part of the ISP, intervene in early stages of distress, and provide crisis support on a walk-in or telephonic basis during business hours. The Contractor shall require PNOs to have a behavioral health professional available to respond to a behavioral health recipient's crisis, and to consult with the Crisis Response Network during non-business hours. The Contractor shall require the PNO to respond first when a behavioral health recipient is in crisis and to assist mobile crisis teams when the team responds to a crisis, but the PNO is not required to have a twenty-four (24)-hour a day mobile crisis capacity;

viii. demonstrate capacity to serve the children and youth of its behavioral health recipients or establish an active, collaborative affiliation with a PNO that serves children, youth, and their families;

ix. identify in the ISP and deliver covered behavioral health services for substance abuse issues, when indicated; and

x. require a Rehabilitation Specialist to:

1) be available for consultation to every clinical team;

2) educate team members regarding the importance of meaningful community activities;

3) collaborate with PNOs and qualified service providers to advocate for rapid service access and progress toward achieving a behavioral health recipient's employment goals.

4) deliver rehabilitation services in accordance with the Maricopa County Plan for Employment and Rehabilitation (http://www.azdhs.gov/bhs/employrehabplan.pdf); and

a. in conjunction with the clinical team, identify in each behavioral health recipient's ISP the following:

a) a specifically identified career or rehabilitation plan in accordance with the behavioral health recipient's goals, that is recovery-based and assists the behavioral health recipient to achieve self-sufficiency,

b) an assessment of vocational strengths and career or rehabilitation plan development,

c) engagement of behavioral health recipients in the process of setting goals and identifying services,

d) linkage between behavioral health recipients to covered behavioral health services,

e) facilitation of direct job placement as appropriate, and

f) collaboration with an RSA Counselor (if applicable).

Response: Agree ____, Agree with Deviations ____, or Disagree ____
(If Offeror marked "Disagree" or "Agree with Deviations," please provide the rationale and any alternative provision to which Offeror would agree.)

9. PNO Service Delivery Requirements for Services Delivered to Children

a. General Requirements

Currently there are seven (7) Comprehensive Service Providers (CSPs) in GSA 6, comprised of networks of providers that serve children, youth and families. Because the CSPs are provider network organizations, each CSP will be referred to as a Children's PNO. The Contractor shall provide technical assistance as needed to qualified service providers forming a Children's PNO.

As of the Contract Start Date, the Contractor shall subcontract with at least three (3) and no more than four (4) Children's PNOs in accordance with the overall PNO structure as described in the Network Development section of this Contract.

The Contractor shall require Children's PNOs and qualified service providers to deliver covered behavioral health services to children, youth, and their families in accordance with the Children's System of Care Principles, (http://www.azdhs.gov/bhs/principles.pdf), and through the Child and Family Team Practice model, (http://www.azdhs.gov/bhs/guidance/cft.pdf, and http://www.azdhs.gov/bhs/guidance/cfttad.pdf).

b. Service Delivery

In order to support the ADHS vision of creating a service delivery system for children and families that promotes the provision of support and rehabilitation services, treatment services and natural supports, the Contractor shall create and implement financial and other incentives in its subcontracts with Children's PNOs and qualified service providers to promote the delivery of support, rehabilitation and substance abuse services in the home or community-based settings as opposed to the qualified service provider's office, unless clinically appropriate and supported by best practice. In order to promote the delivery of community-based covered behavioral health services, the Contractor shall create and implement tiered reimbursement rates for Level I Inpatient Hospital and residential service providers to reflect the relative decrease in intensity of needed services within each setting over time. If the Level I Hospital or residential service provider can demonstrate that the service intensity remains unavoidably high following the initial admission and assessment period or that discharge is prevented due to an absence of an appropriate discharge setting, the highest tier of rates shall apply. The Contractor shall create and implement in its subcontracts with Children's PNOs and qualified service providers financial incentives for covered behavioral health services

provided in an out-of-office setting when clinically indicated and when supported by best practice.

In accordance with the Children's System of Care Principles, and to the greatest extent possible, the Contractor shall require Children's PNOs and qualified service providers to deliver covered behavioral health services to children, youth, and families in their home and community. The Contractor shall require Children's PNOs and qualified service providers to deliver covered behavioral health rehabilitation and support services, including in-home and out-of-home respite in a time frame identified by the Child and Family Team. The Contractor shall require Children's PNOs to monitor utilization of out-of-home covered behavioral health services and require utilization of Home Care Training to Client (formerly known as Therapeutic Foster Care) including outpatient support services delivered in the home as an alternative to Level I Inpatient Hospital and Residential services when clinically indicated. The Contractor shall require Children's PNOs to comply with service expectations in the Out-of-Home Care Services Practice Protocol, http://www.azdhs.gov/bhs/guidance/oohcs.pdf. When all available in-state placement options have been exhausted, the Contractor, in collaboration with the Child and Family Team, may determine that it is medically necessary for a child or adolescent to receive out-of-state Level I Inpatient Hospital or Residential services. Prior to approving out-of-state Level I Inpatient Hospital or Residential services, the Contractor shall:

i. ensure that the Level I Inpatient Hospital or Residential services are delivered in accordance with the ADHS/DBHS Provider Manual; and
ii. submit to ADHS an Initial Out-of-State Placement Notification concurrent with the placement.

When out-of-state placements occur, the Contactor shall submit the Quarterly Out-of-State Placements Summary to the ADHS Medical Director in accordance with Exhibit A of this Contract and ADHS/DBHS Policies and Procedures.

In accordance with ADHS/DBHS The Unique Needs of Children, Youth, and Families Involved with CPS Practice Protocol (http://www.azdhs.gov/bhs/guidance/unique_cps.pdf), the Contractor shall require the Children's PNOs and qualified service providers to retain behavioral health professionals with clinical knowledge and expertise to identify the unique clinical service needs and deliver clinically indicated covered behavioral health services to children placed in out-of-home settings by Child Protective Services (CPS) and children enrolled in the Arizona Department of Economic Security (ADES) adoption subsidy program.

The Contractor shall require Children's PNOs and qualified service providers to, at a minimum:

i. co-locate qualified service providers in ADES/Child Protective Service offices;

ii. hold regular meetings between the Contractor, Children's PNOs, qualified service providers and local CPS staff to coordinate the delivery of covered behavioral health services;
iii. jointly develop training curriculum and training opportunities, especially for newly hired staff for the Contractor, Children's PNO, qualified service provider, and CPS staff;
iv. jointly collaborate with the juvenile justice system staff to coordinate and deliver covered behavioral health services to children and youth who are at risk to enter the ADES/CPS system, including children of parents who are or have been incarcerated;
v. jointly collaborate with the juvenile justice system and DES/CPS to prevent unnecessary out-of-home placements and to assist in stabilizing children and youth in their homes or in a home-like service setting by delivering medically necessary covered behavioral health services; and
vi. subcontract with qualified service providers that demonstrate clinical expertise in delivering covered behavioral health services to children and youth who have experienced abuse, neglect, separation, abandonment, trauma or adoption.

c. Clinical Liaison

The Contractor shall require Children's PNOs and qualified service providers to assign to all Title XIX and Title XXI children a credentialed and privileged Clinical Liaison to coordinate comprehensive service planning in accordance with the ADHS/DBHS Provider Manual. The Contractor shall develop and maintain a current database that identifies each child's assigned Clinical Liaison and contact information for the Clinical Liaison. The Crisis Response Network shall have "read only" access to this database. The Clinical Liaison shall be a member of the Child and Family Team.

d. Case Management

The Contractor shall require each Children's PNO to employ case managers to deliver case management services to Title XIX and Title XXI eligible High Complexity/High Intensity Children (see RFP Library for resource material for offerors). The Contractor shall require the Children's PNO to segregate the delivery of case management services from all other services delivered by the Children's PNO. The Contractor shall require the Children's PNO to deliver case management services consistently across all Children's PNOs in accordance with the standards and levels of intensity necessary to meet the needs of the child. The Contractor shall enforce this requirement through monitoring, oversight, and intervention, including imposing corrective actions, notices to cure, sanctions, or other contractual remedies. The Case Manager shall be a member of the Child and Family Team.

e. Children's System of Care Work Plan

On or before November 15th of each year, the Contractor shall submit to the ADHS Office of the Medical Director an Annual Children's System of Care Work Plan (Contractor Work Plan) that contains specific action steps and measurable outcomes that are aligned with the goals and objectives in the statewide ADHS Annual Children's System of Care Work Plan. The Contractor Work Plan shall take into account regional needs and incorporate region-wide, network-specific goals and objectives. The Contractor Work Plan shall include Child and Family Team expansion goals and objectives to achieve the outcome that all children/youth who have been enrolled for more than 90 days have functioning Child and Family Teams (CFTs). The Contractor shall align the Contractor's Work Plan with the network expansion goals in the Contractor's Annual Provider Network Development and Management Plan. The Contractor and its Children's PNOs shall participate in the annual planning process and shall invite family members and other community stakeholders to participate. The Contractor Work Plan is subject to ADHS approval. The Contractor shall submit progress reports as established by ADHS.

f. Child PNO Policies and Procedures

The Contractor shall require Children's PNOs to create and implement policies and procedures that address:

i. timely access to a comprehensive array of resiliency-oriented covered behavioral health services for children;
ii. delivery of covered behavioral health services directly or through subcontracts with other qualified service providers;
v. assignment of a Clinical Liaison to each Title XIX and Title XXI eligible child to support service planning in accordance with the Practice Protocols for Child and Family Teams (http://www.azdhs.gov/bhs/guidance/cft.pdf), and The Child and Family Team Process, (http://www.azdhs.gov/bhs/guidance/cfttad.pdf);
vi. assignment of a case manager to each High Complexity/High Intensity Title XIX/XXI child;
v. provision of choice of qualified service providers within the Children's PNO;
vi. requiring qualified service providers to ask families/guardians the preferred time and location at which they would like to receive services and documenting the response in the child's medical record;
vii. referrals and follow up to referrals to support and rehabilitation qualified service providers that deliver living skills training, respite, personal assistance, and family support to children and families;
viii. collaboration with agencies involved in the child's treatment/service plan and covered behavioral health service delivery, the Primary Care

Physician/Practitioner, the Contractor, schools, system stakeholders and hospitals to coordinate service delivery and care;

ix. capacity to directly deliver covered behavioral health services to family members of child and youth behavioral health recipients or subcontracting with an Adult PNO to coordinate service delivery and care between the Children's PNO and the Adult PNO serving the family member(s);

x. collaboration with family members to prevent crises, develop crisis plans, intervene in early stages of distress, and provide crisis services;

xi. availability of behavioral health professional(s) that deliver services to the child and family to consult with the Crisis Response Network or its provider during non-business hours;

xii. assessment of age appropriate substance abuse treatment or rehabilitation needs for its behavioral health recipients in service planning;

xiii. a written protocol that describes how to access respite services; and

xiv. development of the capacity to deliver child and adolescent substance abuse treatment services in accordance with the Contractor's Annual Provider Network Development and Management Plan.

Response: Agree ____, Agree with Deviations ____, or Disagree ____
(If Offeror marked "Disagree" or "Agree with Deviations," please provide the rationale and any alternative provision to which Offeror would agree.)

10. PNO Service Requirements for Adults with General Mental Health or Substance Abuse Disorders

By the end of the third Contract year, the Contractor shall require PNOs to provide covered behavioral health services to the General Mental Health and Substance Abuse populations so integrated services for all adults will be provided through the PNOs. By the thirtieth (30th) month, the Contractor shall require PNOs to deliver covered behavioral health services to at least fifty percent (50%) of the General Mental Health and Substance Abuse populations. By the end of the third Contract year, the Contractor shall require PNOs to deliver covered behavioral health services to one hundred percent (100%) of the General Mental Health and Substance Abuse populations. During the interim period when PNOs are not delivering covered behavioral health services to the General Mental Health and Substance Abuse populations, the Contractor shall develop and maintain a network of qualified service providers to serve these populations. Further, the Contractor shall provide technical assistance as needed to qualified service providers forming a PNO.

a. General Requirements

Behavioral health recipients diagnosed with General Mental Health and/or Substance Abuse disorders present with a range of substance use conditions and mental illness that do not meet eligibility criteria for serious mental illness services. Substance use

disorders may vary in severity over time, from problematic, short-term use/abuse of substances to severe and chronic disorders requiring long-term, sustained treatment and recovery management. The Contractor and Crisis Response Network shall subcontract with qualified service providers that have the capacity to deliver a service continuum of culturally competent General Mental Health and Substance Abuse disorder services and supports that meet the individualized needs of behavioral health recipients for education, brief intervention, acute stabilization/detoxification, treatment, and long-term recovery management for substance abuse/dependence problems, including co-occurring mental illnesses and general mental health conditions.

For non-Title XIX/XXI eligible behavioral health recipients with general mental health or substance abuse conditions, the Contractor shall provide certain medically necessary court-ordered treatment services through the PNOs or from qualified service providers until the PNOs are established. Court-ordered DUI screening and DUI education shall be provided based upon available funding. Court ordered treatment for drug and alcohol use disorders and general mental health conditions may be provided based upon available funding.

b. Service Provision for General Mental Health and Substance Use Disorders

The Contractor shall require PNOs and qualified service providers and the Crisis Response Network to develop and deliver services that meet the individualized needs of behavioral health recipients with mental health and/or substance use disorders and their children and family members that:

i. are designed to reduce the intensity, severity, and duration of substance use and the number of relapse events, including a focus on life factors that support long-term recovery;
ii. provide ongoing monitoring of service delivery, feedback to the behavioral health recipients about progress in treatment, and re-engagement of the behavioral health recipient into treatment based on changing needs of the behavioral health recipient;
iii. treat the family as a unit and include the family in the treatment process, when determined to be clinically appropriate;
iv. provide assessments of behavioral health recipients for co-occurring mental health conditions and physical disability/disease;
v. collaborate with a mental health provider or physical health provider to coordinate care, when appropriate;
vi. provide opportunities, when appropriate, for behavioral health recipients to enter or return to the workforce;
vii. provide physician oversight of medical treatments, medications, including methadone and buprenorphine, and detoxification for persons with substance abuse disorders as part of a service continuum of services that are rehabilitative and directed to long-term recovery management;

viii. collaborate with behavioral health qualified service providers and natural supports to coordinate care and reduce premature discharge, disenrollment or termination of services;
ix. assess and treat mental health and substance use disorders in adults, adolescents, and their families through competent staff; and
x. utilize evidence-based and best practices in treating behavioral health recipients with substance use disorders.

The Contractor shall require PNOs and qualified service providers to deliver covered behavioral health rehabilitation and support services within a time frame needed by the individual and family. The Contractor shall provide financial incentives for qualified service providers and PNOs to provide rehabilitation and support services, including peer support and employment services.

The Contractor shall require PNOs and qualified service providers to therapeutically engage behavioral health recipients to prevent crises by identifying stressors and events that precipitate crises, develop crisis plans and advance directives as a routine part of the ISP and intervene in early stages of distress, and provide crisis support on a walk-in basis during business hours and a telephonic basis after hours.

c. Clinical Liaison

For all Title XIX and Title XXI General Mental Health and Substance Abuse services and all pregnant substance abusing women, the Contractor shall require PNOs to assign a credentialed and privileged Clinical Liaison (http://www.azdhs.gov/bhs/provider/sec3_20.pdf) responsible for coordinating comprehensive service planning and implementation of the treatment plan. The Clinical Liaison shall comply with the duties of a Clinical Liaison in accordance with the ADHS/DBHS Provider Manual (http://www.azdhs.gov/bhs/provider/sec3_7.pdf). The Contractor shall develop and keep current a database that identifies a person's assigned Clinical Liaison and contact information for the Clinical Liaison. The Crisis Response Network and its qualified service providers shall have "read only" access to this database.

Response: Agree ____, Agree with Deviations ____, or Disagree ____
(If Offeror marked "Disagree" or "Agree with Deviations," please provide the rationale and any alternative provision to which Offeror would agree.)

11. The Substance Abuse Prevention and Treatment Performance Partnership Block Grant (SAPT) Service Delivery Requirements

The Contractor shall require its PNOs, qualified service providers, and the Crisis Response Network to develop programs and deliver services for Priority Populations in accordance with the requirements of the SAPT Block Grant and the ADHS/DBHS

Provider Manual. These programs and services shall be available to all behavioral health recipients based upon clinical necessity and the availability of funds.

The SAPT Block Grant (http://www.azdhs.gov/bhs/sapt.htm) is an annual formula grant to the states authorized by the U.S. Congress to support a national system of substance abuse treatment and prevention programs and services. ADHS is the designated Single State Agency to administer the SAPT Block Grant in Arizona. The SAPT Block Grant supports primary prevention and treatment services for priority substance abuse populations and others through an annual allocation to Arizona.

The Contractor shall establish program and financial management procedures for services funded under the SAPT Block Grant to meet all requirements in this Contract, the ADHS/DBHS Provider Manual, and the requirements of The Children's Health Act of 2000 and 45 CFR Part 96 as amended. The Contractor's management procedures shall include reporting and monitoring requirements that verify that prevention and treatment services are delivered at a level commensurate with funding under the SAPT Block Grant.

The Contractor's obligation to deliver SAPT Block Grant funded services are based on the availability of funds. The Contractor shall prioritize expenditure of SAPT Block Grant funds and delivery of services as follows:

i. treatment and long-term recovery support services for pregnant women and teenagers who use substances, persons who use drugs by injection, and women/teenagers with young (dependent) children and their families;
ii. HIV early intervention services at the site where behavioral health recipients receive covered behavioral health services for their substance use; and
iii. primary prevention services to individuals and families who do not require covered behavioral health services.

ADHS establishes minimum expenditure levels for Priority SAPT populations through its annual schedule of non-Title XIX and non-Title XXI funding. Upon meeting service requirements for women with children, the Contractor shall develop or expand network services for other populations requiring substance abuse interventions and supports, including homeless individuals, sight/hearing impaired, criminal justice populations and persons with co-occurring mental health disorders, provided SAPT Block Grant funds are available and tracked for an authorized purpose. The Contractor shall submit to ADHS the HIV Quarterly Activity Report, SAPT Wait List Report and the Annual Prevention Report in accordance with the ADHS/DBHS Provider Manual, ADHS/DBHS Prevention Framework for Behavioral Health and Exhibit A of this Contract.

a. Program Requirements for Women and Their Dependent Children

The Contractor shall require PNOs and qualified service providers to deliver medically necessary covered behavioral health services in accordance with the ADHS/DBHS Provider Manual to each pregnant woman who requests and is in need of substance use disorder treatment within forty-eight (48) hours of the request.

The Contractor shall require PNOs, qualified service providers and the Crisis Response Network to develop and expand network capacity to deliver outreach, specialized treatment, and recovery support services for women who are pregnant, have young children or who are attempting to regain custody of children. A qualified service provider shall deliver services to the family as a unit and for residential programs, admit both women and their children into treatment.

The Contractor shall require PNOs and qualified service providers to develop specialty programs for women and children and deliver services or provide a service referral for primary medical care for women and primary pediatric care for children; gender-specific substance abuse treatment; therapeutic interventions for children; child care; case management and transportation to access medical and pediatric care; services for injection drug abuse, and provision of HIV early intervention services.

The Contractor shall prioritize new and existing undedicated monies available for substance abuse treatment services for pregnant women pursuant to A.R.S. § 36-141, (http://www.azleg.state.az.us/FormatDocument.asp?inDoc=/ars/36/00141.htm&Title=36&DocType=ARS).

b. Other Program Requirements

The Contractor shall require PNOs and qualified service providers to:

i. deliver services to behavioral health recipients who use drugs by injection within time frames outlined in the ADHS/DBHS Provider Manual;
ii. conduct outreach activities to encourage individuals in need to undergo treatment;
iii. refer persons with substance use disorders for tuberculosis screening and services; and
iv. deliver services to persons with HIV in accordance with the ADHS/DBHS Provider Manual.

c. Non-Title XIX and Non-Title XXI Wait List

The Contractor, its PNOs and qualified service providers shall establish and maintain a wait list, in accordance with the ADHS/DBHS Provider Manual, for Non-Title XIX and Non Title XXI priority populations who are eligible and in need of services funded by the SAPT Block Grant. The Contractor may request ADHS to waive the wait list

management requirements upon submission and approval of performance and outcome data by ADHS under the SAPT Block Grant.

Response: Agree ____, Agree with Deviations ____, or Disagree ____
(If Offeror marked "Disagree" or "Agree with Deviations," please provide the rationale and any alternative provision to which Offeror would agree.)

12. The Community Mental Health Services (CMHS) Block Grant Service Delivery Requirement

The CMHS Block Grant is an annual formula grant to the states authorized by U.S. Congress through the Department of Health and Human Services, Center for Mental Health Services (CMHS) and SAMHSA (http://www.azdhs.gov/bhs/cmhbg.htm). ADHS is the designated Single State Agency to administer the CMHS Block Grant in Arizona. The CMHS Block Grant supports the establishment or expansion of an organized community-based system of care for providing mental health services to adults with serious mental illness and children with a serious emotional disturbance.

The Contractor shall establish program and financial management procedures to ensure services funded under the CMHS Block Grant meet all requirements outlined in this Contract and the ADHS/DBHS Provider Manual. The Contractor's management procedures shall include reporting and monitoring requirements that verify that prevention and treatment services are delivered at a level commensurate with funding under the CMHS Block Grant.

Because services through the CMHS Block Grant are based on available funding, the Contractor shall prioritize expenditures of Block Grant funds and delivery of covered behavioral health services for the following Priority populations: 1) non-Title XIX and non-Title XXI adults with serious mental illness, and 2) non-Title XIX and non-Title XXI children with serious emotional disturbance.

The Contractor shall not use CMHS Block Grant funds to:

i. provide inpatient services;
ii. make cash payments to intended recipients of behavioral health services;
iii. purchase or improve land;
iv. purchase, construct, or permanently improve (other than minor remodeling) any building or other facility, or purchase major medical equipment;
v. satisfy any requirement for the expenditure of non-Federal funds as a condition of the receipt of Federal funds; or
vi. provide financial assistance to any entity other than a public or non-profit entity.

Response: Agree ____, Agree with Deviations ____, or Disagree ____

(If Offeror marked "Disagree" or "Agree with Deviations," please provide the rationale and any alternative provision to which Offeror would agree.)

13. Service Delivery Requirements for Native Americans Enrolled with the Tribal RBHA

The Contractor shall deliver covered behavioral health services to Native American Title XIX and Title XXI behavioral health recipients referred by Indian Health Services (IHS) or by a Tribal facility for emergency services (for delivery by a non-IHS facility), except when the behavioral health recipient is enrolled with a Tribal RBHA or Tribal Contractor. The Contractor shall deliver covered behavioral health services to enrolled Native Americans through the Crisis Response Network and the Contractor's network of qualified service providers until transfer of these services to the PNOs, consistent with the time frames specified in this Contract, or to a specialty PNO serving Native Americans.

Response: Agree ____, Agree with Deviations ____, or Disagree ____
(If Offeror marked "Disagree" or "Agree with Deviations," please provide the rationale and any alternative provision to which Offeror would agree.)

D. NETWORK DEVELOPMENT

Network development is essential for behavioral health recipients to have timely access to a comprehensive array of well-coordinated covered behavioral health services delivered by culturally-competent, qualified service providers. The Contractor shall develop and maintain a comprehensive network that is consistent in size and complexity with the existing RBHA Maricopa County network on or before the Contract Start Date. The Contractor shall comply with the network development responsibilities outlined in this Contract including the three (3)-year network transition goals to establish multiple, county-wide PNOs that provide integrated covered behavioral health services across most levels of care and service categories.

1. Network Organization

Currently, the service delivery system is organized as follows:

a. There are seven (7) Comprehensive Service Providers (CSP) for children and families that assign Clinical Liaisons; conduct assessments; develop and facilitate Child and Family Teams; develop Individual Service Plans and crisis or safety plans; provide psychiatric services, including counseling, therapy, and case management; and facilitate referrals for behavioral health support services. One (1) CSP is specialized for culturally diverse children, adults, and families.

b. There are twenty-four (24) Direct Care Clinic Sites operated by the current Contractor that assign Clinical Liaisons and Case Managers, provide

assessment, counseling, case management, peer support and mentoring, Dialectical Behavior Therapy (DBT), nursing, rehabilitation, housing, and psychiatric services primarily for individuals with serious mental illness. As of January 1, 2007, the Direct Care Clinic Sites include fifteen (15) Assertive Community Treatment Teams. By June 30, 2007 there will be a total of eighteen (18) Assertive Community Treatment Teams. Substance abuse and vocational services are provided through co-located community provider agencies.

c. There are twenty-five (25) provider agencies that provide outpatient, intensive outpatient, residential and inpatient services, case management, detoxification, opioid maintenance, and HIV early intervention services for the GMH/SA populations. These agencies include six (6) providers specializing in services for pregnant/parenting women that include children in treatment and incorporate peer support and supported housing.

d. Qualified service providers subcontract to provide Level I Inpatient Services, Level II and III Residential Services, Home Care Training-Client (formerly Therapeutic Foster Care), Respite Services, support, rehabilitation, transportation, laboratory, pharmacy, radiology, professional and other covered behavioral health services.

e. substance abuse treatment is available for individuals with co-occurring disorders, which includes rehabilitation, peer support, recovery coaching, detoxification, opioid maintenance, community placement, home-based and community-based services, and Level II and III residential treatment services.

f. A Psychiatric Recovery Center operated by the current Contractor and Psychiatric Recovery Center-West (PRC-W) operated by META, function as psychiatric emergency rooms and provide assessment and stabilization services, nurse triage, psychiatric services, and offer a “Living Room” for peer-support during crises. Additional crisis intervention services include a crisis line, a warm line, mobile crisis teams, and rapid response teams for emergency rooms.

g. There are two (2) Level I detoxification and substance use stabilization facilities, including one (1) which operates in conformance with the City of Phoenix ISA.

h. There are five (5) consumer-operated Community Service Agencies (CSAs) and two (2) family-operated CSAs delivering behavioral health support and employment services for adults and children.

i. Multiple providers deliver peer workforce recruitment and training programs for adults with substance use disorders and adults with serious mental illness.

j. There were 215 children receiving Home Care Training to Client (formerly known as Therapeutic Foster Care) services in fiscal year 2006 and 13 adult foster care

placements. There were 323 children that received in-home respite services during the first quarter of 2006 and 549 that received facility-based respite services.

2. Network Transformation

The Contractor shall submit for ADHS approval a plan to transform the current service delivery system into a system that serves all populations in Maricopa County including a county-wide Crisis Response Network, multiple PNOs, and qualified service providers of sufficient size and scope to offer behavioral health recipients a choice of providers for all covered behavioral health services.

The Contractor shall require PNOs and qualified service providers to implement recognized best practices and culturally competent services that facilitate recovery and promote resilience through nationally recognized integrated service models. An example of a model that delivers services to adults with serious mental illness is The Village Integrated Service Agency, http://www.village-isa.org. In this model, case managers offer flexible support to help behavioral health recipients achieve recovery-oriented goals and actively participate in their communities. The Village model recognizes that to achieve recovery, providers must offer support services and community and natural resources in addition to traditional medical-model, mental health-oriented treatment.

The Contractor shall:

a. Transition services delivered by existing Direct Care Clinic Sites serving persons with serious mental illness to two (2) county-wide PNOs to deliver a comprehensive range of covered behavioral health services to adults with serious mental illness, excluding covered behavioral health services provided by the Crisis Response Network or qualified service providers under subcontract with the Contractor;

b. During the transition of the Direct Care Clinic Sites serving persons with serious mental illness to the PNOs the Contractor shall require that:
   i. provider and behavioral health recipient appointment schedules are maintained,
   ii. services are delivered without disruption,
   iii. service planning is timely,
   iv. ISPs comply with *Arnold vs. ADHS* requirements, and
   v. proactive collaboration and communication occurs with existing Direct Care Clinic Site staff;

c. As of the Contract Start Date, subcontract with at least three (3) and no more than four (4) county-wide Children's PNOs to deliver covered behavioral health

services for children and families by the Contract Start Date;

d. As of the Contract Start Date, subcontract with qualified service providers to deliver covered behavioral health services to general mental health and substance abuse populations and to supplement services at the PNOs, including psychiatric inpatient hospitals;

e. Have a fully operational Crisis Response Network, in accordance with the requirements of this Contract including all documents incorporated by reference, as of the Contract Start Date;

f. Develop and maintain, subject to ADHS approval, minimum standards for peer and family support FTEs per one hundred (100) children, adults with serious mental illness, and General Mental Health/Substance Abuse Adult populations and shall contract for the minimum peer/family workforce within twenty-four (24) months of the Contract Start Date;

g. Conduct a geographic access analysis within nine (9) months of the Contract Start Date and based on this analysis, the Contractor shall add the following within twenty-four (24) months of the Contract Start Date, in locations approved by ADHS:
   i. enough Assertive Community Treatment Teams to meet the court-approved Maricopa County Case Management and Clinical Team Plan requirement to serve ten percent (10%) of the population with serious mental illness through ACT Teams;
   ii. one (1) additional Level I Detoxification Facility for a total of three (3) Level 1 Detoxification Facilities;
   iii. two (2) additional Level I Psychiatric Recovery Centers for a total of four (4) Psychiatric Recovery Centers; and
   iv. four (4) additional outpatient clinics, two (2) each in two (2) underserved geographic areas of Maricopa County.

h. Conduct a needs assessment to identify unmet service needs in its service delivery system within nine (9) months after the Contract Start Date. The Contractor shall submit a plan to ADHS to meet the unmet service needs as part of its network development plan within twelve (12) months after the Contract Start Date.

i. Collaborate with the Arizona State Hospital, per the ADHS/DBHS Arizona State Hospital: Effective Utilization and Collaboration Practice Improvement Protocol, http://www.azdhs.gov/bhs/guidance/ash.pdf, for referrals, census management, coordination of care, discharge planning, and dispute resolution;

j. Subcontract with a Pharmacy Benefits Manager (PBM) to manage pharmacy services for all populations;

k. Conduct or subcontract with qualified service providers to conduct PASRR Level II assessments, deliver sign language/translation/interpreter services, housing services, and laboratory and radiology services;

l. Administer and monitor the COOL Program, the Jail Diversion Program, the SAPT Block Grant and the CMHS Block Grant;

m. Directly conduct eligibility determinations to determine if individuals have a serious mental illness as defined by Arizona statute;

n. Develop and maintain a shared electronic medical record accessible to ADHS, the Contractor, PNOs, Crisis Response Network and qualified service providers that contains clinical, medical and administrative information including crisis plans and advance directives to coordinate service delivery and conduct care management;

o. Develop and maintain a shared real-time census database accessible to ADHS, the Contractor, PNOs, Crisis Response Network and qualified service providers that contains capacity and daily availability of beds/placement information for the following service providers: Level I Inpatient and Subacute, Level II and Level III residential services, Home Care Training to Client (formerly known as Therapeutic Foster Care), and Respite;

p. Develop and maintain a shared database accessible to ADHS, the Contractor, PNOs and qualified service providers that contains unmet service needs information including the status and resolution of each unmet need; and

q. Develop and maintain a shared database accessible to ADHS, the Contractor, PNOs and qualified service providers that contains real-time information that identifies according to zip code, outpatient provider appointment availability contracted capacity and out-of-region or out-of-network service alternatives.

Response: Agree ____, Agree with Deviations ____, or Disagree ____
(If Offeror marked “Disagree” or “Agree with Deviations,” please provide the rationale and any alternative provision to which Offeror would agree.)

3. Network Transition

The Contractor shall comply with the following Network Transition Stages.

a. Transition Stage I: Individuals with Serious Mental Illness

The Contractor shall develop and maintain two (2) Provider Network Organizations to deliver covered behavioral health services to persons with serious mental illness, including those with dual diagnoses of mental illness and substance use disorders. The Contractor shall transition service delivery currently provided by the existing twenty-four (24) Direct Care Clinic Sites to the two PNOs within twenty-four (24) months after the Contract Start Date. The Contractor shall transition service delivery in accordance with the Network Transition plan approved by ADHS. The Contractor shall transition service delivery from three Direct Care Clinic Sites to the PNOs between day one hundred and twenty (120) and two hundred and ten (210) after the Contract Start Date. The Contractor shall transition services from six (6) additional Clinics to the PNOs within twelve (12) months after the Contract Start Date. The Contractor shall transition service delivery from an additional seven (7) Direct Care Clinics to the PNOs within eighteen (18) months after the Contract Start Date and transition service delivery from the remainder of the Direct Care Clinics to the PNOs within twenty-four (24) months after the Contract Start Date pending ADHS' approval of the Contractor's Network Transition Plan.

The Contractor may request in writing to ADHS in the thirteenth (13th) month after the Contract Start Date to develop and maintain more than two (2) PNOs serving persons with serious mental illness. The Contractor may develop and implement additional PNOs serving persons with serious mental illness upon written approval by ADHS and in accordance with the Contractor's Annual Network Development and Management Plan.

b. Transition Stage II: Adults with General Mental Health and/or Substance Abuse Conditions

Within thirty-six (36) months after the Contract Start Date, the Contractor shall require at the PNOs serving adults with serious mental illness to provide covered behavioral health services to the GMH and SA populations so that integrated services for all adults are delivered through the PNOs. Within thirty (30) months of the Contract Start Date, the Contractor shall require the PNOs to deliver covered behavioral health services to at least fifty percent (50%) of the GMH and SA populations. Within thirty-six (36) months of the Contract Start Date, the Contractor shall require the PNOs to deliver covered behavioral health services to one hundred percent (100%) of the GMH and SA populations. During the interim period when the PNOs are not delivering covered behavioral health services to the GMH and SA populations, the Contractor shall maintain a network of qualified service providers to serve these populations.

c. Transition Stage III: Family and Person Centered Practice

By the Contract Start Date, the Contractor shall subcontract with at least three (3) and no more than four (4) Children's Provider Network Organizations, or Children's PNOs. The Contractor shall require PNOs that serve all populations to deliver covered

behavioral health services, using the Child and Family Team Practice Model to at least fifty percent (50%) of children and youth thirty (30) months into the Contract and to one hundred percent (100%) of children and youth by the end of the third year of the Contract.

d. Network Transition Plan

Within ninety (90) days of the Contract Start Date, the Contractor shall submit a Network Transition Plan to ADHS and upon ADHS approval, shall begin implementation of the Network Transition Plan within one hundred twenty (120) days after the Contract Start Date. The Plan shall contain, at a minimum, the following elements:

i. organization, structure, number and implementation plan of the Provider Network Organizations (PNOs), including a work plan with action steps describing the development of the required array of covered behavioral health services within the PNOs;
ii. proposed methods of service reimbursement to PNOs that embody the following principles: detailed and accurate reporting of encounter data, financial incentives to efficiently deliver appropriate services, and elimination of financial barriers to access services. Proposed methods of service reimbursement should take into account current reimbursement methods for subcontracted providers and proposals to transition to fee-for-service or case rate methods of reimbursement. For each proposed service reimbursement method, the Contractor shall propose a measure for performance, implementation time lines and an analysis of the financial incentives and disincentives for the proposed method;
iii. PNO selection criteria that includes behavioral health recipient input into PNO operations, case management, and utilization reporting requirements, minimization of duplication of administrative tasks, an active recovery and resiliency oriented service delivery system, performance measures and plans for reimbursement methods to PNOs and subcontracted providers;
iv. a draft subcontract template that contains all required subcontract terms and conditions;
v. a list of deliverables, time frames, and responsible parties for implementing tasks identified in the Network Transition Plan;
vi. incorporation of the Case Management and Clinical Team Work Plan, as described in the Covered Behavioral Health Services and Service Delivery sections of this Contract and the Case Management and Clinical Team Work Plan section for persons with serious mental illness;
vii. strategies to transition service delivery from the existing Direct Care Clinics to PNOs serving adults;
viii. strategies for transitioning existing staff from the Direct Care Clinics to PNOs while maintaining existing therapeutic relationships, when possible;

ix. strategies for managing existing housing stock and housing grants, obtaining funding for additional housing stock, and the non-profit entity's collaboration with the Contractor on housing advocacy and availability;

x. strategies to require all adult clinical teams that serve behavioral health recipients with serious mental illness to assess for co-morbid substance abuse and identify substance abuse problems as an integrated part of the ISP;

xi. strategies for cross-training mental health and substance abuse providers on best and promising practices within the service system serving adults with serious mental illness, or within the service system serving General Mental Health and Substance Abuse behavioral health recipients;

xii. strategies for providers to implement and/or adapt the following best practices for all populations (as appropriate):
   1) Integrated Dual Disorders Treatment
   2) Stages of Change (Transtheoretical) Discovery-Recovery Services
   3) Illness Self-Management
   4) Family Psychoeducational Programs
   5) Client-Directed, Outcome-Informed tools
   6) Psychiatric Rehabilitation and Supported Employment
   7) Peer Support, including WRAP and Wellness Planning
   8) Engagement Skills
   9) Advance Directives
   10) Contingency Management
   11) Brief Intervention
   12) Telephonic Monitoring and Support
   13) Dialectical Behavioral Therapy;

xiii. identify the substance abuse treatment needs of children and adolescents and the capacity of the existing service system to meet their needs in an age-appropriate fashion;

xiv. strategies to require PNOs to develop capacity and deliver medication management, psychotherapy and skills training, specialized CFT and Adult Recovery Teams, and other covered behavioral health services by qualified service providers for the developmentally disabled population diagnosed with a mental illness;

xv. strategies to require PNOs to develop capacity, clinical knowledge and expertise to delivery covered behavioral health services to meet the unique clinical and service needs of children involved with CPS, State custody, or in the ADES adoption subsidy program;

xvi. strategies to require PNOs and qualified service providers to deliver services to all children/youth who have been enrolled for more than ninety (90) days through functioning Child and Family Teams (CFTs);

xvii. strategies to increase service capacity of support and rehabilitation services including Home Care Training to Client (formerly known as

Therapeutic Foster Care), Respite, Peer Support and Family Support Services; and

xviii. a detailed work plan with action steps that includes due dates and responsible parties for achieving key milestones in accordance with the Transition Stages contained in this Contract and including the addition of two (2) psychiatric recovery centers, one (1) detox facility, four (4) outpatient clinics two (2) each in two (2) underserved areas, and enough ACT Teams to meet the requirements of the Maricopa County Strategic Plan for Clinical Teams and Case Management.

The Contractor may propose alternative strategies in the Network Transition Plan as long as the Contractor achieves the implementation of all transition requirements and goals of Transition Stages I, II and III. Upon ADHS approval of the Network Transition Plan, or portions of the Network Transition Plan, the Contractor shall implement the Network Transition Plan.

Response: Agree ____, Agree with Deviations ____ , or Disagree ____
(If Offeror marked 'Disagree' or 'Agree with Deviations' please provide the rationale and any alternative provision to which Offeror would agree.)

4. Access to Services and Network Adequacy

The Contractor shall develop, manage, maintain, and support a network of qualified service providers consistent with the Arizona System Principles for Delivery of Behavioral Health Services, the Principles for Persons with a Serious Mental Illness, and the Arizona Children's System of Care Vision and Principles. The Contractor shall design the network to deliver behavioral health treatment and support services while optimizing the use of natural and informal supports that meet the individualized needs of behavioral health recipients and their families. The Contractor shall design the network to deliver culturally and linguistically appropriate services in home- and community-based settings and assist behavioral health recipients in achieving their individual recovery goals.

The Contractor shall, through its provider network, comply with all of the service delivery requirements in this Contract and the ADHS/DBHS Provider Manual and maintain the minimum number of qualified providers by provider type or service in conformance with:

a. the Contractor's Attachment B: Minimum Network Requirements;

b. the Contractor's Annual Provider Network Development and Management Plan minimum network requirements, as approved by ADHS; and

c. any changes to either of the two (2) preceding documents above as approved by ADHS in advance.

At a minimum, the Contractor shall develop and maintain a network sufficient in size and composition to meet the needs of behavioral health recipients based on the following factors:

i. growth trends in eligibility and enrollment, including:
   1) current and anticipated numbers of Title XIX and Title XXI eligibles;
   2) current and anticipated numbers of Title XIX and Title XXI behavioral health recipients;
   3) current and anticipated numbers of non-Title XIX, seriously mentally ill behavioral health recipients;
   4) current and anticipated numbers of Non-Title XIX and non-Title XXI children; and
   5) current and anticipated numbers of other non-Title XIX and non-Title XXI behavioral health recipients;

ii. current and desired service utilization trends, including:
   1) prevalent diagnoses;
   2) age, gender, and race/ethnicity characteristics of the enrolled population;
   3) best practice approaches; and
   4) network and contracting models consistent with the Arizona System Principles and a recovery-oriented system of care;

iii. accessibility of services, including:
   1) the number of current qualified service providers in the network who are not accepting new referrals;
   2) the geographic location of providers and behavioral health recipients, considering distance, travel time and available means of transportation; and
   3) availability of services with physical access for persons with disabilities;

iv. cultural and linguistic needs, including the behavioral health recipient's prevalent language(s) and sign language;

v. quality and provider profiling data, including:
   1) appointment standard data;
   2) treatment and functional outcome data;
   3) results of "Mystery Shopper" surveys or other qualitative review activities; and
   4) Independent Case Reviews or other special reviews conducted by ADHS;

vi. unmet needs data

vii. need for specialty care, including:
   1) volume of single case agreements and out-of-network referrals;
   2) specialized service needs of behavioral health recipients;

3) behavioral health recipients diagnosed with developmental/cognitive disabilities;
4) number of prescribers required to meet behavioral health recipients' medication needs in accordance with ADHS accessibility standards; and
5) the Arizona State Hospital discharge-ready list;

viii. customer satisfaction and complaints, including:
1) behavioral health recipient satisfaction survey data;
2) complaint, grievance, and appeal data; and
3) issues, concerns, and requests identified by other State agency personnel, local agencies, and community stakeholders.

Response: Agree ____, Agree with Deviations ____, or Disagree ____
(If Offeror marked "Disagree" or "Agree with Deviations," please provide the rationale and any alternative provision to which Offeror would agree.)

5. Network Standards

The Contractor shall:

i. require the Crisis Response Network to respond to referrals twenty-four (24) hours per day, seven (7) days per week.

ii. have qualified service providers deliver covered behavioral health services, including crisis telephone services, with behavioral health professionals, behavioral health technicians, and paraprofessionals who are fluent in speaking the behavioral health recipient's primary or preferred language. In cases where the behavioral health recipient's primary or preferred language is rarely spoken in the GSA, services shall be delivered with the assistance of qualified interpreter services;

iii. have consumer- and family-operated businesses and organizations as service providers. The Contractor shall develop and maintain a minimum percentage of total direct service revenue, using a mix of Title XIX and non-Title XIX funding, to support consumer- and family-operated businesses and service providers;

iv. have sites that are easily accessible to all behavioral health recipients. The Contractor shall assess the accessibility of the locations and appointment hours of all service sites by zip code and submit an expansion plan to ADHS. Upon ADHS approval, the Contractor shall implement the expansion plan to expand access to under-served areas of Maricopa County;

v. have substance use disorder/psychiatric crisis stabilization service providers available twenty-four (24) hours per day, seven (7) days a week that are reasonably accessible to all behavioral health recipients. At a minimum the Contractor shall maintain:

1) three (3) facilities staffed by providers that deliver detoxification services. The Contractor shall operate at least one (1) facility in accordance with the ADHS/City of Phoenix Intergovernmental Agreement, and
2) four (4) facilities staffed by providers that primarily deliver psychiatric recovery services and other covered behavioral health services to walk-in behavioral health recipients twenty-four (24) hours per day, seven (7) days a week;

vi. have qualified service providers to administer programs and services for priority populations consistent with the requirement of the SAPT Block Grant in accordance with the ADHS/DBHS Provider Manual. The network shall provide the following:
1) priority access for pregnant women/teenagers,
2) specialized programs and services for pregnant women and women with young children,
3) services for injection drug abuse,
4) HIV early intervention services, and
5) primary prevention services to individuals and families who do not require covered behavioral health services;

vii. collaborate with the Arizona State Hospital in accordance with the ADHS/DBHS Arizona State Hospital: Effective Utilization and Collaboration Practice Improvement Protocol;

viii. ensure providers deliver services in home and community based settings, including achieving specific targets for expansion of Home Care Training to Client (formerly known as Therapeutic Foster Care)and in-home Respite Services;

ix. have qualified service providers co-located at ADES/CPS offices.

x. offer choice to behavioral health recipients in selecting a PNO or qualified service provider;

xi. make behavioral health recipients, PNOs and qualified service providers aware of the availability of second opinions and provide second opinions at no cost to the behavioral health recipient;

xii. have a sufficient number of qualified service providers with knowledge and expertise to deliver covered behavioral health services and supports to:
1. elderly adults diagnosed with a mental disorder or substance abuse,
2. children and adults with developmental disabilities, and
3. coordinate and delivery continuity of care services to behavioral health recipients reaching the age of majority to alleviate or minimize service disruption or mandatory changes in service providers, and
4. deliver appropriate, stage-specific engagement, interventions, and services for adults and children with substance use disorders, including individuals with dual diagnoses. By the end of the twelfth month after the Contract Start Date, the Contractor shall assess the capacity of and need for substance use disorder services for behavioral health recipients with co-occurring disorders and the degree to which current services meet the need. By the

end of the fifteenth month after the Contract Start Date, the Contractor shall develop a plan to increase the capacity of qualified service providers to deliver stage-specific services, including integrated dual diagnosis treatment;

xiii. have a sufficient number of prescribers and other qualified service providers to deliver services during evenings and weekends for persons and families who are unavailable to make appointments during regular business hours. The Contractor shall require that network providers offer hours of operation that are no less than the hours of operation offered to commercial enrollees. The Contractor shall publish and disseminate a schedule of after-hours and weekend appointment availability for each provider site;

xiv. have a sufficient number of qualified service providers to act as Clinical Liaisons in accordance with the ADHS/DBHS Provider Manual. The Contractor shall develop and maintain minimum standards for Clinical Liaisons per one hundred (100) for each of the Child, Serious Mental Illness Adult, and Title XIX/XXI General Mental Health/Substance Abuse Adult populations including pregnant women; and

xv. develop and maintain standards for the delivery of culturally appropriate services for Latino, African American and Native American and other minority behavioral health recipients.

The Contractor shall require the Crisis Response Network, PNOs, and qualified service providers to:

i. respond to referrals for immediate, urgent, and routine needs within the time frames outlined in the ADHS/DBHS Provider Manual;

ii. respond and deliver services consistent with the person's cultural, linguistic, and spiritual heritage and preferences;

iii. have sufficient staff available to deliver culturally appropriate services for Latino, African American, Native American and other minority behavioral health recipients; and

iv. utilize current and former behavioral health recipients and family members that have received training and supervision to deliver peer and family support services.

<u>Response</u>: Agree ___ , Agree with Deviations ____ , or Disagree ____
(If Offeror marked 'Disagree' or 'Agree with Deviations' please provide the rationale and any alternative provision to which Offeror would agree.)

6. <u>Network Management Functions</u>

The Contractor shall have a sufficient number of qualified staff to manage the network, including staff to manage the transition of service delivery from existing qualified service providers to PNOs and the Crisis Response Network. Unless approved in advance by

ADHS, the Contractor shall not delegate network management, network reporting, and assurance of network sufficiency. The Contractor shall not delegate credentialing and privileging of providers, unless approved by ADHS in advance.

The Contractor shall have a written Annual Provider Network Development and Management Plan that specifies requirements for Network Development and Management, including the requirements of this Contract. The Contractor shall submit the Annual Provider Network Development and Management Plan to ADHS in accordance with Exhibit A of this Contract. The Plan shall be an ongoing network management tool and is distinct from the Network Transition Plan, which governs the transition of service delivery from the existing network provider to PNOs and the Crisis Response Network.

Network management functions shall include:

i. selection, training, and retaining of qualified service providers;
ii. responding to provider inquiries, by coordinating with or expeditiously referring inquiries to persons within the Contractor's organization that can provide a timely response;
iii. expeditiously developing subcontracts and enforcing the subcontract terms;
iv. managing transition of services or providers to behavioral health recipients because of a change in network composition;
v. performing credentialing and privileging of qualified service providers, including prescribers, practitioners, Clinical Liaisons, and case managers. Credentialing shall not be delegated by the Contractor unless approved in advance by ADHS;
vi. providing routine technical assistance and support to CSAs and consumer- and family-operated organizations;
vii. continually monitoring access to network services and provider capacity to maintain a sufficient number of qualified service providers and PNOs to deliver covered behavioral health services to behavioral health recipients, including provision of services to persons with limited proficiency in English;
viii. methods to fully utilize contracted capacity; and
xix. complying with service provider monitoring requirements in accordance with this Contract and the ADHS/DBHS QM/UM Plan.

The Contractor shall maintain a sufficient number of qualified Quality Management personnel to implement and review performance standards and to measure treatment outcomes and timely access to care. The Contractor shall provide periodic reports or "PNO Profiles" to PNOs and qualified service providers comparing performance of all PNOs and qualified service providers that are subject to the same standards and measures. The Contractor shall conduct site visits as needed. The Contractor shall utilize the reports in conjunction with other QM indicators to coordinate quality

improvement activities between the Contractor, the Crisis Response Network, the PNOs, Direct Care Clinic Sites (during the period of time the Contractor transitions the care of the individuals from the Direct Care Clinic Sites to Provider Network Organizations), and qualified service providers.

a. Qualified Service Provider Selection

The Contractor, PNOs and the Crisis Response Network shall select and subcontract with qualified service providers. All qualified service providers under subcontract shall meet minimum qualification requirements in accordance with the ADHS/DBHS Covered Behavioral Health Services Guide and credentialing and privileging requirements in accordance with the ADHS/DBHS Provider Manual. In selecting qualified service providers for a subcontract, the Contractor, PNOs and the Crisis Network shall evaluate information from the following sources: QM data, including at a minimum, appointment availability data; complaint; patterns of concerns reported by eligible or enrolled behavioral health recipients; performance on current and previous subcontracts; behavioral health recipient satisfaction survey data; results from Independent Case Reviews and other reviews/audits; unmet needs data; grievance and appeals data; network management and contracting data, for example, geographic location and cultural or unique service delivery considerations, and issues, concerns, and requests from State agency personnel or system stakeholders.

In selecting providers for a subcontract, the Contractor, PNOs or Crisis Response Network shall require providers to: 1) register with AHCCCSA (or ADHS as applicable), 2) obtain a unique National Provider Identifier (NPI), 3) operate within the scope of their practice, and 4) obtain and maintain all applicable insurance, in accordance with the Uniform and Special Terms and Conditions. The Contractor shall obtain and keep on file copies of complete and valid provider insurance certificates for each subcontracted qualified service provider in the region and shall provide these certificates to ADHS Procurement prior to the subcontractor providing services to behavioral health recipients and when the certificate is renewed.

The Contractor, PNOs and the Crisis Response Network shall evaluate and make a determination to retain providers utilizing performance and quality improvement data acquired while delivering services under this Contract. The Contractor, PNOs and the Crisis Response Network shall clearly describe and disseminate the process and criteria to be used for terminating provider participation. If the Contractor, PNO or the Crisis Response Network declines to subcontract with individuals or groups of providers as part of the network, it shall give the affected providers written notice of the reason for its decision. The Contractor, PNOs and the Crisis Response Network shall not subcontract with providers excluded from participation in Federal health care programs, pursuant to Section 1128 or Section 1128 A of the Social Security Act.

The Contractor, PNOs and the Crisis Response Network shall not discriminate against any provider based solely on the provider’s type of licensure or certification. In addition,

the Contractor, PNOs and the Crisis Response Network shall not discriminate against providers that serve high-risk populations or specialize in treating behavioral health conditions that are costly. This provision does not prohibit the Contractor, PNOs or the Crisis Response Network from limiting the size or scope of the provider networks to meet the needs of the persons it is required to serve in this Contract. This provision does not prohibit the Contractor, PNOs or the Crisis Response Network from establishing procedures to control costs to meet the needs of persons it is required to serve in this Contract, nor does it prohibit the Contractor, PNOs or the Crisis Response Network from using variable rates to reimburse different specialists, different practitioners, or different behavioral health professionals that practice in the same specialty.

b. Credentialing and Privileging of Providers

The Contractor shall maintain a sufficient number of qualified staff to expeditiously process the credentialing and privileging of qualified service providers. The Contractor shall not delegate credentialing and privileging function to a third party, unless approved in advance by ADHS. The Contractor shall conduct credentialing and privileging in accordance with the ADHS/DBHS Provider Manual, the ADHS/DBHS requirements for Clinical Liaison and Assessment, and the AHCCCS Medical Policy Manual Chapter 900. When necessary, the Contractor shall utilize processes to expedite temporary (or provisional) credentialing and privileging to maintain network sufficiency or to add specialty providers.

c. Communication with Providers

The Contractor shall develop and maintain methods to communicate policies, procedures and relevant information to providers through secure or public web pages. The Contractor shall disseminate all relevant information to qualified service providers in the Crisis Response Network, PNOs, and Direct Care Clinic Sites (until services at the Direct Care Clinic Sites are transitioned to the PNOs). The Contractor shall give all qualified service providers and subcontractors access to the ADHS/DBHS Covered Behavioral Health Services Guide, the ADHS/DBHS Provider Manual, and any updates, either through the Contractor’s website, or by providing paper copies to providers who do not have Internet access. The Contractor shall provide claims inquiry information to qualified service provider and subcontractors via the Contractor’s website.

The Contractor shall not restrict or inhibit providers in any way from freely communicating with or advocating for a person regarding behavioral health care, medical needs, and treatment options, even if the person needs services that are not covered behavioral health services or if an alternate treatment is self-administered. The Contractor shall encourage providers to communicate information to assist a behavioral health recipient to select among relevant treatment options, including the risks, benefits, and consequences of treatment or non-treatment; the right to participate in decisions

regarding his or her behavioral health care; the right to refuse treatment and to express preferences about future treatment decisions.

d. Out-Of-Network

When the Contractor is not able to deliver a medically necessary covered behavioral health service within the Contractor's GSA, the Contractor shall timely subcontract with an out-of-region provider to deliver the same behavioral health service until a regional provider is available. The Contractor shall expeditiously authorize services and reimburse the out-of-network provider in these circumstances.

e. Provider Training

The Contractor shall develop and implement comprehensive provider training and support a training program for providers to gain knowledge, skills, and expertise and receive technical assistance to comply with the requirements of this Contract. The Contractor shall develop and implement training and technical assistance opportunities specifically for alternative qualified service provider, including Home Care Training to Client (formerly known as Therapeutic Foster Care) providers, Peer and Family Support providers, Community Service Agencies, and family- and consumer-operated providers. The Contractor and its subcontractors shall fully cooperate with ADHS training and coaching requirements.

Response: Agree ____, Agree with Deviations ____, or Disagree ____
(If Offeror marked "Disagree" or "Agree with Deviations," please provide the rationale and any alternative provision to which Offeror would agree.)

7. Network Financing

The Contractor shall develop and implement financing methods, including performance measures and financial incentives in its subcontracts with the Crisis Response Network, the PNOs, and qualified service providers to require accurate and timely reporting of encounter data and promote recovery- and resiliency-oriented service delivery.

In addition, the Contractor shall develop and implement performance-based subcontracts with the Crisis Response Network and Level I Inpatient Hospital qualified service providers.

The Contractor shall, within two (2) years from the Contract Start Date, develop and implement financial incentives in its subcontracts with the Crisis Response Network, PNOs, and qualified service providers to improve performance on the required SAMHSA National Outcome Measures (NOMS).

The Contractor shall require all Crisis Network, PNO, and qualified service providers placed at risk for service delivery to comply with Federal and State rules governing incentive payments. Specifically, the Contractor shall require compliance with all applicable physician incentive requirements and conditions defined in 42 CFR §438.6(h), which prohibit physician incentive plans from directly or indirectly making payments to a physician or group as an inducement to limit or refuse medically necessary services to a behavioral health recipient.

The Contractor shall not enter into subcontracts that place the Crisis Response Networks, PNOs, and qualified service providers at significant financial risk as defined in 42 CFR §§§ 422.208, 22.210, and 438.6(h) unless specifically approved by ADHS in advance. To obtain approval, the Contractor shall submit to ADHS ninety (90) days prior to entering into the subcontract:

a. a complete copy of the subcontract,

b. a plan to implement a behavioral health recipient satisfaction survey,

c. details of the stop-loss protection provided, and

d. a summary of the compensation arrangement that meets the substantial financial risk definition.

The Contractor is required to disclose all physician incentive agreements to ADHS and to behavioral health recipients who request them. The Contractor shall disclose to ADHS the information on physician incentive plans contained in 42 CFR §§422.208 and 422.210 in accordance with the AHCCCS Physician Incentive Plan Disclosure by Contractor's Policy upon subcontract renewal, prior to initiation of a new incentive plan agreement, or upon request of ADHS, AHCCCSA, or CMS. The Contractor shall also comply with physician incentive plan requirements set forth in 42 CFR §438.6(h), which apply to contract arrangements with subcontracted entities.

Response: Agree ____, Agree with Deviations ____, or Disagree ____
(If Offeror marked "Disagree" or "Agree with Deviations," please provide the rationale and any alternative provision to which Offeror would agree.)

8. Network Reporting Requirements

The Contractor shall provide the following provider network reports to ADHS:

a. Assurance of Network Adequacy and Sufficiency

The Contractor shall submit to ADHS by May 30 of each Contract year the written Annual Assurance of Network Adequacy and Sufficiency in accordance with Exhibit A of this Contract signed by the Contractor's Chief Executive Officer, that the provider

network is adequate and sufficient to meet the requirements of this Contract. The assurance shall confirm that the network:

i. offers a full array of covered behavioral health services to meet the needs of the anticipated number of Title XIX and Title XXI behavioral health recipients, and non-Title XIX persons with serious mental illness in each service area;
ii. maintains Crisis Response Network, PNOs, Direct Care Clinic Sites (during the period of time the Contractor transitions the care of the individuals from the Direct Care Clinic Sites to Provider Network Organizations), and qualified service providers in sufficient number, mix, and geographic distribution to meet the accessibility and service needs of the anticipated number of Title XIX and Title XXI behavioral health recipients and non-Title XIX persons with serious mental illness in Maricopa County;
iii. meets all specified minimum requirements of the Contract;
iv. has sufficient service capacity to meet the needs of the SAPT Block Grant priority populations; and
v. affirms compliance with the Annual Provider Network Development and Management Plan to increase service capacity in areas requiring further development.

b. Assurance Following Network Changes

The Contractor shall submit to ADHS the Annual Assurance of Network Adequacy and Sufficiency in accordance with Exhibit A of this Contract when there is a significant change in operations that affect service delivery, availability, or capacity, including at a minimum, a change in:

i. Services,
ii. Covered benefits,
iii. Geographic service area,
iv. Payments, or
v. Eligible population.

c. Notification Requirements for Changes to the Network

The Contractor shall notify and obtain written approval from ADHS, in accordance with Exhibit A of this Contract, before making any material changes in the size, scope, or configuration of the network as described in the Contractor's current Annual Provider Network Development and Management Plan. A material change includes any event that affects service delivery and includes a reduction in workforce at the Direct Care Clinic Sites (during the period of time the Contractor transitions the care of the individuals from the Direct Care Clinics Sites to the PNOs), Crisis Response Network, PNO or qualified service providers; or any plan to not fill, or delay filling, staff vacancies;

or termination of a subcontract held by a PNO, the Contractor, or Crisis Response Network.

The Contractor shall notify ADHS, in accordance with Exhibit A of this Contract, in writing within one (1) day of the Contractor's knowledge of an expected, unexpected or anticipated material change to the network or a network deficiency that could affect service delivery, availability or capacity within the provider network. The notice shall include:

i. information describing how the change will affect service delivery, availability, or capacity of covered behavioral health services;
ii. a plan to minimize disruption to the behavioral health recipient's care and service delivery;
iii. a plan for clinical team meetings with the behavioral health recipient to discuss the available options and to revise the service plan to address any changes in services or service providers; and
iv. a plan to correct any network deficiency.

The Contractor shall notify ADHS, in accordance with Exhibit A of this Contract, in writing within five (5) days if a subcontractor fails to meet licensing criteria or of a Contractor's decision to terminate, suspend, limit or materially change the Crisis Response Network, PNO, or a qualified service provider subcontract, if the decision affects the network sufficiency, including circumstances that require behavioral health recipients to transition care to a different provider. The notice shall include:

i. the number of behavioral health recipients affected by the termination, limitation, suspension, or material change decision, including the number of Title XIX and Title XXI and non-Title XIX and non-Title XXI behavioral health recipients affected by program category, i.e. SMI, GMH, SA and Children;
ii. a plan to ensure that there is minimal disruption to the behavioral health recipient's care and service delivery. The Contractor shall require the behavioral health recipient's original provider to be responsible for transitioning behavioral health recipients until the behavioral health recipient has attended the first appointment with the new provider;
iii. a plan for clinical team meetings with the behavioral health recipient to discuss available options and to revise the service plan to address any changes in services or service providers; and
iv. a plan to communicate changes to affected behavioral health recipients including provision of required notices.

ADHS may require the Contractor to submit a written transition plan for behavioral health recipients affected by these network changes. The Contractor shall track all behavioral health recipients transitioned due to a subcontract suspension, limitation, termination, or material change to ensure service continuity. At a minimum, the

Contractor shall track the following elements: name, Title XIX or Title XXI status, date of birth, population type, current services the behavioral health recipient is receiving, services that the behavioral health recipient will be receiving, new provider assigned, date of first appointment, and activities to re-engage persons who miss their first appointment with the new provider. ADHS may require the Contractor to add other elements based on the particular circumstances.

d. Quarterly Network Status Reports

The Contractor shall submit written Quarterly Network Status reports in a format approved by ADHS and according to the following schedule:

Date Due	Reporting Period
October 15	July 1 through September 30
January 15	October 1 through December 31
April 15	January 1 through March 31
July 15	April 1 through June 30

The Contractor's Quarterly Network Status reports shall include separate sections reporting changes by qualified service providers (organized by provider type), Crisis Response Network, PNOs, and Direct Care Clinics (until Direct Care Clinic service delivery is transitioned to PNOs). Each section shall include the following elements for providers lost and gained: the name and address of each provider, provider type, contracted capacity, AHCCCS provider identification number, populations served, and an analysis of the effect on network sufficiency.

If a provider loss results in a material gap or network deficiency, the Contractor shall submit to ADHS a plan with time frames and action steps for correcting the gap or deficiency within thirty (30) days that includes the transitioning of behavioral health recipients to appropriate alternative service providers in accordance with the network notification requirements. As part of the Quarterly Network Status reports, the Contractor shall report progress in accordance with the Annual Provider Network Development and Management Plan to increase service capacity in areas requiring further development, including barriers encountered and actions planned to eliminate the barriers.

e. Annual Network Inventory

The Contractor shall submit to ADHS by March 15 of each Contract year the Annual Network Inventory in a format approved by ADHS and in accordance with Exhibit A of this Contract. The Contractor shall prepare the Network Inventory to quantify the number of qualified service providers, the PNOs, the Crisis Response Network, and the

Direct Care Clinics (until the Direct Care Clinic services are transitioned to PNOs) available within the network as follows:

i. each category of covered behavioral health services as identified by ADHS;
ii. specialty behavioral health service providers, including providers with expertise to deliver services to persons with developmental disabilities, non-English speaking persons, and other specialties as identified by ADHS; and
iii. peer support and consumer- and family-delivered services.

f. Prescriber Sufficiency Assessment

The Contractor shall submit to ADHS the written Annual Prescriber Sufficiency Assessment by May 30 of each Contract year and the Quarterly Prescriber Sufficiency Assessment reports in accordance with Exhibit A of this Contract and in a format prescribed by ADHS (see the RFP Library for format). The Contractor shall prepare the Prescriber Sufficiency Assessment to establish network capacity, at any given time, to demonstrate that behavioral health recipients have access to psychotropic medications on an outpatient basis throughout Maricopa County. The capacity is compared to the number of enrolled behavioral health recipients by geographic location.

g. Annual Provider Network Development and Management Plan

The Contractor shall submit to ADHS the written Annual Provider Network Development and Management Plan by May 30 of each Contract year in accordance with Exhibit A of this Contract. The Contractor shall prepare the Plan to identify the current status of the network at all service, provider and PNO levels and include strategies to increase service capacity in areas requiring further development and/or enhancement during the upcoming Contract year based on a methodology approved by ADHS for assessing network sufficiency, capacity, and minimum network standards.

The Contractor shall include in the Plan a narrative and statistical analysis consistent with the ADHS assessment methodology. At a minimum, the analysis shall be derived from:

i. quantitative data, including performance on appointment standards/appointment availability, eligibility/enrollment data, utilization data, the Network Inventory, demographic (age/gender/race/ethnicity) data, and the number of single case agreements by service type;
ii. qualitative data, including complaint information, concerns reported by eligible or enrolled person, grievance, appeals, and request for hearings data, behavioral health recipient satisfaction survey, prevalent diagnoses, and discharges from the Arizona State Hospital;

iii. a description of services and programs for substance abuse prevention and treatment services funded through the SAPT Block Grant. In developing the description, the Contractor shall review and analyze capacity data, including wait list management methods for SAPT Block Grant Priority populations;

iv. status of provider network issues within the prior year that were significant or required corrective action by ADHS, including findings from the current Contractor's annual Administrative Review;

v. a summary of network development efforts conducted during the prior year;

vi. plans to correct any current material network gaps and barriers to network development;

vii. priority areas for network development activities for the following year and goals, action steps, time lines, performance targets, and measurement methodologies for addressing the priorities; and

viii. a listing of PNOs and its subcontractors by provider type and street address location. The listing shall distinguish between PNOs serving Title XIX and Title XXI children, adults with serious mental illness and adults with general mental health or substance abuse conditions. If a PNO subcontractor has multiple sites in which it provides service, all sites must be listed.

Response: Agree ____, Agree with Deviations ____, or Disagree ____
(If Offeror marked "Disagree" or "Agree with Deviations," please provide the rationale and any alternative provision to which Offeror would agree.)

9. Network and Provider Subcontracts

The Contractor shall enter into written subcontracts with the Crisis Response Network, PNOs, and qualified service providers to deliver covered behavioral health services to behavioral health recipients. The Contractor shall include provisions in the subcontract of PNOs serving persons with serious mental illness stipulating a case manager shall be assigned to each person with serious mental illness and the PNO shall not subcontract or delegate the assigned case manager function to a qualified service provider. The Contractor shall include provisions in the subcontract of Children's PNOs stipulating a case manager shall be assigned to each High Complexity/High Intensity Child and the PNO shall not subcontract or delegate the assigned case manager function to a qualified service provider. The Contractor shall submit copies of sample PNO, Crisis Response Network and qualified service provider subcontracts, in accordance with Exhibit A of this Contract, to ADHS for approval prior to the Contract Start Date, within 30 days of subcontract execution, and when the Contractor makes a material change to a PNO or qualified service provider subcontract.

a. The Contractor shall ensure each PNO and the Crisis Response Network enters into written agreements (i.e., subcontracts) with qualified service providers. Each qualified service provider subcontracted with a PNO or the Crisis Response Network shall:
   i. meet all applicable credentialing, licensing or accreditation requirements;
   ii. provide encounter information or submit clean claims consistent with the RBHA requirements for the PNO and the Crisis Response Network; and
   iii. actively participate in individualized service planning for any behavioral health recipient for whom the qualified service provider delivers service.

   The Contractor shall set a provider fee schedule that prescribes a rate range to be utilized by the PNOs and Crisis Response Network when subcontracting with qualified service providers. Options for case rates and subcapitation shall be included.

   The Contractor shall include a term in the subcontract for each PNO and the Crisis Response Network that the PNO and Crisis Response Network shall not prohibit qualified service providers from subcontracting with other PNOs or the Crisis Response Network.

b. All subcontracts, including the Contractor's subcontracts with the PNOs and the Crisis Response Network, and their respective subcontracts with qualified service providers, shall include the following provisions:
   i. the name and address of the subcontractor;
   ii. the method and amount of compensation, reimbursement, payment, or other considerations provided to the subcontractor;
   iii. the subcontractor shall submit, except for crisis services purchased on a capacity basis and Non Title XIX Encounter Relief approved by ADHS, encounter value equal to 95% of the total service revenue contract value;
   iv. identification of the population to be served by the subcontractor, including the number of behavioral health recipients the subcontractor is expected to serve;
   v. the amount, duration and scope of covered behavioral health services to be provided;
   vi. the term of the subcontract, including beginning and end dates and procedures for extension, termination and renegotiation;
   vii. specific subcontractor duties relating to coordination of benefits and determination of third-party liability;
   viii. identification of Medicare and other third-party liability coverage and seeking Medicare or third-party liability payment before submitting claims and/or encounters to Contractor, when applicable;
   ix. maintenance of a cost record keeping system;

x. compliance with the requirements in the ADHS Quality Management and Utilization Management Plans and the Contractor's QM programs;
xi. a written contract amendment and prior approval of ADHS is required if the subcontractor participates in any merger, reorganization, or change in ownership, or control that is related to or affiliated with the Contractor;
xii. obtainment and maintenance of all applicable insurance policies required in this Contract and submission of a copy of insurance certificates to the Contractor;
xiii. assumption of full responsibility for all tax obligations, Worker's Compensation Insurance, and all other applicable insurance coverage obligations required in this Contract, for itself and its employees, and that AHCCCSA or ADHS shall have no responsibility or liability for any taxes or insurance coverage;
xiv. incorporation by reference of the ADHS/DBHS Covered Behavioral Health Services Guide and the ADHS/DBHS Provider Manual and a requirement that the subcontractor complies with all requirements stated in accordance with these documents;
xv. compliance with encounter reporting and claims submission requirements in accordance with the ADHS/DBHS Provider Manual, including payment withhold provisions and penalties for non-reporting, untimely reporting, or inaccurate reporting;
xvi. the right of a subcontractor to appeal a claims dispute in accordance with the ADHS/DBHS Provider Manual;
xvii. assistance to behavioral health recipients in understanding their right to file grievances and appeals in accordance with the ADHS/DBHS Provider Manual shall be provided by the subcontractor;
xviii. compliance by the subcontractor with audits, inspections and reviews in accordance with the ADHS/DBHS Provider Manual, including any reviews the Contractor, ADHS, or AHCCCSA may conduct;
xix. cooperation of the subcontractor with other contractors and/or State employees in scheduling and coordinating its services with other related service providers that deliver services to behavioral health recipients;
xx. facilitation by the subcontractor of another subcontractor’s reasonable opportunity to deliver services and the prohibition of any commission or condoning of any act or omission by the subcontractor that interferes with, delays, or hinders service delivery by another subcontractor or by State employees;
xxi. timely implementation by the subcontractor of ADHS, AHCCCSA, or Contractor decisions related to a complaint, serious mental illness grievance, member appeal, or claims dispute;
xxii. compensation to individuals or entities that conduct Utilization Management activities is not structured to provide incentives for the individual or entity to deny, limit, or discontinue medically necessary services to any behavioral health recipient according to 42 CFR 438.12(e);

xxiii. a requirement for all qualified service providers subcontracted with the Crisis Response Network, the PNOs, and any qualified service provider contracting directly with the Contractor, to be registered as Medicare service providers. This requirement applies only to providers that have a valid Medicare provider type and deliver services paid by Medicare;
xxiv. the subcontractor will not bill, balance-bill, or charge behavioral health recipients for services if the Contractor becomes insolvent or ADHS or the Contractor do not reimburse the provider;
xxv. when applicable, submission to ADHS of the National Outcomes Measures (NOMs) including access to services, engagement in services, independent and stable housing, employment and employment training rates;
xxvi. when applicable, behavioral health recipients reaching the age of majority are provided continuity of care without service disruptions or mandatory changes in providers; and
xxvii. the ADHS definition of medically necessary covered behavioral health services and the ADHS levels of care are incorporated by reference.

10. Special Subcontract Provisions

In addition to the subcontract provisions required above, the Contractor, Crisis Response Network and PNOs shall include the following provisions in subcontracts with qualified service providers, as applicable:

a. For a Level I, II, and III providers the subcontractor shall:
   i. accept all referrals from the Contractor, Crisis Response Network or PNO, and
   ii. not deny, suspend, or terminate services to a behavioral health recipient without prior notification to the Contractor, Crisis Response Network or PNO.

b. For IMD facilities, (provider types B6 and 71) the subcontract shall include the following additional minimum provisions:
   i. The IMD facility shall keep track of the number of days a Title XIX or Title XXI behavioral health recipient is in the facility and may only bill for services within the limitations of the IMD expenditure authority, based on the Section 1115 waiver, for Title XIX services. Current Title XIX service limitations are thirty (30) days per admission, and sixty (60) days per Contract year for behavioral health recipients age 21 through 64 for services delivered in an IMD facility. Service limitations are cumulative across providers. For persons under 21 and over 64 there are no IMD service limitations.

ii. The IMD facility shall notify AHCCCS Member Services in accordance with the requirements outlined in the ADHS/DBHS Provider Manual.
iii. The IMD facility shall provide written notification to Title XIX and Title XXI behavioral health recipients aged 21 through 64 that their AHCCCS eligibility may end if they remain in an IMD longer than thirty (30) days per admission or sixty (60) days per Contract year.
iv. The IMD Waiver is subject to change by the Centers for Medicare and Medicaid Services.

Response: Agree ____, Agree with Deviations ____, or Disagree ____
(If Offeror marked "Disagree" or "Agree with Deviations," please provide the rationale and any alternative provision to which Offeror would agree.)

E. MEMBER RIGHTS

The Contractor shall fully inform behavioral health recipients and family members about their rights and responsibilities and how to exercise them. The Contractor shall comply with any applicable Federal and State requirements that relate to member rights and require its staff, the Crisis Response Network, PNOs, and qualified service providers to take those rights into account when delivering services to behavioral health recipients and their families. The Contractor shall comply with other applicable Federal and State laws (such as Title VI of the Civil Rights Act of 1964) and other laws regarding privacy and confidentiality.

1. Written Policies

The Contractor shall develop and implement written policies to protect and enforce member rights. Member rights include, at a minimum, the right to:

a. be treated with respect and due consideration for his or her dignity and privacy;

b. receive information on available treatment options and alternatives, presented in a manner appropriate to the behavioral health recipient's condition and ability to understand;

c. participate in decisions regarding his or her behavioral health care, including the right to refuse treatment;

d. be free from any form of restraint or seclusion used as a means of coercion, discipline, convenience, or retaliation;

e. request and receive a copy of his or her medical records, and to request that they be amended or corrected, as specified in 45 CFR part 164 and applicable State law;

f. exercise his or her rights, including filing a grievance or an appeal, and that the exercise of those rights does not adversely affect the way the Contractor or its subcontractors treat the behavioral health recipient; and

g. receive information on available treatment options and alternatives, presented in a manner appropriate to the behavioral health recipient's condition and ability to understand.

2. Choice of Providers

The Contractor shall provide each behavioral health recipient choice in selecting a PNO and a qualified service provider within the PNO. The Contractor shall require each PNO to maintain sufficient network capacity to offer its behavioral health recipients a choice of receiving the same service from at least two (2) providers within its network, notify behavioral health recipients of their right to change providers within the PNO, and facilitate the orderly transition between providers when a behavioral health recipient decides to change. The Contractor shall not prohibit an individual from exercising his or her right to services from an alternative provider in accordance with the ADHS/DBHS Provider Manual. Further, the PNO shall be organized in a manner that allows enrolled behavioral health recipients within the same family to receive services preferably from a single qualified service provider or, at a minimum, from a single PNO .

The Contractor shall develop and implement policies and procedures describing the process for behavioral health recipients to select and change PNOs, subject to ADHS approval at the time the policies and procedures are developed and when subsequently revised.

Response: Agree ____, Agree with Deviations ____, or Disagree ____
(If Offeror marked “Disagree” or “Agree with Deviations,” please provide the rationale and any alternative provision to which Offeror would agree.)

3. Advance Directives

The Contractor shall develop and implement written policies and procedures for advance directives. The Contractor shall require PNOs and qualified service providers to provide written information regarding advance directives to adult behavioral health recipients at the time of enrollment and periodically thereafter. When a behavioral health recipient is incapacitated or unable to receive or understand information, the Contractor shall require PNOs and qualified services providers to provide written information regarding advance directives to the behavioral health recipient’s family member, designated representative, or personal representative. When an adult behavioral health recipient is no longer incapacitated, PNOs or qualified service providers must directly and promptly inform the behavioral health recipient of his or her rights to execute an advance directive. The information shall include:

a. a behavioral health recipient's rights regarding advance directives under Arizona law, including a description of the applicable law;

b. policies and procedures governing the implementation of those rights; and

c. the Title XIX and Title XXI behavioral health recipient's right to file complaints.

The Contractor shall require PNOs or qualified service providers to provide the behavioral health recipient with a clear and precise written statement of limitations if the PNO or qualified service provider cannot implement an advance directive as a matter of conscience. This statement, at a minimum, should: 1) clarify institution-wide objections and those of individual physicians; 2) identify Arizona legal authority permitting such objections; and 3) describe the range of medical conditions or procedures affected by the objection.

The Contractor shall require PNOs and qualified service providers to assist adult behavioral health recipients that express an interest in developing and executing an advance directive. The Contractor shall require PNOs and qualified service providers to: 1) document in the adult behavioral health recipient's medical record whether the person was provided the information described above and whether an advance directive was executed; 2) not make provision of care conditional upon execution of an advance directive or discriminate against an adult behavioral health recipient because of his or her decision to execute or not to execute an advance directive; and 3) provide a copy of a behavioral health recipient's executed advance directive, or documentation of refusal, to the behavioral health recipient and to the behavioral health recipient's acute care Primary Care Physician/Practitioner for inclusion in the behavioral health recipient's medical record. The Contractor shall require the PNOs and qualified service providers to maintain a copy of the behavioral health recipient's advance directive or documentation of refusal to sign an advance directive in the behavioral health recipient's behavioral health medical record.

Response: Agree ____, Agree with Deviations ____, or Disagree ____
(If Offeror marked "Disagree" or "Agree with Deviations," please provide the rationale and any alternative provision to which Offeror would agree.)

4. Special Assistance

The Contractor shall require its staff, PNO staff, and qualified service providers to have the necessary skill and knowledge to identify and refer all persons in need of special assistance to the ADHS Office of Human Rights (http://azdhs.gov/bhs/bcr.htm). The Contractor, PNOs, qualified service providers, and ADHS Office of Human Rights advocates are responsible to advocate on behalf of behavioral health recipients in need of special assistance. Examples of persons who may need special assistance include

individuals with a serious mental illness who: 1) require twenty-four (24)-hour supervision, 2) have difficulty communicating needs and do not have a court appointed fiduciary, or 3) have physical disabilities or language limitations that limit communication or the individual's ability to participate in making decisions. The ADHS Office of Human Rights provides the Maricopa County Human Rights Committee with a list of persons in need of special assistance and the Maricopa County Human Rights Committee may choose to advocate on behalf of or offer special assistance to an individual.

The Contractor will cooperate with the Maricopa County Human Rights Committee when advocating for persons who need special assistance. The Contractor shall submit ad hoc, monthly reports involving special assistance to the ADHS Office of Human Rights accordance with ADHS/DBHS Policies and Procedures and Exhibit A of this Contract.

5. Reporting to the Maricopa County Human Rights Committee

The Contractor shall submit the following reports to the Maricopa County Human Rights Committee in accordance with ADHS/DBHS Policies and Procedures and Exhibit A of this Contract:

a. Monthly Redacted Restraint and Seclusion Summary Report Concerning Children and Persons with Serious Mental Illness;

b. Monthly Identification of Each Person in Need of Special Assistance Report;

c. Ad Hoc Redacted Restraint and Seclusion Report Concerning Children and Persons with Serious Mental Illness; and

d. Ad Hoc Redacted Incidents and Accidents Reports Concerning All Behavioral Health Recipients.

Response: Agree ____, Agree with Deviations ____, or Disagree ____
(If Offeror marked "Disagree" or "Agree with Deviations," please provide the rationale and any alternative provision to which Offeror would agree.)

F. CUSTOMER SERVICES

1. Customer Service Requirements

The Contractor shall develop, implement, and maintain a distinct customer service function that is responsive to individuals, behavioral health recipients, family members, ADHS, and stakeholders, and includes a process for investigating, documenting,

analyzing, tracking, and trending complaints. The Contractor shall respond to ADHS within time frames specified by ADHS when addressing or resolving complaints.

The Contractor shall train its customer service representatives to facilitate access to information regarding service requirements and benefits; navigate, and explain navigation of the behavioral health system; refer for needed behavioral health services; resolve complaints; and triage SMI grievances, appeals, and quality of care issues. When an individual requests to access services, *there shall be no wrong door.* The Contractor shall develop and manage a call center staffed by trained, customer-oriented customer services representatives (CSRs). The Contractor shall develop and maintain a website containing information about the Contractor, the Maricopa County behavioral health system and covered behavioral health services; an outreach program; and a communication plan to educate behavioral health recipients, their families, and community stakeholders.

The Contractor shall manage its customer call center staffed with a sufficient number of CSRs answering the phones and responding to inquiries twenty-four (24) hours per day, seven (7) days a week. The Contractor may use CSRs to answer the phones during regular business hours and forward calls made to the customer service line during non-business hours to the crisis telephone line. The Contractor shall have a single toll-free customer service telephone number and a Telecommunications Device for the Deaf (TDD) telephone number, and shall publicize both telephone phone numbers in local phone books, on its website, and in other written materials to behavioral health recipients and stakeholders. The Contractor shall require its staff to answer calls as quickly as possible consistent with ADHS performance measures, standards, or thresholds.

At a minimum, the Contractor shall require CSRs to:

a. interact with the caller in a respectful, polite, and engaging manner;

b. respond to inquiries and concerns from a behavioral health recipient, family members and stakeholders in a timely manner;

c. respond to individuals with limited English proficiency through use of appropriate language assistance services;

d. assist and triage callers who may be in crisis by requesting a care manager take the call without transferring the call to another telephone line. The care manager shall assess the crisis and may warm transfer the call to the crisis line, call 911, refer the individual for services, refer the caller to his or her PNO or provider, or resolve the crisis over the phone as appropriate;

e. process referrals including requests for services, assisting with finding providers accepting referrals and scheduling appointments for services;

f. assist the individual in telephonically connecting with the agency or other party to which he or she is referred through a warm transfer;

g. provide information on where and how to access behavioral health services;

h. implement the complaint process including logging all complaints, assisting as appropriate in the resolution of the complaints, and notifying the behavioral health recipient regarding the resolution, in accordance with ADHS and Federal requirements. The CSRs shall be able to distinguish between a complaint, a grievance by a person with a serious mental illness, a member appeal, and a quality of care issue and know how to resolve or triage these calls to the appropriate personnel; and

i. inform behavioral health recipients or family members about required documents needed to prove citizenship for Title XIX and Title XXI eligibility and assist in obtaining such documentation.

Response: Agree ____, Agree with Deviations ____, or Disagree ____
(If Offeror marked "Disagree" or "Agree with Deviations," please provide the rationale and any alternative provision to which Offeror would agree.)

2. Contractor Website

The Contractor shall develop and maintain a customized website that provides on-line access to general customer service information. The Contractor shall organize the website to allow for easy access of information by behavioral health recipients, family members, providers, stakeholders, and the general public in compliance with the Americans with Disabilities Act (ADA). The Contractor shall include on its website, at a minimum, the following information or links:

a. toll-free customer service telephone number and contact information;

b. Telecommunications Device for the Deaf (TDD) telephone number;

c. hours of operations for the Contractor, the PNOs, and the Crisis Response Network;

d. how to access behavioral health services, including crisis contact information and toll-free crisis telephone numbers;

e. information on the right to choose a PNO and qualified service providers, including a provider directory for each PNO that describes each provider's available services, location, and contact information;

f. the Contractor's Member Handbook and Provider Manual;

g. the ADHS/DBHS Medication Formulary and information regarding medication-related, evidenced-based practices or practice guidelines and any medication prior authorization protocols;

h. information regarding community forums, volunteer activities and workgroups/committees, that provide opportunities for behavioral health recipients receiving services, family members, providers, and stakeholders to become involved;

i. information regarding advocacy organizations, including how behavioral health recipients and other family members may access advocacy services;

j. performance outcome measures, survey results, and other key indicators or evaluation activities of the Contractor, PNO, and qualified services provider;

k. a hyperlink to the ADHS/DBHS Behavioral Health Services website and the ADHS/DBHS Behavioral Health Covered Services Guide;

l. opportunities, including periodic surveys for behavioral health recipients, family members, qualified service providers, and other stakeholders to provide satisfaction feedback;

m instructions on how to report suspected fraud and abuse;

n. other documents as required by the ADHS Financial Reporting Guide, ADHS Provider Manual, ADHS Policies and Procedures, and the ADHS/DBHS Covered Behavioral Health Services Guide; and

o. claims inquiry information to the Crisis Response Network, PNOs and qualified service providers.

Response: Agree ____ , Agree with Deviations ____ , or Disagree ____
(If Offeror marked "Disagree" or "Agree with Deviations," please provide the rationale and any alternative provision to which Offeror would agree.)

3. Outreach

The Contractor shall develop and implement an outreach program that is designed to inform persons in a culturally and linguistically appropriate manner of behavioral health services availability and engage or refer those persons in need of services. The Contractor shall submit to ADHS the Maricopa County Advocates Group Meeting minutes in accordance with Exhibit A of this Contract. At a minimum, the Contractor shall perform the following outreach activities:

a. development and dissemination of information regarding the availability of behavioral health services, prevention services, and self-management tools to the general public, PNOs, qualified service providers, advocacy organizations, other human service providers, school administrators and teachers, County and State governments, and other interested parties;

b. participation in local health fairs or health promotion activities;

c. liaison activities to promote collaboration with local and County jails, ADOC, and Arizona Department of Juvenile Corrections, ADES/CPS, ADES/DDD, AND ADES/RSA; agencies that have contact with substance abusing pregnant women; agencies that provide services to elders; local school districts, AHCCCS Health Plan Behavioral Health Coordinators, Primary Care Physician/Practitioners, ALTCS, and any other entity that regularly interacts with persons served by the Contractor; and

d. development and implementation of programs targeted to traditionally underserved populations, including persons that are under the age of 5 years or are 65 years and older, reside in jails or juvenile detention, individuals with co-morbid medical and behavioral health disorders, persons with co-occurring substance use and mental disorders, persons with co-occurring developmental disabilities and behavioral health disorders, and *Arnold v ADHS* priority class members, including homeless persons with a serious mental illness.

Response: Agree ____ , Agree with Deviations ____ , or Disagree ____
(If Offeror marked "Disagree" or "Agree with Deviations," please provide the rationale and any alternative provision to which Offeror would agree.)

4. Communication Plan

The Contractor shall develop and implement a proactive plan for the effective and timely communication of accurate information regarding the behavioral health system to behavioral health recipients, family members, PNOs, qualified service providers, and other stakeholders. The Contractor's Plan shall include, at a minimum, the following information:

a. inform various populations how to access covered behavioral health services;

b. available treatment options for behavioral health conditions, including specific available options for behavioral health recipients and families;

c. opportunities for behavioral health recipient and family involvement in treatment planning;

d. opportunities for behavioral health recipient and family involvement in task forces, work groups, volunteer activities, community forums, and committees;

e. opportunities for involvement in peer support or family-sponsored services;

f. principles of recovery and resilience;

g. evidenced-based practices and other best and promising practices;

h. practice guidelines;

i. care management protocols;

j. initiatives within the behavioral health system;

k. customer service contact information, including toll-free crisis telephone numbers;

l. periodic information regarding the Contractor's financial and other operations, including how the Contractor is allocating and managing resources in the delivery system;

m. existing provider network directory and information to select a provider network or change PNOs; and

n. file a complaint, grievance, or appeal.

The Contractor shall include in its communication plan specific strategies it will employ to communicate information to behavioral health recipients, family members, providers, and other key stakeholder groups in accordance with the requirements set forth in this Contract. In addition to written and web-based communication, the Contractor shall schedule and attend periodic town halls or meetings for the public to provide feedback regarding the behavioral health system. The Contractor shall include in the plan strategies on using the media to educate the public regarding behavioral health and the positive aspects of the behavioral health system within Maricopa County.

The Contractor shall include in its communication plan strategies for obtaining and utilizing input from behavioral health recipients, family members, other stakeholders, and the public. At a minimum, the Contractor shall require its Key Personnel to attend a monthly meeting with behavioral health recipients, family members, clinicians, and other interested groups, organizations, or individuals identifying themselves as advocates.

The Contractor shall provide meeting minutes to ADHS fifteen (15) days following the meeting. The Contractor shall invite stakeholder participation in its QM, Cultural Competency, Credentialing and other activities. The Contractor shall require PNOs and qualified service providers to develop and implement a local communication plan that contains the same or similar elements as described above.

Response: Agree ____ , Agree with Deviations ____ , or Disagree ____
(If Offeror marked "Disagree" or "Agree with Deviations," please provide the rationale and any alternative provision to which Offeror would agree.)

5. Member Information

The Contractor shall develop and distribute member information and instructional materials to behavioral health recipients that are in easily understood language and format that is written at a 4th grade reading level. Regardless of the format chosen, the member information must be printed in a type, style and size that can be easily read by behavioral health recipients with varying degrees of visual impairment or limited reading proficiency. The Contractor must notify its behavioral health recipients in writing that alternative formats are available and how to access them. The Contractor shall review all informational materials intended for distribution to behavioral health recipients and obtain ADHS approval prior to distribution to behavioral health recipients.

All materials shall be translated into another language when the Contractor is aware that the other language is spoken by three thousand (3,000) or ten percent (10%), whichever is less, of the behavioral health recipients in a geographic region who also have Limited English Proficiency. All vital materials shall be translated into another language when the Contractor is aware that the other language is spoken by one-thousand (1,000) or five percent (5%), whichever is less, of the behavioral health recipients in a geographic region who also have Limited English Proficiency. Vital materials include, at a minimum, notices for denials, reductions, suspensions or terminations of services and consent forms. All written notices informing persons of their right to translation or interpretation services shall be translated when the Contractor is aware that one-thousand (1,000) or five percent (5%), whichever is less, of the behavioral health recipients in a geographic regions speak that language and have Limited English Proficiency.

The Contractor shall provide behavioral health recipients with written notice of significant changes related to member rights, advance directives, grievances, appeals or State fair hearings at least thirty (30) days in advance of the intended effective date.

The Contractor shall make oral interpretation services available free of charge to all Title XIX and Title XXI behavioral health recipients, including all non-English languages not just those that the Contractor identifies as prevalent.

a. Member Handbook

The Contractor shall develop and distribute a Member Handbook that augments the ADHS/DBHS Member Handbook template in both English and Spanish, (http://www.azdhs.gov/bhs/mht.pdf - http://www.azdhs.gov/bhs/mhtsp.pdf), with Contractor-specific information. The Contractor shall obtain ADHS approval prior to publishing the Member Handbook. The Contractor shall distribute the Member Handbook to each newly enrolled behavioral health recipient within ten (10) days of the behavioral health recipient receiving a first covered behavioral health service. The Contractor shall publish the Member Handbook on the Contractor's website and require publication on PNO and qualified service provider websites. Unless otherwise instructed by ADHS, the Contractor shall distribute the Member Handbook to behavioral health recipients in care at least thirty (30) days prior to the Contract Start Date.

The Contractor shall review the Member Handbook at least annually and distribute an updated Member Handbook to each behavioral health recipient on or before October 1, 2007 then by August 1st of each Contract Year. The Contractor shall update the Member Handbook and submit the updated Member Handbook to ADHS within 30 days of receiving changes made to the ADHS Member Handbook Template in accordance with Exhibit A of this Contract. If the Contractor makes changes to the Member Handbook at a time other than the annual update, the Contractor shall timely distribute the updated Member Handbook to each behavioral health recipient and include documentation of the Handbook's distribution in the behavioral health recipient's medical record.

b. Written Notices

The Contractor shall provide and require PNOs and qualified service providers to provide all notices to behavioral health recipients in accordance with the requirements set forth in the ADHS/DBHS Provider Manual. In particular the Contractor shall ensure that:

i. Notices of Action and Notices of Decision are delivered in compliance with the language, time frame, and content requirements in compliance with Federal and State law and this Contract;
ii. When the Contactor or PNO terminates a subcontract with a qualified service provider, the Contractor or PNO shall deliver written notice of termination within fifteen (15) days of receipt or issuance of the termination notice to each behavioral health recipient that received behavioral health services from or was seen on a regular basis by the terminated provider; and
iii. When there are program changes, written notification shall be provided to the affected persons at least thirty (30) days before implementation of the changes.

c. Communications with Family Members

At a minimum, the Contractor shall provide family members of behavioral health recipients with written materials, or web-postings, containing the following information:

i. where and how to access behavioral health services, including emergency or crisis services and a description of covered behavioral health services;
ii. the family members' role in the assessment, treatment, and support for behavioral health recipients with an emphasis on recovery, resilience, and illness self-management;
iii. generic information on the treatment of behavioral health conditions and principles of recovery and resilience;
iv. any limitations in involving family members or providing behavioral health recipient information for adult persons who do not want information shared with family members, including age(s) of consent for behavioral health and substance use treatment;
v. the Contractor's customer service telephone number;
vi. the hours of operations for the Contractor, PNOs, and the Crisis Response Network; and
vii. how to identify and contact a behavioral health recipient's Clinical Liaison and/or case manager.

The Contractor shall provide the above informational materials to PNOs and qualified service providers for distribution to family members or publicize the information on the Contractor's website.

The Contractor shall comply with confidentiality and privacy rules and policy as outlined in Federal and Arizona law, the ADHS/DBHS Provider Manual, the ADHS/DBHS Policies and Procedures Manual, and the ADHS/DBHS Clinical Guidance Documents.

Response: Agree ____ , Agree with Deviations ____ , or Disagree ____
(If Offeror marked "Disagree" or "Agree with Deviations," please provide the rationale and any alternative provision to which Offeror would agree.)

d. Information Dissemination

The Contractor shall timely and accurately disseminate and communicate information required by ADHS. Upon request, the Contractor shall assist ADHS in the dissemination of information to behavioral health recipients prepared by the Federal government, AHCCCSA, or ADHS. The Contractor shall pay for the cost to disseminate and communicate information. The Contractor shall submit all behavioral health recipient information materials to ADHS for approval prior to distribution. At a minimum, the Contractor shall distribute information to the following groups: behavioral health

recipients, family members, community stake stakeholders, and State agencies and update the information as needed.

The Contractor shall, in all advertisements, publications, and printed materials that are produced by the Contractor and that refer to Title XIX and Title XXI covered behavioral health services, state that the services are funded under a contract between AHCCCSA and ADHS. The Contractor shall state in all advertisements, publications, and printed materials produced by the Contractor and that refer to non-Title XIX/XXI covered behavioral health services, that the services are funded by ADHS.

Response: Agree ____ , Agree with Deviations ____ , or Disagree ____
(If Offeror marked "Disagree" or "Agree with Deviations," please provide the rationale and any alternative provision to which Offeror would agree.)

G. MANAGEMENT OF CARE

1. Utilization Management

a. Utilization Management Requirements

The Contractor shall comply with Chapter 1000 of the AHCCCS Medical Policy Manual (AMPM), http://www.ahcccs.state.az.us/Regulations/OSPpolicy/chap1000/11_05Chap1000.pdf, the ADHS/DBHS QM/UM Plan, the ADHS/DBHS Policy and Procedure Manual, and the ADHS/DBHS Provider Manual. The Contractor shall comply with Federal utilization control requirements, including the certification of need and recertification of need for continued stay in inpatient settings. The Contractor shall require OBHL licensed Level I Inpatient Hospital, Level I Subacute and Level I Residential Treatment Centers to comply with Federal requirements regarding utilization review plans, utilization review committees, plans of care, and medical care evaluation studies as prescribed in 42 CFR, Parts 441 and 456. The Contractor shall actively monitor subcontractors' Utilization Management (UM) activities for compliance with Federal regulations, AHCCCS and ADHS requirements, and adherence to its Quality Management/Utilization Management Plan.

The Contractor shall comply with the following requirements related to UM:

i. The Contractor shall incorporate the ADHS definition of medically necessary covered behavioral health services and the ADHS levels of care into Contractor documents where applicable.
ii. The Contractor may place appropriate limits on service delivery applying criteria, such as medical necessity, or for utilization control, provided the services that are delivered can be reasonably expected to achieve their purpose.

iii. The Contractor and its subcontractors shall not arbitrarily deny a required service solely because of the behavioral health recipient's diagnosis, type of illness, or condition.

iv. The Contractor shall not structure compensation to individuals or entities that conduct Utilization Management activities to provide incentives for the individual or entity to deny, limit, or discontinue medically necessary services to any member according to 42 CFR §438.12(e).

v. The Contractor shall not structure PNO, the Crisis Response Network or qualified service provider subcontracts to provide incentives to deny, limit, or discontinue medically necessary services to a behavioral health recipient.

vi. The Contractor shall develop and implement processes, based in part on using encounter data and medical record audits for each PNO, that monitor for under- and over-utilization of services at all levels of care, including monitoring behavioral health provider networks' utilization activities for under- and over-utilization of services by race, ethnicity, gender and age. The Contractor shall review utilization data to assure services are being provided in a manner consistent with the Arizona Children's Vision and Principles and Principles for Persons with a Serious Mental Illness. When a Contractor detects over- or under-utilization, the Contractor shall develop and implement strategies to bring utilization to the expected level.

vii. The Contractor shall monitor and analyze pharmacy data for under- and over-utilization and potential inappropriate utilization. The Contractor shall monitor for medication side effects, adverse drug interactions, and indications of prescription abuse.

viii. The Contractor shall develop and maintain processes to track and monitor behavioral health recipient's cumulative service utilization to ensure Title XIX and Title XXI reimbursement is not made beyond the following service limitations:

1) Title XIX and Title XXI behavioral health recipients ages 21 through 64 years who are in an IMD do not exceed thirty (30) days per admission or sixty (60) days per Contract year; and
2) respite services delivered to a single Title XIX and Title XXI behavioral health recipient do not exceed seven hundred twenty (720) hours per Contract year.

ix. The Contractor shall actively monitor and analyze utilization and cost data for covered behavioral health services, including case management by provider and type. The Contractor shall report complete and accurate utilization data to ADHS.

x. The Contractor shall provide PNOs and qualified service providers with technical assistance regarding Utilization Management.

xi. The Contractor shall develop and implement strategies to reduce risk to behavioral health recipients and family members, including at a minimum;
   1) offering alternative services when requested services are denied,
   2) following-up with individuals who do not show up for appointments,
   3) following-up with behavioral health recipients that are discharged from facilities providing twenty-four (24) hour levels of care to ensure access to and attendance at ambulatory follow-up appointments, and
   4) conducting intensive care management with individuals that frequently depend on crisis services.

xii. The Contractor shall not exceed fifty-five (55) *Arnold vs Sarn* class member (class member) census and bed capacity for non-forensic class members admitted to the Arizona State Hospital, or any alternative, or replacement non-acute inpatient facility, funded or operated by ADHS, that delivers the same services to class members as the Arizona State Hospital. The Contractor shall not admit or readmit or cause subcontracted qualified service providers to admit or readmit class members directly into the Arizona State Hospital from community mental health agencies, PNOs, or other entities, programs, or persons, except when a court orders the admission. The Contractor shall prior authorize all admissions of class members to the Arizona State Hospital.

xiii. The Contractor shall collaborate with agencies responsible for the administration of jails, prisons and juvenile detention facilities to coordinate the discharge and transition of incarcerated adults and children for the continuation of prescribed medication and other behavioral health services prior to re-entry to the community. The Contractor shall collaborate with and require its subcontracted providers to cooperate with the County jail diversion programs for persons with a serious mental illness. The Contractor shall develop and maintain a similar model for detained juveniles.

<u>Response</u>: Agree ____ , Agree with Deviations ____ , or Disagree ____
(If Offeror marked “Disagree” or “Agree with Deviations,” please provide the rationale and any alternative provision to which Offeror would agree.)

b. Utilization Management Processes

The Contractor shall prior authorize and conduct concurrent and retrospective review of Level I psychiatric Hospital, Subacute and Residential Treatment Center (RTC) services. During the first Contract year, the Contractor shall conduct utilization review of the services delivered by PNOs and the Crisis Response Network through concurrent and retrospective review. In subsequent Contract years, the Contractor may also conduct prior authorization through the Crisis Response Network or PNOs for Level II and III Residential Services, and Home Care Training to Client (formerly known as

Therapeutic Foster Care). Emergency Services are not subject to the Contractor's prior authorization in accordance with 42 CFR §438.114.

The Contractor shall maintain provider profiles that include utilization information and trends on the full service array to oversee the service delivery of PNOs and the Crisis Response Network. Outcome measures and member satisfaction shall also inform the Contractor's assessment of Crisis Response Network and PNO performance.

Response: Agree ____ , Agree with Deviations ____ , or Disagree ____
(If Offeror marked "Disagree" or "Agree with Deviations," please provide the rationale and any alternative provision to which Offeror would agree.)

2. Practice Guidelines

The Contractor shall adopt, disseminate and apply both ADHS/DBHS Practice Guidelines and others the Contractor chooses to adopt, consistent with CMS requirements in 42 CFR §438.236 and the ADHS/DBHS Clinical Guidance Documents (http://www.azdhs.gov/bhs/guidance/guidance.htm). The Contractor shall review and update Practice Guidelines annually. The Contractor shall use Practice Guidelines as a basis for decisions regarding utilization management, behavioral health recipient education, coverage of services and other areas to which the Practice Guidelines apply. The Contractor shall implement Practice Guidelines in a manner that includes steps to maintain and ensure fidelity to the adopted Practice Guidelines. At a minimum, the Contractor shall annually monitor Practice Guidelines implementation through peer review processes and fidelity measures collected.

Using information acquired through quality and utilization management activities, the Contractor shall recommend to ADHS each year the implementation of Practice Guidelines within the behavioral health delivery system, including measures of compliance, fidelity, and outcomes and a process to integrate Practice Guidelines into care management and utilization reviews. ADHS shall determine the Practice Guidelines to be implemented by the Contractor each year.

The Contractor shall disseminate the Practice Guidelines to PNOs and qualified service providers and upon request, to behavioral health recipients. The Contractor shall also provide PNOs and qualified service providers with technical assistance and other resources to implement Practice Guidelines. The Contractor shall educate PNOs and qualified service providers to implement Practice Guidelines.

Response: Agree ____ , Agree with Deviations ____ , or Disagree ____
(If Offeror marked "Disagree" or "Agree with Deviations," please provide the rationale and any alternative provision to which Offeror would agree.)

3. Care Management

The Contractor shall develop and maintain a care management system that ensures covered behavioral health services are available when and where the individual needs them. The Contractor shall use information from the care management system to improve the quality of care across the behavioral health delivery system. The Contractor shall include the following specific elements in its care management system:

a. referral of behavioral health recipients to the appropriate PNO or qualified service provider. The Contractor shall offer behavioral health recipients a choice of credentialed providers within the PNO that are accepting new referrals, and have the necessary expertise and services to meet the behavioral health recipient's needs;

b. identification of behavioral health recipients who are in need of more intensive monitoring and support or that have high-risk needs that have not been adequately addressed. The Contractor shall provide or arrange for intensive monitoring for individuals identified as at risk for higher levels of care or frequent crises at levels required by this Contract;

c. improvement in the coordination of services throughout the behavioral health delivery system, especially for complex cases, by facilitating discharge planning, providing the PNOs with technical assistance regarding best practices or other quality of care issues, and coordinating with County and State agencies, including the judicial system and the general medical system;

d. outreach to behavioral health recipients that do not follow through with recommended services. Outreach includes attempting to re-engage behavioral health recipients who do not attend outpatient appointments following a crisis or inpatient stay to assure safety and assuring follow-up appointments are scheduled and attended for behavioral health recipients discharged from inpatient and residential levels of care within time lines established by this Contract, taking into account behavioral health recipient preferences;

e. review of ISPs to: 1) confirm timely development, 2) assess the adequacy and quality of care, and 3) confirm that the behavioral health recipient, family members, all providers, and stakeholders are included in service planning;

f. consultation with PNOs and qualified service providers to address issues of fidelity to Practice Guidelines or to request changes in ISPs to address a behavioral health recipient's unmet service or treatment needs that limit progress toward treatment and quality of life goals;

g. refer identified quality of care issues to Physician Advisors as needed; and

h. oversight of the PNOs, qualified service providers, and Crisis Response Network's risk management programs and initiate corrective actions as needed.

Response: Agree ____ , Agree with Deviations ____ , or Disagree ____
(If Offeror marked "Disagree" or "Agree with Deviations," please provide the rationale and any alternative provision to which Offeror would agree.)

4. Quality Management Requirements

The Contractor shall operate a comprehensive quality management program that performs constant evaluation of the behavioral health system as a whole. Further, the Contractor shall provide a mechanism for the input and participation of behavioral health recipients, family members, and other stakeholders in the monitoring of service quality and determining strategies to improve outcomes.

The Contractor shall develop, implement, and maintain a comprehensive quality management (QM) program that includes a system of performance indicators and behavioral health recipient/family outcome measures that address different audiences and purposes. Within twenty-four (24) months of the Contract Start Date, the Contractor shall implement and maintain a formal outcomes assessment process that is standardized, reliable, and valid in accordance with industry standards. The Contractor shall develop and implement outcome measures with input from and participation of behavioral health recipients, family members and other stakeholders. The Contractor shall report to ADHS the results and findings of its outcome measures compared to the expected results and findings including performance improvement efforts and activities planned and taken to improve outcomes.

a. Quality Management Program Components
The Contractor shall develop and maintain a quality management program that:

i. includes quality management processes to assess, measure and improve the quality of care provided to behavioral health recipients in accordance with:
1) all QM requirements identified in this Contract,
2) the ADHS/DBHS QM/UM Plans, http://www.azdhs.gov/bhs/qm_plan.htm,
3) the ADHS/DBHS Policy and Procedures Manual,
4) the ADHS/DBHS Provider Manual,
5) the *Arnold v. ADHS*-related documents,
6) the JK Settlement Agreement,
7) the AHCCCS QM requirements outlined in the AHCCCS Medical Policy Manual (AMPM), Chapter 900, http://www.ahcccs.state.az.us/Regulations/OSPpolicy/chap900/01_06Chap900.pdf , and

8) other applicable documents incorporated by reference;

ii. is designed to identify and resolve systems issues consistent with a continuous quality improvement approach;

iii. disseminates information to ADHS, its subcontractors, and key stakeholders, including family members;

iv. solicits feedback and recommendations from key stakeholders, subcontractors, consumers, and family members and uses the feedback and recommendations to improve the quality of care and system performance; and

v. measures and enforces adherence with the Children's System Practice Model and Principles by subcontracted providers, the PNOs, the Crisis Response Network, qualified service providers, and the Contractor through, at a minimum:

1) the ADHS review protocol, method and processes which include in-depth chart reviews and interviews with key persons in the child's life,
2) use of findings to improve practice at the subcontracted provider, PNO, Crisis Response Network, and Contractor levels,
3) timely reporting of findings and improvement actions taken and their effectiveness,
4) dissemination of findings and improvement actions taken and their effectiveness to key stakeholders, committees, family members, and posting on the Contractor's website, and
5) implementation and maintenance of subcontract performance incentives for subcontracted providers that demonstrate practice according to the Children's System Principles.

The Contractor shall collect data and conduct data analysis. The Contractor shall participate in the review of quality improvement findings and shall take action as directed by ADHS to improve the quality of care within the behavioral health system. The Contractor shall monitor subcontracted provider quality improvement activities to ensure compliance with Federal and State laws, regulations, AHCCCSA, ADHS, *Arnold v ADHS* and Children's System of Care requirements, this Contract, and all other Quality Management requirements.

The Contractor shall participate in developing, implementing, and reporting on performance measures and topics for Performance Improvement Projects (PIPs) required by CMS or AHCCCSA, including performance improvement protocols or other measures as directed by ADHS. The Contractor's Quality Management program shall apply the PDCA Cycle approach (Plan, Do, Check, Act) and shall include processes for the ongoing monitoring, measurement, and reporting of performance improvement activities, including the effect of performance improvement activities on covered behavioral health service delivery and behavioral health recipients' outcomes.

The Contractor shall have a sufficient number of qualified personnel to comply with all Quality Management requirements in a timely manner and avoid review and monitoring unlikely to effect service delivery or quality of care.

The Contractor shall participate in the Annual Behavioral Health Recipient Satisfaction Survey as directed by ADHS.

The Contractor shall monitor and evaluate the Crisis Response Network, PNOs, and qualified service providers in order to promote improvement in the quality of care provided to behavioral health recipients. The Contractor shall detail a provider monitoring plan in the required Annual Quality Management Plan. The Provider Monitoring Plan shall include the frequency and schedule of provider monitoring on-site and desk audits, an annual desk audit of services and service sites of each provider, and an assessment of each provider's performance related to ADHS-established performance measures. The desk audit shall consist of an analysis and review of information submitted to the Contractor, including incident/accident reports, complaint resolutions, satisfaction surveys, morbidities, mortalities, and other information relevant to the provider.

The Contractor shall conduct an on-site review at a frequency necessary to improve the quality of care and services to consumers. The Contractor shall consider risk factors and data from previous monitoring, service utilization, complaint, and other sources when scheduling on-site monitoring activities. The Contractor shall conduct focused reviews of providers for which quality of care and program or service concerns are identified through analysis of data from multiple sources.

The Contractor shall annually evaluate the quality of each subcontracted prevention program in its GSA. The evaluation shall include an analysis of process and outcome data and on-site visit(s) findings. The Contractor shall provide written feedback to each prevention program at least once annually, including program successes and recommendations for program improvement.

The Contractor shall take action to address deficiencies revealed through provider monitoring. The Contractor shall include action(s) to be taken in performance improvement plans, for example: education; follow-up monitoring or evaluation of improvement; sanctions; and/or terminating affiliation with the provider. The Contractor shall provide technical assistance as it deems necessary and shall track and monitor subcontractors' improvement activities. The Contractor shall use monitoring information to inform and shape subsequent provider monitoring.

b. Addressing Quality of Care Concerns

The Contractor shall investigate, analyze, track, trend and resolve quality of care concerns (QOC) including the following:

i. Sending an acknowledgement letter to the originator of the QOC;

ii. Investigation of the QOC issue(s);

iii. Conducting follow-up with the behavioral health recipient to determine the immediate behavioral health care needs are met;

iv. Sending a QOC resolution letter to the originator of the QOC containing, at a minimum:
   1) sufficient detail to foster an understanding of the QOC resolution,
   2) a description of how the behavioral health recipient's behavioral health care needs have been met, and
   3) a contact name and telephone number to call for assistance or to express any unresolved concerns;

v. Referring QOC issues to the Contractor's peer review committee, when appropriate;

vi. Referring or reporting the QOC issue to the appropriate regulatory agency, Child or Adult Protective Services and AHCCCS for further research, review or action, when appropriate;

vii. Notifying AHCCCS and the appropriate regulatory or licensing board or agency when the affiliation of a PNO, health care professional or qualified service provider is suspended or terminated due to quality of care concerns; and

viii. Documenting in a QOC file, at a minimum:
   1) the name and contact information of the originator of the QOC,
   2) a description of the QOC including issues, dates, and involved parties,
   3) all steps taken during the QOC investigation and resolution process,
   4) corrective action(s) implemented and their effectiveness,
   5) evidence of the QOC resolution,
   6) a copy of the acknowledgement and resolution letters,
   7) any referral made by the Contractor to peer review, a regulatory agency, a licensing board or agency or AHCCCS, and
   8) any notification made by the Contractor to AHCCCS or a regulatory or licensing agency or board.

The Contractor shall implement processes for verifying the accuracy and timeliness of reported data, screen the data for completeness, logic, and consistency, and collect service information in standardized formats. To improve the quality of data submitted by the Contractor, ADHS has developed the ADHS Performance Improvement Specifications Manual, which outlines reporting requirements for all quality management

data submitted to ADHS for calculating performance and other key measures. The Contractor shall submit timely, accurate, and complete data or shall be subject to corrective action, notice to cure, sanction, or other remedies available under this Contract.

National Outcome Measures
The Contractor shall report to ADHS the National Outcome Measures required for SAMHSA Block Grant and any Federal discretionary grants. At a minimum, the Contractor shall report on measures of access to services, engagement in services, independent and stable housing, reduced criminal justice involvement, reduced substance use, reduced homelessness, employment, and employment training rates.

Response: Agree ____ , Agree with Deviations ____ , or Disagree ____
(If Offeror marked "Disagree" or "Agree with Deviations," please provide the rationale and any alternative provision to which Offeror would agree.)

5. Performance Measures

The Contractor shall meet and require its subcontractors to meet the ADHS Minimum Performance Thresholds (MPTs) and Goals for services delivered to Title XIX, Title XXI, and non-Title XIX and non-Title XXI individuals with a serious mental illness. Table 1 below identifies the Minimum Performance Thresholds and Goals for each required aspect of performance. If the Contractor's performance falls below 1) an MPT or 2) previous performance levels, the Contractor shall develop and implement an ADHS-approved corrective action plan. The Contractor's corrective action plan shall define the problem, describe recommended interventions to improve performance, describe interim monitoring to measure the effectiveness of the interventions, and set a measurable threshold for discontinuation of the corrective action plan. The Contractor shall require a corrective action plan from any subcontractor that fails to meet MPTs. The Contractor shall cooperate with any ADHS reviews or other audits to verify compliance with a corrective action plan. If the Contractor does not comply with the corrective action plan, ADHS may impose any available remedy under this Contract, including sanctions (see section on Compliance).

Table 1

Aspect of Performance	Minimum Performance Threshold	Goal
Access to care/appointment availability for routine assessments and routine appointments (medication and other): Routine assessments are available within seven (7) days of referral; and routine appointments for ongoing services are provided within twenty-three (23) days of initial assessment.	85%	90%

Aspect of Performance	Minimum Performance Threshold	Goal
Coordination of care with AHCCCS Health Plans/PCPs: The disposition of the referral is communicated to the PCP/Health Plan by the Contractor or provider, within thirty (30) days of initial assessment. If a behavioral health recipient declines behavioral health services, the Contractor or provider shall ensure communication of the final disposition to the referral source within thirty (30) days of referral.	60%	75%
Sufficiency of assessments: Assessments are sufficiently comprehensive for the development of functional treatment recommendations.	85%	90%
Behavioral health recipient/family involvement: Staff actively engaged behavioral health recipients/families in the treatment planning process.	85%	90%
Cultural competency: Behavioral health recipients'/families' cultural preferences are assessed and included in the development of treatment plans.	70%	80%
Appropriateness of services: The types and intensity of services provided, including case management, are determined based on the behavioral health recipient's assessment.	85%	90%
Informed consent for psychotropic medications: Behavioral health recipients and/or parents/guardians are informed about and give consent for prescribed medications.	80%	90%
Quality clinical outcomes: There is evidence of positive outcomes for behavioral health recipients receiving behavioral health services.	80%	82%
Average speed of answer for customer service line	30 seconds	20 seconds
Customer service call abandonment rate	5%	2%
Speed of answer for crisis line	Within 3 rings	Within 2 rings
Crisis line call abandonment rate	3%	2%

<u>Response</u>: Agree ____ , Agree with Deviations ____ , or Disagree ____
(If Offeror marked "Disagree" or "Agree with Deviations," please provide the rationale and any alternative provision to which Offeror would agree.)

In addition to the above performance measures, ADHS has defined performance guarantees that are subject to incentives and/or penalties. These Performance Guarantees and the process for administering penalties and incentives are defined in the Finance Section and Attachment C.

a. Quality Management and Utilization Management Reporting

The Contractor shall monitor and report QM and UM data and other performance improvement activities to ADHS. The Contractor shall submit to ADHS the following QM/UM deliverables in accordance with the ADHS Policies and Procedures Manual, ADHS/DBHS QM/UM Plan, and time frames outlined in Exhibit A of this Contract.

i. *QM and UM Plans*. The Contractor shall submit to ADHS by November 30th of each Contract year, annual QM and UM Plans and work plans, along with an annual evaluation of the previous year's QM/UM program. The Plan(s) shall include requirements in accordance with the AHCCCS Medical Policy Manual Chapter 900, Quality Management and Quality Improvement Program; Chapter 1000, Utilization Management; the ADHS/DBHS QM/UM Plan; and this Contract. The Contractor shall develop the QM Plan using input from key stakeholders, including behavioral health recipients, family members, providers, advocates, health plans, and other State and local agencies involved in coordinating behavioral health.

ii. *Annual Behavioral Health Recipient Satisfaction Survey*. The Contractor shall submit to ADHS the Annual Behavioral Health Recipient Satisfaction Survey Report in accordance with requirements established by ADHS/DBHS.

iii. *Semi-Annual Children's System of Care QM Data – Child and Family Team Process Measurement Review*. The Contractor shall submit to ADHS the Semi-Annual Children's System of Care QM Data – Child and Family Team Process Measurement Review in accordance with the ADHS/DBHS QM Plan and Exhibit A of this Contract.

iv. *Annual QM Work Plan*. The Contractor shall develop and implement an annual QM work plan that includes, at a minimum, all required performance measures, MPTs, and Goals (see QM performance measures, Finance Section on performance guarantees and incentives and Attachment C) and key areas of performance, including

1) customer satisfaction,
2) appointment and network access,
3) continuity of care,
4) behavioral health-physical health integration, including coordination with AHCCCS Health Plans and Primary Care Physicians/Practitioners,
5) outcomes, including improved functional status,
6) under- and over-utilization, based in part on use of encounter data,
7) data integrity and reporting, and
8) administrative efficiency.

v. *Quarterly Showing Report.* The Contractor shall submit to ADHS a Quarterly Showing Report in accordance with the ADHS/DBHS Policies

and Procedures Manual no later than ten (10) days after the end of the quarter. The Contractor's report shall demonstrate compliance with Federal requirements related to certification of need and re-certification of need for Level I behavioral health services. The Contractor's Chief Executive Officer and Chief Medical Officer shall attest in writing that the information in the report is accurate and complete.

vi. *Medical Care Evaluation (MCE) Studies.* The Contractor shall require subcontracted qualified service providers that operate Level I facilities to conduct MCE Studies in accordance with 42 CFR, Part 456, Subpart C and D and the ADHS/DBHS Policies and Procedures Manual on MCE Studies. The Contractor shall ensure that MCE Studies undertaken by Level I subcontractors are completed, analyzed, and utilized to improve care. The Contractor shall submit the Medical Care Evaluation Study Methodology and Study Results in accordance with the ADHS/DBHS Provider Manual, ADHS/DBHS Policies and Procedures, ADHS/DBHS Quality Management/Utilization Management Plan and Exhibit A of this Contract.

vii. *Quarterly Trending of Incidents, Accidents, and Deaths Report*. The Contractor shall require PNOs and qualified service providers to report incidents, accidents, and deaths in accordance with the ADHS/DBHS Policies and Procedures Manual on Reports of Incidents, Accidents, and Deaths and Exhibit A of this Contract. The Contractor shall analyze data trends, take action as appropriate, and measure and report on the effectiveness of its actions. The Contractor shall submit to ADHS a Quarterly Trending of Incidents, Accidents, and Deaths Report, in accordance with the Performance Improvement Specification Manual and Exhibit A of this Contract.

viii. *Quarterly Seclusion and Restraint Analysis Report.* The Contractor shall require subcontracted qualified service providers that operate Level I facilities to report all seclusion and restraint incidents in accordance with the ADHS/DBHS Policies and Procedures Manual on Reporting and Monitoring the Use of Seclusion and Restraint. The Contractor shall analyze data trends, take action as appropriate, measure, and report on the effectiveness of its actions. The Contractor shall submit to ADHS a Quarterly Seclusion and Restraint Analysis Report in accordance with the Performance Improvement Specification Manual and Exhibit A of this Contract.

ix. *Quarterly Pharmacy Data Report.* The Contractor shall submit to ADHS a Quarterly Pharmacy Data Report in accordance with the Performance Improvement Specification Manual and Exhibit A of this Contract.

x. *Quarterly Member Services Report.* The Contractor shall submit to ADHS a Quarterly Member Services Report that contains an analysis of the number and types of complaints received by the Contractor, PNOs, and

qualified service providers. The Contractor shall include in the report identified trends and performance improvement activities related to the complaint data. The Contractor shall include information gained from this process in its QM system to improve the quality of care provided to behavioral health recipients, to implement system improvements, and to improve behavioral health recipient satisfaction.

xi. *Open Performance Improvement Initiatives.* The Contractor shall submit to ADHS a quarterly report regarding open performance improvement initiatives in accordance with ADHS requirements and Exhibit A of this Contract.

xii. *Title XIX and Title XXI Screening and Referral Reports.* The Contractor shall submit the Monthly Title XIX and Title XXI Screening and Referral Report to ADHS Quality Management Operations in accordance with legislative requirements, ADHS/DBHS Provider Manual and Exhibit A of this Contract. The Contractor shall submit to ADHS Clinical and Recovery Services the Refusal of a Non-Title XIX/XXI Person with Serious Mental Illness to Participate in Title XIX/XXI Screening and Referral in accordance with the ADHS/DBHS Provider Manual and Exhibit A of this Contract.

xiii. *Monthly Children's System of Care Quality Management Data Structural Elements Report.* The Contractor shall submit to ADHS a Monthly Children's System of Care Quality Management Data Structural Elements Report in accordance with the ADHS/DBHS Quality Management/Utilization Management Plan and Exhibit A of this Contract.

xiv. *Monthly Referral Logs for Routine Assessment Appointments.* The Contractor shall submit to ADHS a Monthly Referral Logs for Routine Assessment Appointments in accordance with the Performance Improvement Specification Manual and Exhibit A of this Contract.

xv. *Mortality Review.* The Contractor shall submit to ADHS a Mortality Review for all deceased behavioral health recipients in accordance with ADHS/DBHS Policies and Procedures and Exhibit A of this Contract.

xvi. *Data and Records Related to this Contract.* The Contractor shall submit to ADHS data and records related to this Contract upon request by ADHS and in accordance with the requirements of this Contract including Exhibit A.

xvii. *Report of Significant Incidents/Accidents.* The Contractor shall submit to ADHS reports of significant incidents or accidents in accordance with ADHS/DBHS Policies and Procedures and Exhibit A of this Contract.

<u>Response</u>: Agree ____ , Agree with Deviations ____ , or Disagree ____
(If Offeror marked "Disagree" or "Agree with Deviations," please provide the rationale and any alternative provision to which Offeror would agree.)

H. COMPLAINTS, SERIOUS MENTAL ILLNESS GRIEVANCES, MEMBER APPEALS, AND PROVIDER CLAIM DISPUTES

The Contractor's complaint, grievance by a person with a serious mental illness, member appeal, and provider claims dispute system shall consist of the following processes in compliance with all applicable Federal and State laws, the ADHS/DBHS Policy and Procedure Manual, the ADHS/DBHS Provider Manual and this Contract, including all documents incorporated by reference:

1. *Complaints*. The Contractor shall develop and maintain a complaint process that is easily accessible to behavioral health recipients, providers, and other stakeholders. The Contractor shall be courteous, responsive, effective, and timely in resolving concerns. The Contractor shall not use its complaint process or otherwise prohibit or interfere with a behavioral health recipient's or provider's right to use formal due process resolution processes.

2. *Grievances by a Person with a Serious Mental Illness.* The Contractor shall develop and maintain a grievance by a person with a serious mental illness process that supports the protection of the rights of persons with a serious mental illness, both individually and collectively. The Contractor shall report a Grievance or Request for Investigation for People in Need of Special Assistance to the ADHS Office of Human Rights in accordance with the ADHS/DBHS Policies and Procedures Manual and Exhibit A of this Contract.

3. *Member Appeals*. The Contractor shall develop and maintain a member appeal process that provides behavioral health recipients with required notices of the right to appeal adverse decisions of the Contractor or its subcontractors. The Contractor shall design all appeal processes to offer the appellant an opportunity to present their appeal in person, conduct informal appeal conferences at a convenient time and location for the behavioral health recipient, and provide the privacy required by law. The Contractor shall provide a behavioral health recipient with the opportunity to attend the informal conference telephonically if he or she wishes to do so. The Contractor's appeal coordinator and an advocate or representative of the behavioral health recipient's choosing may attend the informal conference. The Contractor shall not accept appeals from behavioral health recipients on the established service priorities delineated in the Contractor's Annual Non-Title XIX/XXI Service Prioritization Plan.

4. *Provider Claim Disputes*. The Contractor shall develop and maintain a provider claims dispute process to resolve a PNO or qualified service provider's dispute related to payment or denial of a claim, or the imposition of a financial sanction by the Contractor. The Contractor shall develop and maintain a process when there is a dispute related to payment or denial of a claim, or the imposition of a

financial sanction by the Contractor to provide required notification to a provider of their right to file a claim dispute and the manner to do so. The Contractor shall develop and maintain processes to screen all PNO and qualified service provider claims disputes, collectively and individually, for potential fraud or abuse.

The Contractor shall: 1) advise behavioral health recipients, PNOs, and qualified service providers of their grievance and appeal rights and how to exercise their rights, including access to the applicable complaint, serious mental illness grievance, member appeals, and provider claim dispute processes, and 2) manage the applicable processes competently, expeditiously, and equitably for all behavioral health recipients, PNOs, and qualified service providers.

The Contractor shall have a sufficient number of qualified personnel to implement and maintain the complaint, grievance by a person with a serious mental illness, member appeals, and provider claim dispute processes. The Contractor shall require grievance investigators to be “CLEAR” certified (Council on Licensure, Enforcement and Regulation) as investigators or by an equivalent program approved by ADHS. The Contractor shall require appeal coordinators to receive training in mediation, conflict resolution or problem solving techniques. The Contractor shall not delegate or subcontract the administration of processes for complaints, grievances by a person with a serious mental illness, member appeals, or provider claim disputes.

When issues related to the Contractor’s or its subcontractors’ decisions or actions are heard at an administrative or judicial review proceeding, the Contractor shall have professional, paraprofessional, and administrative resources to represent the Contractor’s or subcontractor’s interests unless the issue relates to a provider claim dispute. When provider claim disputes are heard at an administrative and/or judicial review proceeding, the PNO or qualified service provider shall have professional, paraprofessional, and administrative resources to represent the PNO’s or qualified service provider’s interests and the Contractor shall have professional, paraprofessional, and administrative resources to represent its interests.

The Contractor shall cooperate when ADHS, at its discretion, decides to participate in or review any complaint, grievance by a person with a serious mental illness, member appeal, or provider claim dispute and shall implement ADHS’ decisions pending the formal resolution of the issue. The Contractor shall provide the ADHS Office of Grievance and Appeals with any requested information for ADHS to conduct its investigations or other obligations required by law or policy.

The Contractor shall submit quarterly reports to ADHS and the Contractor’s QM Committee of complaint, grievance by a person with a serious mental illness, member appeal, and provider claims dispute trends for systemic intervention as appropriate. The Contractor shall regularly review complaint, grievance, and appeal data to identify

behavioral health recipients that utilize these processes at a significantly higher rate than others. When the data shows that a particular individual is an outlier by filing repetitive grievances and appeals, the Contractor shall conduct a review to determine whether any clinical interventions or revisions to service planning are indicated.

When concerns related to complaints, grievances, member appeal or provider claims disputes are communicated to the Contractor's executive team, the ADHS senior management team, AHCCCSA leadership, government officials or legislators, or the media, the Contractor shall designate a specific person that is responsible for collaborating with ADHS to address the concerns in a manner consistent with the best clinical interests of the behavioral health recipient and ADHS obligations and responsibilities for oversight. The Contractor's designated person shall collect necessary information, consult with the treatment team for clinical recommendations when applicable, develop communication strategies in accordance with confidentiality laws and develop a written plan to address and resolve the situation to be approved by ADHS prior to implementation.

Response: Agree ____ , Agree with Deviations ____ , or Disagree ____
(If Offeror marked "Disagree" or "Agree with Deviations," please provide the rationale and any alternative provision to which Offeror would agree.)

I. ADMINISTRATIVE STRUCTURE AND ORGANIZATION

The Contractor shall collaborate with ADHS to develop and maintain effective and efficient operations that result in the delivery of timely, accessible, and effective behavioral health services as demonstrated in improved behavioral health outcomes and behavioral health recipient satisfaction. The Contractor shall identify issues and implement problem solving strategies utilizing a proactive approach based on the Contractor's managed behavioral health care expertise. The Contractor shall include the following elements in its proactive approach:

- issue identification, corrective action planning (CAP), execution, and CAP outcome monitoring and reporting;
- effective time management, including sufficient autonomy at the local level to allow for timely management decisions;
- data-driven decision-making;
- accurate, complete, and timely data analysis and reporting;
- effective human resource management;
- a demonstrated commitment to continuous quality improvement;
- communications management;
- risk identification, analysis, and response planning, documentation, communication, and mitigation;
- Contract management and compliance;
- compliance with all applicable regulatory requirements (Federal and State), policies, standards, guidelines, and procedures; and

- inclusion of behavioral health recipient, family member, and stakeholder input in decision-making processes and system changes.

1. Organizational Structure and Staffing

The Contractor shall have organization, management and administrative systems capable of meeting all Contract requirements. The Contractor shall maintain a significant and sufficient local presence (within Maricopa County) and a positive public image. The Contractor shall participate in a mid-Contract meeting and other meetings for purposes of determining Contractor compliance with this Contract.

If the Contractor maintains its corporate headquarters based in a location other than Maricopa County, Arizona:

a. the Contractor's corporate CEO/President and members of its leadership team shall travel to Maricopa County, Arizona, to meet with ADHS as required by ADHS; and

b. the Contractor's corporate CEO/President shall provide the Contractor's Arizona based management team with the authority, autonomy, resources and responsibility necessary to administer this Contract.

After Contract award, the Contractor shall obtain written approval from ADHS prior to moving administrative or managed care functions outside Maricopa County. The Contractor's request for approval shall include a description of the Contractor's processes in place to assure rapid responsiveness to ADHS' concerns regarding Contract compliance. The Contractor shall pay for any additional costs incurred by ADHS or the State associated with on-site audits or other oversight activities that result when required systems are located outside of the State.

The Contractor's organizational structure shall be of sufficient size and scope to efficiently and effectively manage the behavioral health delivery system, to demonstrate continued improvement of behavioral health service delivery and treatment outcomes. The Contractor's organization shall be designed to readily adapt to the changing needs of Maricopa County's behavioral health recipients and their family members and assure that all eligible persons have access to needed covered behavioral health services.

The Contractor's organizational structure shall clearly define lines of responsibility, authority, communication and coordination within and between various components and departments of the organization and be easily understood and accessible by those interfacing with it. The Contractor shall identify corporate level key personnel and

senior-level management staff who have authority over the Arizona based management team or any of the functions of this Contract.

The Contractor shall require that all staff have the training, education, experience, orientation, and credentialing, as applicable, to perform assigned job duties. The Contractor shall maintain current organization charts and written job descriptions for each functional area consistent in format and style.
The Contractor shall not employ or subcontract with any individual or company that has been debarred, suspended, or otherwise lawfully prohibited from participating in any public procurement activities or from participating in non-procurement activities under regulations issued under Executive Order 12549 or under guidelines implementing Executive Order 12549 and 42 CFR §438.610(a) and (b).

a. Key Personnel

The Contractor shall employ the following Key Personnel to work full-time at sites within Maricopa County:

Chief Executive Officer (CEO): who resides in Arizona and has ultimate responsibility for the management of the Maricopa County RBHA and compliance with Federal and State laws and the requirements in this Contract, including all documents incorporated by reference.

Chief Financial Officer (CFO): an Arizona -licensed certified public accountant with experience and demonstrated success in managed behavioral health care responsible for effective implementation and oversight of the budget, accounting systems, and all financial operations of the Contractor in compliance with Federal and State laws and the requirements set forth in this Contract, including all documents incorporated by reference.

Chief Medical Officer (CMO): an Arizona-licensed physician, board-certified in psychiatry, who resides in Arizona and has responsibility for the effective implementation of all clinical-medical programs, the QM and UM programs in compliance with Federal and State laws and the requirements set forth in this Contract, including all documents incorporated by reference. Additionally, the CMO shall be involved in:

i. development, implementation, and interpretation of clinical-medical policies and procedures;
ii. physician recruitment to carry out the Contractor's functions and requirements;
iii. review of physicians' and prescribers' network applications and submit recommendations regarding credentialing and reappointment;
iv. provider profile design and interpretation;

v. administration of all utilization management and quality management activities;
vi. continuous assessment and improvement of the quality of care provided to behavioral health recipients;
vii. development and implementation of the QM/UM plan and serve as the chairperson of the QM, UM, and Peer Review Committees with oversight of other medical/clinical committees;
viii. provider education, in-service training and orientation; and
ix. attendance at monthly ADHS Medical Director meetings.

Chief Clinical Officer (CCO): a behavioral health professional as defined in A.A.C. Title 9 Chapter 20 or an Arizona-licensed non-medical practitioner, responsible for clinical program development and oversight of personnel and services related to the delivery of covered behavioral health services to children, adolescents, and their families, adults with serious mental illness, adults with substance use disorders, and adults with general mental health conditions. Additionally, the CCO shall be responsible for vocational/employment, housing, and prevention service systems.

The CCO and CMO have joint responsibility to manage the Contractor's behavioral health service delivery system to promote recovery and resiliency for behavioral health recipients.

The Contractor shall immediately verbally inform ADHS, in accordance with Exhibit A of this Contract, and provide written notice within seven (7) days after the date of a resignation or termination of any of the Key Personnel listed above, including the name of the interim contact person that will be performing the Key Personnel member's duties. In addition, upon ADHS request, the Contractor shall submit a written plan for replacing Key Personnel, including expected time lines. The Contractor shall provide ADHS upon request with the opportunity to pre-approve Key Personnel prior to hire.

Response: Agree ____ , Agree with Deviations ____ , or Disagree ____
(If Offeror marked "Disagree" or "Agree with Deviations," please provide the rationale and any alternative provision to which Offeror would agree.)

b. Organizational Staff Members

The Contractor shall employ the following Organizational Staff Members, one person per position, to work full-time at sites within Maricopa County:

i. Children's Medical Administrator: is an individual, who is an Arizona-licensed physician, board-certified in child/adolescent psychiatry, or board certified in general psychiatry with significant experience and expertise in child and adolescent psychiatry, who, in conjunction with the CMO, has responsibility for the design of clinical-medical programs for children and adolescents, effective implementation of the QM program as it relates to children and adolescents, and the UM of services for children and adolescents and associated appeals in compliance with Federal and State

laws and the requirements set forth in this Contract, including all documents incorporated by reference.

ii. Children's System Administrator: has significant experience and expertise in the requirements of the Arizona child welfare, juvenile corrections and juvenile detention systems, and the special behavioral health needs of children involved with child-serving State agencies. The Children's System Administrator shall be responsible for designing, implementing, and adjusting the behavioral health delivery system to meet the needs of children involved with State agencies.

iii. Assertive Community Treatment (ACT) Team Psychiatrist: each ACT Team psychiatrist shall be an Arizona-licensed physician, board-certified or board-eligible in psychiatry, who has responsibility for providing psychiatric services to the behavioral health recipients served through the ACT Teams. The physician shall not be locum tenens, shall be a regular employee or contractor and located in the state of Arizona.

iv. Recovery and Resilience Consultant: has significant experience and expertise in the delivery of public sector behavioral health services that value and promote recovery and resilience and may include behavioral health recipients and family members.

v. Cultural Sensitivity Consultant: has significant experience and expertise in the identification of behavioral health service delivery components and processes that value and promote recovery and resilience in non-Anglo cultures. At a minimum, the Cultural Sensitivity Consultant shall have experience with Arizona's Latino and Asian populations and certain Native American tribes. The Cultural Sensitivity Consultant shall be responsible for designing, implementing, and adjusting the behavioral health delivery system operations to meet the cultural needs of behavioral health recipients.

vi. Training Administrator: has significant experience and expertise in development training programs in the service industry. The Training Administrator shall be responsible for the developing and implementing effective training programs as required in this Contract and meeting the training needs of Contractor's staff and subcontracted providers, ADHS staff and staff of other State agencies that deliver, coordinate or oversee services to enrolled persons. The Training Administrator shall oversee contracted trainers, design and implement training programs, and monitor training program effectiveness.

vii. Pharmacy Administrator: oversees the Contractor's management of the prescription drug and pharmacy services benefit. The Pharmacy Administrator shall have significant experience and expertise with psychotropic medication's potential side effects and drug interactions. The Pharmacy Administrator shall collaborate with the QM Administrator, CMO, Children's Medical Administrator, Grievance and Appeals Department and the ADHS Pharmacy and Therapeutics Committee to monitor the effectiveness of medication services delivered to behavioral health recipients. The Contractor may obtain pharmacy expertise through a contract with a prescription benefit management company or consultant if the Pharmacy Administrator is not an Arizona licensed pharmacist.

viii. Quality Management Administrator: is responsible for the development of the Contractor's QM/UM plan and its effective implementation in collaboration with the Chief Medical Officer and the Utilization Review Administrator; compliance with Federal and State laws; and the requirements in this Contract, including all documents incorporated by reference. The Quality Management Administrator shall have significant experience and expertise in the oversight of effective quality improvement public sector programs and managed behavioral health care delivery systems.

ix. Utilization Review Administrator: has an advanced clinical degree with behavioral health specialty and is responsible for compliance with Federal and State laws and the requirements in this Contract, including all documents incorporated by reference. The Utilization Review Administrator shall have significant experience and expertise in the implementation of a UM program that assures consumers receive effective, necessary services in the least restrictive environment possible.

x. Customer Services Administrator: is responsible for eligible persons' timely telephone access to the managed behavioral healthcare delivery system and triage of all calls including information inquiries, service requests, crisis calls, complaints, grievances, appeals and quality of care issues. The Customer Services Administrator shall have significant experience and expertise in the management of a customer service department and complaint resolution in compliance with Federal and State laws and the requirements in this Contract, including all documents incorporated by reference.

xi. Network Development Administrator: is responsible for assuring network adequacy and appointment access, development of network resources in response to unmet needs, adequacy of PNOs to provide behavioral health

recipient choice of PNOs and providers within PNOs, contracting with qualified service providers and compliance with Federal and State laws and the requirements set forth in this Contract, including all documents incorporated by reference. The Network Development Administrator shall have significant experience and expertise in and be responsible for network development, contracting, credentialing, and provider communications.

xii. Network Management Administrator: is responsible for assuring timely inter-provider referrals and associated appointment access, and assisting in resolving provider complaints, disputes between providers and the investigation of behavioral health recipient complaints regarding providers; coordinates provider site visits, reviews provider profiles and implements and monitors corrective action plans as needed; and assures accuracy of provider service delivery reports (e.g. encounter information verification). The Network Management Administrator shall have significant experience and expertise in managing a behavioral health provider network, principally PNOs.

xiii. Housing Administrator: is responsible for oversight of the housing program, including grants, special housing planning initiatives, and development of a non-profit community housing organization to expand housing options for individuals who are eligible. The individual will assure compliance with Federal and State laws and the requirements in this Contract, including all documents incorporated by reference. The Housing Administrator shall have significant experience and demonstrated success in developing a range of housing options in public sector programs for economically challenged individuals.

xiv. Employment/Vocational Administrator: is responsible for oversight of the vocational rehabilitation and employment support programs including a continuum of subcontracted providers and vocational, employment, and business development services to assist behavioral health recipients to achieve their employment goals. The Administrator will assure compliance with Federal and State laws and the requirements in this Contract, including all documents incorporated by reference. The Employment/Vocational Administrator shall have significant knowledge about Psychiatric Rehabilitation, supported and competitive employment, consumer-operated businesses, and the Vocational Rehabilitation system operated by the Arizona Department of Economic Security.

xv. Information Systems Administrator: is responsible for oversight of the management information systems requirements, and compliance with

Federal and State laws and the requirements in this Contract, including all documents incorporated by reference. The Information Systems Administrator shall have significant experience and expertise in behavioral health data systems and is responsible for all data interfaces.

xvi. Claims/Encounters Administrator: is responsible for oversight of timely and accurate claims and encounters processes. The Claims/Encounters Administrator shall have significant experience and expertise in processing behavioral health claims and encounters, especially as it relates to Medicaid and Medicare requirements, including coordination of benefits. The Claims/Encounters Administrator is responsible for compliance with Federal and State laws and the requirements in this Contract, including all documents incorporated by reference.

xvii. Grievances and Appeals Administrator: is responsible for timely processing serious mental illness grievances, appeals and provider claim disputes in compliance with Federal and State laws and the requirements in this Contract, including all documents incorporated by reference. The Grievances and Appeals Administrator advocates for behavioral recipient rights within the organization, assuring grievance and appeal trends are reported to and addressed within the QM/UM Committee. At a minimum, the Grievances and Appeals Administrator shall be a licensed attorney or have a juris doctor degree from an accredited institution and have significant experience and expertise in behavioral health. The Contractor may give strong preference to candidates with experience conducting formal investigations and mediations. The Contractor shall not permit its in-house legal counsel, corporate attorney or risk management attorney to act as or supervise its Grievances and Appeals Administrator.

xviii. Corporate Compliance Administrator: is responsible for oversight, administration and implementation of the Contractor's Compliance Program. The Corporate Compliance Administrator coordinates the Corporate Compliance Committee, oversees all audits related to Contract, regulatory and policy and procedure compliance and collaborates with the ADHS Fraud and Abuse program. The Corporate Compliance Administrator shall have access to all persons employed within the behavioral health system and shall have designated and recognized authority to access provider records and make independent referrals to the AHCCCS Office of Program Integrity or other duly authorized enforcement agencies. The Compliance Administrator shall have significant experience and expertise in operating compliance programs. The Corporate Compliance Administrator shall report directly to the CEO.

xix. COOL Program Administrator: oversees services in the COOL Program and serves as a single point of contact for ADHS, local parole officers and subcontracted qualified service agencies delivering covered behavioral health services through the COOL program. The COOL Program Administrator shall report to the CCO and shall have significant experience and expertise in working with parolees that are involved in the behavioral health system.

xx. Communications/Public Relations Administrator: is responsible for Contractor's public relations in Maricopa County and the coordination of publicity regarding town halls and other community events in addition to the quality, format and distribution of communication materials such as the member handbook, provider handbook, brochures and newsletters. The Communications/Public Relations Administrator shall have significant experience and expertise in responding to media inquiries and other requests for information.

The Contractor shall immediately verbally inform ADHS and provide written notice to ADHS within seven (7) days after the date of a resignation or termination of any of the Organizational Staff listed above, including the name of the interim contact person that will be performing the staff member's duties.

Response: Agree ____ , Agree with Deviations ____ , or Disagree ____
(If Offeror marked "Disagree" or "Agree with Deviations," please provide the rationale and any alternative provision to which Offeror would agree.)

c. Liaisons

Each of the following Liaison positions shall be filled by a full-time staff person whose sole responsibility is to perform the duties of the specific liaison position:

i. AHCCCS Eligibility Liaison: oversees the AHCCCS eligibility screening and referral requirements of this Contract and is the primary point of contact for ADHS, AHCCCSA, and ADES.
ii. Arizona State Hospital Liaison: is the single point of contact with the Arizona State Hospital and ADHS regarding coordination of admission, care, and discharge for persons in the Arizona State Hospital.
iii. Human Rights Liaison: is the single point of contact with the ADHS Office of Human Rights and will be responsible to provide information to the Maricopa County Human Rights Committee and attend Committee meetings.
iv. Interagency Liaison: is the single point of contact regarding coordination of care with State agencies.
v. Health Plan Liaison: is the single point of contact regarding coordination of care with AHCCCS Health Plans in Maricopa County.

vi. Emergency Response/Business Continuity and Recovery Liaison: is the single point of contact regarding behavioral health disaster response needs, recovery, and business functions in the event of a disaster or power outage.
vii. Policy Liaison: is the single point of contact with the ADHS Bureau of Compliance.
viii. Tribal Liaison: is the single point of contact regarding delivery of behavioral health services to Native Americans.
ix. Court Liaison: is the single point of contact regarding coordination of care with the court and justice systems.
x. ALTCS Liaison: is the single point of contact regarding transition of care and the behavioral health system's activities to support the behavioral health recipient's ALTCS eligibility application and related processes.

The Contractor shall immediately verbally inform ADHS and provide written notice to ADHS within seven (7) days after the date of any personnel changes involving any of the Liaison positions listed above.

Response: Agree ____ , Agree with Deviations ____ , or Disagree ____
(If Offeror marked "Disagree" or "Agree with Deviations," please provide the rationale and any alternative provision to which Offeror would agree.)

d. Other Support Staff

In addition to the Key Personnel, Organizational Staff, and Liaisons described above, the Contractor shall have sufficient number of qualified Support Staff to meet the responsibilities in this Contract, including at a minimum:

i. qualified prior authorization and certification/recertification of need and UM staff to review and authorize behavioral health care twenty-four (24) hours per day, seven (7) days per week and to coordinate inpatient certification/ recertification of need, prior authorization, concurrent review and retrospective review;
ii. provider services staff to coordinate communications between the Contractor and its subcontractors and to ensure providers receive prompt resolution to their problems or inquiries and appropriate education about participation in the behavioral health system;
iii. claims processing staff to ensure the timely, accurate, and complete processing of original claims, resubmissions of claims that were not accepted by Contractor, and overall claim adjudication;
iv. encounter processing staff to ensure the timely, accurate and complete submission of encounter data to ADHS and to correct and resubmit encounter data;
v. cultural competency staff to implement and oversee compliance with the Contractor's Cultural Competency Plan and ADHS cultural competency

policies and to oversee compliance with all requirements regarding Limited English Proficiency (LEP);

vi. clerical and administrative support staff to facilitate the effectiveness of the Contractor's operations;

vii. human resources staff to ensure ongoing hiring and recruitment of staff keep pace with personnel needs and to assure personnel disputes are handled fairly and quickly to avoid an unnecessary, negative impact on morale;

viii. customer service representatives to respond to telephonic requests for information and assist with resolution of complaints in a timely manner;

ix. grievance and appeals staff to timely and accurately process grievances by individuals with a serious mental illness, appeals, and provider claims disputes and to be available to testify or present evidence at administrative hearings and other court appearances;

x. quality management staff to oversee the implementation of the Contractor's QM/UM Plan and to track, review, and investigate critical incidents and accidents, morbidities, mortalities, and other quality of care issues;

xi. a sufficient number of qualified staff to develop, implement, measure and report on the effectiveness of corrective action plans as required; and

xii. data analysts to collect and analyze and assure the accuracy of encounter data and other information regarding Contractor's performance.

Response: Agree ____ , Agree with Deviations ____ , or Disagree ____
(If Offeror marked "Disagree" or "Agree with Deviations," please provide the rationale and any alternative provision to which Offeror would agree.)

2. Contractor's Use of Subcontractors

The Contractor shall be responsible for compliance with all Contract requirements, regardless of whether the Contractor enters into a subcontract to delegate performance of the Contract requirements. Prior to selecting a subcontractor, the Contractor shall evaluate the prospective subcontractor's ability to perform the activities to be delegated. The Contractor shall monitor and formally review a subcontractor's performance on an ongoing basis. The Contractor shall formally review Management Services subcontractors at least annually. The Contractor shall formally review qualified service provider subcontractors as described in the Contractor's Network Plan, as approved by ADHS. If the Contractor identifies areas for improvement in a subcontractor's performance, the Contractor shall require the subcontractor to complete a corrective action plan. The Contractor shall also have authority to revoke delegation or sanction subcontractors for non-performance.

The Contractor shall not prohibit a subcontracted provider from contracting to deliver services to ADHS or AHCCCSA, or to an ADHS or AHCCCSA contractor or

subcontractor. The Contractor shall require all subcontractors to comply with applicable provisions of Federal and State laws, regulations, and policies. The Contractor and its subcontractors shall not contract with any individual or entity that has been debarred, suspended or otherwise lawfully prohibited from participating in any public procurement activity or from participating in non-procurement activities under regulations issued under Executive Order 12549 or under guidelines implementing Executive Order 12549 42 CFR §438.610(a) and (b). The Contractor shall maintain at least two (2) fully executed originals of all subcontracts, and make them available within two (2) days of ADHS' request.

The Contractor, PNO or Crisis Response Network shall enter into a subcontract with any qualified service provider for the delivery of covered behavioral health services except in the following circumstances:

a. A provider that is anticipated to submit less than twenty-five (25) encounters during the subcontract year;

b. A provider that refuses to subcontract with the Contractor or comply with the requirements to become a subcontractor, in which event, the Contractor shall submit documentation of the provider's refusal to ADHS within seven (7) days of its final attempt to reach an agreement; or

c. A provider that delivers emergency services.

The Contractor shall verify that its subcontracted behavioral health providers are credentialed, licensed, certified and accredited in accordance with the provider qualifications contained in the ADHS/DBHS Covered Behavioral Health Services Guide, the ADHS/DBHS Provider Manual and the ADHS/DBHS Policy and Procedures Manual. The Contractor shall not reimburse more than 1/12th of the total projected contract amount to a subcontractor that does not have the required credentials, license, certification or accreditation. The Contractor shall recoup Medicaid funds paid for Medicaid reimbursable covered behavioral health services for dates of service on which the subcontractor did not have the credentials, license, certification or accreditation required to be an AHCCCS registered provider.

The Contractor may subcontract with qualified organizations for Management Services only with the prior written approval of ADHS (e.g., pharmacy benefits management, automated data processing or claims and/or encounter processing). The Contractor shall take reasonable steps to obtain a fair price from any Management Services Subcontractor and describe the steps taken in its request to ADHS for prior written approval. The Contractor shall submit copies of all Management Services subcontracts to the ADHS Bureau for Compliance in accordance with Exhibit A of this Contract. Upon written request by ADHS, the Contractor shall submit a corporate cost allocation plan for

the Management Services Subcontractor and proposed Management Services fee agreement. Upon written request by ADHS, the Contractor shall cooperate with an ADHS review and audit of actual management fees charged or allocations made. If ADHS determines the fees or allocations actually paid are unjustified or excessive, the Contractor shall repay the amounts and be subject to financial sanctions and corrective actions.

d. The Contractor shall include the Uniform Terms and Conditions in this Contract in its PNO, Crisis Response Network, qualified service provider and Management Services subcontracts. Further, the Contractor shall include the following specific provisions in its Provider and Management Services subcontracts:

i. *Assignment and Delegation of Rights and Responsibilities*
No payment due the subcontractor under this subcontract may be assigned without the prior approval of the Contractor. No assignment or delegation of the duties of this subcontract shall be valid unless prior written approval is received from the Contractor.

ii. *Awards of Other Subcontracts*
The Contractor may undertake or award other contracts for additional or related work to the work performed by the subcontractor. The subcontractor shall fully cooperate with such other contractors, subcontractors, or State employees. The Subcontractor shall not commit or permit any act, which will interfere with the performance of work by any other contractor, subcontractor or State employee.

iii. *Certification of Compliance – Anti-Kickback and Laboratory Testing*
By signing this Contract, the subcontractor certifies that it has not engaged in any violation of the Medicare Anti-Kickback statute (42 USC §§1320a-7b) or the “Stark I” and “Stark II” laws governing related-entity referrals (PL 101-239 and PL 101-432) and compensation therefrom. If the Contractor provides laboratory testing, it certifies that it has complied with 42 CFR §411.361 and has sent to ADHS and AHCCCSA simultaneous copies of the information required by that rule to be sent to the CMS.

iv. *Certification of Truthfulness of Representation*
By signing this Contract, the subcontractor certifies that all representations set forth herein are true to the best of its knowledge.

v. *Clinical Laboratory Improvement Amendments of 1988*
The Clinical Laboratory Improvement Amendment (CLIA) of 1988 requires laboratories and other facilities that test human specimens to obtain either a CLIA Waiver or CLIA Certificate in order to obtain reimbursement from the Medicare and Medicaid (AHCCCSA) programs. In addition, they must meet all the requirements of 42 CFR §493, Subpart A. To comply with these requirements, AHCCCSA requires all clinical laboratories to provide verification of CLIA Licensure or Certificate of Waiver during the provider registration process. Failure to do so shall result in either a termination of

an active provider ID number or denial of initial registration. These requirements apply to all clinical laboratories. Pass-through billing or other similar activities with the intent of avoiding the above requirements are prohibited. The subcontractor may not reimburse providers who do not comply with the above requirements.

vi. *Compliance with AHCCCS Rules Relating to Audit and Inspection*
The subcontractor shall comply with all applicable AHCCCS Rules and the Audit Guide relating to the audit of the subcontractor's records and the inspection of the subcontractor's facilities. If the subcontractor is an inpatient facility, the subcontractor shall file uniform reports and Title XVIII and Title XIX cost reports with AHCCCS

vii. *Compliance with Laws and Other Requirements*
The Subcontractor shall comply with all Federal, State, and local laws, rules, regulations, standards, and executive orders governing performance of duties under this subcontract, without limitation to those designated within this Contract.

viii. *Confidentiality Requirement*
Confidential information shall be safeguarded pursuant to 42 CFR Part 431, Subpart F, A.R.S. §§36-107, 36-2903, 41-1959 and 46-135, AHCCCSA Rules and Health Insurance Portability and Accountability Act.

ix. *Contract Claims and Disputes*
Subcontractor claims disputes, grievances and appeals arising under A.R.S. Title 36, Chapter 29 shall be adjudicated in accordance with AHCCCS Rules.

x. *Encounter Data Requirement*
If the subcontractor is capitated the subcontractor shall submit encounter data to the Contractor in a form acceptable to ADHS and AHCCCSA.

xi. *Evaluation of Quality, Appropriateness, or Timeliness of Services*
The Contractor, AHCCCSA, ADHS, or the U.S. Department of Health and Human Services may evaluate, through inspection or other means, the quality, appropriateness, or timeliness of services performed under this subcontract.

xii. *Fraud and Abuse*
If the subcontractor discovers, or is made aware, that an incident of suspected fraud or abuse has occurred, the subcontractor shall report, in accordance with Exhibit A of this Contract, the incident immediately and submit a written report within ten (10) business days of discovery by completing the confidential AHCCCS Referral For Preliminary Investigation form to AHCCCSA, Office of the Director, Office of Program Integrity, and the ADHS Fraud and Abuse Unit. Incidents involving suspected behavioral health recipient eligibility fraud should be reported to AHCCCSA, Office of Program Integrity, Att: Member Fraud Unit.

xiii. *General Indemnification*

Subcontractor shall indemnify, defend, save and hold harmless the State of Arizona, any jurisdiction or agency issuing any permits for any work arising out of this agreement, and their respective directors, officers, officials, agents, and employees (hereinafter referred to as "Indemnitee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorney's fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of the subcontractor or any of the directors, officers, agents, or employees or subcontractors. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of such Subcontractor to conform to any Federal, state or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the parties that the Indemnitee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnitee, be indemnified by such subcontractor from and against any and all claims. It is agreed that such subcontractor will be responsible for primary loss investigation, defense, and judgment costs where this indemnification is applicable.

xiv. *Insurance (reserved)*

xv. *Limitations on Billing and Collection Practices*
Except as provided in Federal and State laws and regulations, the subcontractor shall not bill, nor attempt to collect payment directly or through a collection agency from a person claiming to be AHCCCS eligible without first receiving verification from AHCCCSA that the person was ineligible for AHCCCS on the date of service, or that services provided were not AHCCCS-covered behavioral health services.

xvi. *Maintenance of Requirements to do Business and Provide Services When the Provider is an AHCCCS Provider Type*
The subcontractor shall be registered with AHCCCSA and shall obtain and maintain all licenses, permits, and authority necessary to do business and deliver services under this subcontract and, where applicable, shall comply with all laws regarding safety, unemployment insurance, disability insurance, and Worker's Compensation.

xvii. *Non-Discrimination Requirements*
The subcontractor shall comply with State Executive Order No. 99-4 that mandates that all persons, regardless of race, color, religion, sex, national origin, or political affiliation, shall have equal access to employment opportunities, and all other applicable Federal and State laws, rules and regulations, including the ADA and Title VI. The subcontractor shall take positive action to ensure that applicants for employment, employees, and

persons to whom it provides service are not discriminated against due to race, creed, color, religion, sex, national origin, or disability.

xviii. *Prior Authorization and Utilization Review*
The subcontractor shall comply with the ADHS prior authorization and utilization review policies, procedures, protocols and requirements.

xix. *Records Retention*
The subcontractor shall maintain books and records relating to covered behavioral health services and expenditures including reports to the Contractor and working papers used in the preparation of reports to the Contractor. The Contractor shall comply with all specifications for record keeping established by ADHS and the Contractor. All books and records shall be maintained to the extent and in such detail as required by AHCCCSA, ADHS, and Contractor Rules and policies. Records shall include, but not be limited to: financial statements, records relating to the quality of care, medical records, prescription files, and other records specified by AHCCCSA, ADHS, or the Contractor. The subcontractor agrees to make available at its office at all reasonable times during the term of this Contract and the period set forth in the following paragraphs, any of its records for inspection, audit, or reproduction by any authorized representative of AHCCCSA, Federal or State government, ADHS, or the Contractor. The subcontractor shall preserve and make available all records for a period of five (5) years from the date of final payment under this Contract. If this Contract is completely or partially terminated, the records relating to the work terminated shall be preserved and made available for a period of five (5) years from the date of any such termination. Records that relate to grievances, disputes, litigation, or the settlement of claims arising out of the performance of this Contract, or costs and expenses of this Contract to which exception has been taken by AHCCCSA, ADHS, or the Contractor, shall be retained by the Contractor for a period of five (5) years after the date of final disposition or resolution thereof.

xx. *Severability*
If any provision of these standard Contract terms and conditions is held invalid or unenforceable, the remaining provisions shall continue valid and enforceable to the full extent permitted by law.

xxi. *Subjection of Subcontract*
The terms of this Contract shall be subject to the applicable material terms and conditions of the Contract existing between ADHS and AHCCCSA, and ADHS and the Contractor, for the provision of covered services.

xxii. *Termination of Subcontract*
The Contractor may, by written notice to the subcontractor, terminate this subcontract if it is found that gratuities in the form of entertainment, gifts, or otherwise were offered or given by the subcontractor, or any agent or

representative of the subcontractor, to any officer or employee of the State with a view towards securing a contract or securing favorable treatment with respect to the awarding, amending, or the making of any determinations with respect to the performance of the Contractor. If the subcontract is terminated under this section, unless the subcontractor is a governmental agency, instrumentality, or subdivision thereof, ADHS or the Contractor shall be entitled to a penalty, in addition to any other damages to which it may be entitled by law, and to exemplary damages in the amount of three (3) times the cost incurred by the subcontractor in providing any such gratuities to any such officer or employee.

xxiii. *Voidability of Subcontract*
This subcontract is voidable and subject to immediate termination by the Contractor upon the subcontractor becoming insolvent or filing proceedings in bankruptcy or reorganization under the United States Code, or upon assignment or delegation of the Contract without Contractor's prior written approval.

xxiv. *Warranty of Services*
The subcontractor, by execution of this Contract, warrants that it has the ability, authority, skill, expertise and capacity to perform the services specified in this Contract.

xxv. *Offshore Performance of Work Prohibited*
Due to security and identity protection concerns, all services under this Contract shall be performed within the borders of the United States. All storage and processing of information shall be performed within the borders of the United States. This provision applies to work performed by all subcontractors.

xxvi. *Warranty*
A warranty that the subcontractor is in compliance with all Federal Immigration laws and regulations and the breach of any such warranty shall be deemed a material breach of the applicable Contract, subject to monetary penalties, up to and including, termination of the Contract.

Response: Agree ____ , Agree with Deviations ____ , or Disagree ____
(If Offeror marked "Disagree" or "Agree with Deviations," please provide the rationale and any alternative provision to which Offeror would agree.)

3. Business Continuity/Recovery Plan and Emergency Response

a. Business Continuity and Recovery Plan

The Contractor shall develop and annually test a Business Continuity and Recovery Plan to manage unexpected events that may negatively and significantly impact its ability to serve behavioral health recipients. The Contractor's Plan shall, at a minimum, include planning and training for:

i. behavioral health facility closure or loss of PNO or other major provider;

ii. electronic or telephonic failure at the Contractor's main place of business or the crisis line for the Crisis Response Network;
iii. complete loss of use of the Contractor's main site;
iv. loss of primary computer system/records;
v. Contractor's strategies to communicate with ADHS in the event of a business disruption; and
vi. periodic testing.

The Contractor shall review its Business Continuity and Recovery Plan annually, update it as needed and provide it to ADHS for review by September 10, 2007 in the first Contract Year and by July 10th of each subsequent Contract Year in accordance with Exhibit A of this Contract. The Contractor shall train all Key Personnel and Organizational Staff to be familiar with the Plan.

The Contractor shall require Management Services subcontractors to prepare Business Continuity and Recovery Plans and to review their Business Continuity and Recovery Plans annually, updating them as needed. The subcontractor plans shall, at a minimum, contain the above described terms that are applicable to the Management Services subcontractors. This requirement does not apply to the Contractor's PNO and qualified service provider subcontracts.

b. Emergency Preparedness

Under the direction of the ADHS, or an ADHS agency designee, the Contractor shall participate in behavioral health emergency response planning, preparation, and deployment in case of a Presidential, State, or locally-declared disaster. The Contractor's preparedness actions shall include:

i. participation in development of a comprehensive disaster response plan, including specific measures for:
   1) behavioral health recipient management and transportation,
   2) plans for access to medications for displaced behavioral health recipients, and
   3) provision of critical incident interventions for behavioral health recipients exposed to a disaster;
ii. collaboration with local hospitals, emergency rooms, fire, and police to provide emergency mental health supports for first responders; and
iii. coordination with other RBHAs to assist in a disaster in Maricopa County or in the event of a disaster in another region of the State.

<u>Response</u>: Agree ____ , Agree with Deviations ____ , or Disagree ____
(If Offeror marked "Disagree" or "Agree with Deviations," please provide the rationale and any alternative provision to which Offeror would agree.)

4. Report Requirements

The Contractor shall submit to ADHS the reports detailed in Exhibit A — Contractor Routine and Ad Hoc Reporting Requirements. The Contractor's submission of late, inaccurate, or otherwise incomplete reports shall constitute failure to report, and the Contractor shall be subject to a corrective action plan, notice to cure, sanctions, and any other remedies in this Contract. The Contractor shall be subject to the following standards for determining the adequacy of required reports:

a. *Timeliness*. The Contractor shall deliver reports or other required data for ADHS' receipt on or before scheduled due dates. The Contractor shall submit all required reports for ADHS receipt no later than 5:00 p.m. MST on the date due. The Contractor shall submit to ADHS prior to the report due date a written request for extension of reporting deadlines with the reason for the request for extension and a proposed due date.

b. *Accuracy*. Absent written agreement between the Contractor and ADHS, The Contractor shall prepare reports or other required data in strict conformity with authoritative sources and report specifications. By submitting reports to ADHS, the Contractor confirms that the data within the report is accurate and complete.

c. *Completeness*. The Contractor shall fully disclose all required information in a manner that is both responsive and relevant to the report's purpose with no material omissions.

Response: Agree ____ , Agree with Deviations ____ , or Disagree ____
(If Offeror marked "Disagree" or "Agree with Deviations," please provide the rationale and any alternative provision to which Offeror would agree.)

5. Training

The Contractor shall develop and implement a training program to educate the behavioral health workforce with the knowledge, skill and expertise to improve and strengthen behavioral health practices. The Contractor shall monitor the effectiveness of the training. The Contractor shall adjust training content and delivery to increase its efficacy.

The Contractor shall hire a sufficient number of qualified staff and allocate sufficient financial resources to maintain a comprehensive training program to enhance the knowledge and skills of all personnel, qualified service providers, behavioral health recipients, family members (who provide peer support), and other key stakeholder groups. The Contractor's training program shall:

a. be delivered in a variety of ways, including but not limited to, formal trainings, coaching, modeling and observation;

b. have qualified personnel to develop curricula and deliver trainings;

c. involve behavioral health recipients and family members in the development and delivery of trainings;

d. be consistent with and support the behavioral health delivery system in achieving the Arizona System Principles, Recovery and Resilience Principles, Arizona Children's Vision and Principles, and Principles for Persons with a Serious Mental Illness;

e. address in all trainings, the cultural relevance and considerations that are pertinent to each training topic;

f. include orientation and training on compliance with Federal and State laws, standards of conduct and the requirements in this Contract, including documents incorporated by reference; and

g. include processes to document the delivery of all trainings to personnel, qualified service providers, and behavioral health recipients.

The Contractor shall provide orientation and on-going training to all Contractor personnel and providers in accordance with the ADHS/DBHS Provider Manual and this Contract. The Contractor shall have processes to identify the training needs of its personnel, PNOs, qualified service providers, behavioral health recipients and family members and provide effective trainings, orientation, and technical assistance. The Contractor's training program, as part of its routine processes, shall offer orientation and required training for providers entering the behavioral health field and providers new to the Contractor or PNO's network. The Contractor shall design the training program to complement the clinical and administrative supervision needs of Contractor staff. The Contractor's training program shall be designed to train Clinical Supervisors to be committed to operationalizing the Arizona Children's Vision and Principles and Principles for Persons with a Serious Mental Illness.

The Contractor shall collect and analyze data from care management reviews, medical record reviews, complaint data, encounter data, utilization data, and grievance and appeal data to identify providers that require additional training or technical assistance. The Contractor shall educate Clinical Supervisors, PNOs and qualified service providers to apply Practice Guidelines.

The Contractor shall provide training and technical assistance to all personnel, PNOs, qualified service providers, behavioral health recipients and family members that express an interest, regarding new initiatives and best practices, including ADHS/DBHS Clinical Guidance Documents that affect behavioral health service delivery.

The Contractor shall provide special training in applying the Arizona Practice Model to its personnel, PNO staff, qualified service providers and family member peer support providers to achieve success in applying the Arizona Children's Vision and Principles. The Contractor's training shall be competency-based with emphasis on skill acquisition and include pre- and post-test measurements. The Contractor shall conduct training feedback forums for families, PNO staff, behavioral health recipients, peer support providers and State agency staff to identify needs and successes and to monitor system training needs.

The Contractor shall provide trainings to child-serving State agencies (ADES, ADJC, and ADE and the courts) regarding the Arizona model for delivering services to behavioral health recipients and for coaching State agency personnel in working with children and families who have behavioral health needs. The Contractor shall coordinate and deliver training initiated by ADHS based on identified needs, including the ADHS/DBHS Strategic Plan and needs identified in collaboration with other State agencies.

Response: Agree ____ , Agree with Deviations ____ , or Disagree ____
(If Offeror marked "Disagree" or "Agree with Deviations," please provide the rationale and any alternative provision to which Offeror would agree.)

J. COMPLIANCE

1. Corporate Compliance

The Contractor shall have a Compliance Committee that is accountable to the Contractor's senior management and assures Contractor compliance with all applicable Federal and State laws, *Arnold vs. ADHS* requirements and JK Settlement requirements, this Contract, and all documents incorporated by reference, including applicable AHCCCS Policies and Procedures and the ISA between ADHS and AHCCCSA. The laws include, at a minimum, Title IX of the Education Amendments of 1972, the Age Discrimination Act of 1975, Title VI of the Civil Rights Act of 1964, Executive Order 13166, Executive Order 11738, Americans with Disabilities Act (ADA) of 1990, Equal Employment Opportunity provisions, Copeland Anti-Kickback Act, Davis-Bacon Act, Contract Work Hours and Safety Standards, Environmental Protection Agency regulations, applicable provisions of the Clean Air Act and Federal Water Pollution Control Act, Byrd Anti-Lobbying Amendment and the Rehabilitation Act of 1973, CMS regulations (many of which are contained in Chapter 42 of the Code of

Federal Regulations (CFR)); HIPAA; Medicare Modernization Act (MMA), Deficit Reduction Act, the BBA, Federal Confidentiality of Alcohol and Drug Abuse Patient Records (ADAP), State Children's Health Insurance Program (SCHIP) Title XXI of the SSA and Title XIX of the SSA , A.R.S. Title 9 and Title 26 and Chapters 5 and 34 and Arizona Administrative Code, Title 9.

The Contractor shall comply with the Energy Policy and Conservation Act (Pub. L. 94-165.) including the mandatory standards and policies relating to energy efficiency in accordance with the State energy conservation plan.

The Contractor shall develop and implement written policies, procedures, protocols and standards of conduct that describe Contractor's commitment to comply with all applicable Federal and Arizona laws, standards, and the terms of this Contract, including all documents incorporated by reference. The Corporate Compliance Administrator shall have a direct line of communication with the Contractor's employees. The Contractor shall promptly enforce standards of conduct according to well-publicized disciplinary guidelines.

The Contractor shall comply with the requirements for a Corporate Compliance Program to detect and report fraud and abuse in accordance with the ADHS/DBHS Fraud and Abuse Unit Operations and Procedures Manual. The Contractor shall cooperate with the ADHS Bureau of Financial Operations to monitor the Contractor's Fraud and Abuse Program for compliance. Failure to comply may result in the penalty described in A.R.S. §13-2310. The Contractor shall submit to ADHS an Annual Corporate Compliance Plan in accordance with the ADHS/DBHS Fraud and Abuse Unit Operations and Procedures Manual and Exhibit A of this contract.

Response: Agree ____ , Agree with Deviations ____ , or Disagree ____
(If Offeror marked "Disagree" or "Agree with Deviations," please provide the rationale and any alternative provision to which Offeror would agree.)

2. Compliance Reviews

a. Annual Administrative Reviews

The Contractor shall cooperate with the ADHS on-site Annual Administrative Review of the Contractor's compliance with State and Federal requirements, program operations, fiscal operations and financial status and all programs required under this Contract. The Contractor shall cooperate with ADHS in providing documents and information related to Contractor's clinical and business practices and policies, financial reporting systems, quality outcomes, timeliness, access to behavioral healthcare services, and any other operational or program area identified by ADHS.

ADHS has the sole discretion to determine the type and duration of the Annual Administrative Review. In preparation for the on-site review visit, the Contractor shall forward to ADHS, in advance, policies, procedures, job descriptions, contracts, logs, and any other information requested by ADHS. The Contractor shall have available on site all requested medical records and case records selected for the review. The Contractor shall make available any documents not requested in advance by ADHS, except medical records in the possession of a PNO or qualified service provider, upon ADHS request during the review. The Contractor shall make medical records in the possession of a PNO or qualified service provider as soon as possible. The Contractor shall have personnel, as identified in advance, available to ADHS at all times during the on-site review. The Contractor shall provide ADHS with workspace, access to a telephone, electrical outlets and privacy for conferences while on-site.

The Contractor may comment on review findings when furnished a copy of the draft Administrative Review report prior to publication of the final report. The Contractor shall implement ADHS recommendations made in the final report through a corrective action plan to bring the Contractor into compliance with Federal, State, AHCCCSA, ADHS, and/or Contract requirements. The Contractor shall cooperate with any ADHS follow-up reviews or audits at any time after the Annual Administrative Review to determine the Contractor's progress in implementing recommendations and achieving program compliance. The Contractor shall submit to the ADHS Bureau for Compliance the Status of Administrative Review Corrective Actions Report by June 15th of each year in accordance with Exhibit A of this Contract.

ADHS has sole discretion to conduct Administrative Reviews other than the Annual Administrative Review.

b. AHCCCS Operational and Financial Reviews

The Contractor and its subcontractors shall cooperate and comply with AHCCCS Operational and Financial Reviews, including AHCCCS audit provisions, and shall participate as required by ADHS in accordance with AHCCCSA and CMS requirements for the purpose of ensuring operational and financial program compliance for Title XIX and Title XXI programs and other reasons as required. The Contractor shall cooperate with AHCCCSA in providing documents and information related to Contractor's clinical and business practices and policies, financial reporting systems, quality outcomes, timeliness, access to behavioral healthcare services, and any other operational or program area identified by AHCCCSA. The Contractor shall comply with ADHS and AHCCCSA recommendations in areas identified for improvement. The Contractor shall cooperate with ADHS in monitoring the Contractor's progress toward implementing mandated programs and corrective action plans and shall accept ADHS technical assistance, when necessary.

c. *Arnold v ADHS* Independent Case Reviews (ICR)

The Contractor and its subcontractors shall cooperate with and participate as required in the *Arnold v ADHS* Court Monitor's Annual Independent Case Review. As part of the review, the Contractor shall, at a minimum, provide access to medical records, permit interviews with Contractor and subcontractor personnel, provide office space to conduct the review, provide Contractor personnel to act as reviewers upon ADHS request and perform additional tasks related to the review upon ADHS request. The Contractor shall conduct other Independent Case Reviews that are not conducted or supervised by the Court Monitor in accordance with the court-approved Quality Management Plan as directed by ADHS.

d. External Quality Review Organization (EQRO) Reviews

The Contractor and its subcontractors shall cooperate with AHCCCSA and ADHS in any annual, external, independent review performed by an EQRO of quality outcomes, timeliness of and access to the services upon ADHS request.

e. Independent Case Reviews (ICR).

The Contractor shall cooperate with any ICR that is conducted with the Contractor to review quality outcomes, timeliness of and access to the services under this Contract. The Contractor and its subcontractors shall participate and cooperate with the ICR and produce records and other documentation, participate in staff interviews, and facilitate behavioral health recipient/family member and subcontractor interviews. The Contractor shall communicate findings from the ICR to the Contractor's Quality Management program and shall use findings from the ICR to improve care for behavioral health recipients.

f. SAMHSA Core Reviews (SAPT and CMHS Block Grants)

The Contractor and its subcontractors shall cooperate with and participate as required in SAMHSA Core Reviews of services and programs funded through the SAPT and CMHS Performance Partnership Grants. Core review findings shall be communicated to the Contractor's Quality Management program and shall be used by the Contractor to enhance and improve the delivery of grant-related services for behavioral health recipients.

Response: Agree ____ , Agree with Deviations ____ , or Disagree ____
(If Offeror marked "Disagree" or "Agree with Deviations," please provide the rationale and any alternative provision to which Offeror would agree.)

3. Corrective Action, Notice to Cure, Sanctions, and Appeal Rights

a. Corrective Action Plans

When ADHS determines that the Contractor is not in compliance with any term of this Contract, the Contractor, upon written notification by ADHS, shall immediately develop and implement an ADHS-approved corrective action plan.

b. Notice To Cure

ADHS may provide the Contractor with a written Notice to Cure regarding the details of Contractor non-compliance. The Contractor shall demonstrate compliance by the date specified in the Notice to Cure. If at the end of the specified time period, the Contractor has not demonstrated compliance as determined by ADHS, ADHS may impose a financial sanction or exercise any other available remedy under this Contract.

c. Sanctions

The Contractor shall be subject to ADHS financial sanctions for failure to comply with: 1) the terms of this Contract including all documents incorporated by reference, 2) the date specified in a Notice to Cure, or 3) a corrective action. The Contractor shall be assessed a dollar amount according to the severity of the violation. Unless explicitly stated otherwise in this Contract or document incorporated by reference, ADHS, at its sole discretion, may consider the following factors when imposing financial sanctions:

i. Substantial failure to provide required medically necessary covered behavioral health services to an individual under this Contract;
ii. Imposition of charges on behavioral health recipients that are in excess of the charges permitted under the Medicaid program;
iii. Discrimination toward behavioral health recipients on the basis of their health status or need for health care services;
iv. Misrepresentation or falsification of information furnished to AHCCCSA or ADHS;
v. Misrepresentation or falsification of information furnished to an enrollee, potential enrollee, subcontractor or health care provider;
vi. Failure to comply with the requirements for physician incentive plans, in accordance with 42 CFR §§ 422.208 and 422.210;
vii. Direct or indirect distribution of marketing materials without prior ADHS approval or that contain false or materially misleading information;
viii. Violation of any of the other applicable requirements of sections 1903(m) or 1932 of the SSA and any implementing regulations;
ix. Non-compliance with a Contract requirement that has a negative effect on the service delivery system or that causes potential harm or results in actual harm to a behavioral health recipient; and

x. Non-compliance with any Contract term may result in a financial sanction.

The Contractor agrees that ADHS shall determine, at its sole discretion, the amount of sanction and shall provide written notice to the Contractor specifying the sanction, the grounds for the sanction, identification of any subcontracted providers involved in the violation, if known, the amount of funds to be withheld from payments to the Contractor and the steps necessary to avoid future sanctions.

The Contractor shall complete all necessary steps to correct the violation that precipitated the sanction and initiate corrective action to avoid future sanctions within the time frame established by ADHS in the notice of sanction. Upon notice of sanction, the Contractor shall have the full sanction amount withheld from the next monthly payment. If the Contractor does not correct the violation within the time frames established in the notice of sanction, ADHS may impose additional sanctions, which at the discretion of ADHS, may be equal to or greater than the sanction imposed for the unresolved violation.

If the Contractor violates the same Contract provision on two (2) or more occasions within a two (2) year period, ADHS, at its sole discretion, may use the amount of the first (1st) violation as a baseline that is subject to a multiplier based on the number of repeat violations of the same Contract provision within a two (2) year period according to the following formula and as illustrated in Table 2 below.

Amount in 1st violation x n = sanction amount

(n= number of violations within 2 years of 1st violation)

Table 2 Illustration

tion	**Amount**
ion for 1st violation	$5,000
Sanction for 2nd violation within 2 years of the 1st violation	$10,000
Sanction for 3rd violation within 2 years of the 1st violation	$15,000
Sanction for 4th violation within 2 years of the 1st violation	$20,000
Sanction for 5th violation within 2 years of the 1st violation	$25,000

The Contractor agrees that ADHS may offset against any payments due the Contractor until the full sanction amount is paid.

d. AHCCCSA Imposed Sanctions

If AHCCCSA, pursuant to the IGA with ADHS or its regulations, imposes a sanction against ADHS for any act or omission which is an obligation the Contractor was prohibited or required to perform under this Contract, the Contractor shall be responsible for payment in an amount equal to the amount of the sanction imposed by AHCCCSA against ADHS. If the sanction from AHCCCSA is based on an act or omission that is the both the obligation of Contractor and one or more other RBHA(s) , the Contractor shall be responsible for payment according to ADHS' allocation of sanctions to the Contractor that accounts for the Contractor's share of responsibility.

The Contractor shall be responsible for payment of any financial sanctions imposed on ADHS by AHCCCSA related to the Contractor's performance under this Contract. The Contractor's payment shall not be due until AHCCCSA has imposed sanctions upon ADHS for acts or omissions related to the Contractor's performance under this Contract. If AHCCCSA imposes sanctions upon ADHS, the Contractor shall either reimburse ADHS upon demand, or ADHS shall withhold payment of any sanction, disallowance amount, or amount determined by AHCCCSA to be unallowable, after exhaustion of the appeals process, when applicable, and provided the Federal government does not impose the sanctions until after the appeals process is completed. The Contractor shall bear the administrative cost of the appeals process.

e. Contractor Appeal Rights

The Contractor may file an appeal to any sanction imposed by ADHS in accordance with the processes in the Special Terms and Conditions of this Contract.

Response: Agree ____ , Agree with Deviations ____ , or Disagree ____
(If Offeror marked "Disagree" or "Agree with Deviations," please provide the rationale and any alternative provision to which Offeror would agree.)

K. MANAGEMENT INFORMATION SYSTEMS

1. Overview

The Contractor shall develop and maintain a Management Information System (MIS) that collects, analyzes, integrates, and reports data. The MIS shall provide information on areas, at a minimum, service utilization, provider claim disputes, and appeals, and meet ADHS data processing and interface requirements in accordance with this Contract and in the documents incorporated by reference including the: CIS File Layout and Specifications Manual, (http://azdhs.gov/bhs/cis.pdf); ADHS Program Support Procedures Manual, (http://azdhs.gov/bhs/prog_support.htm); ADHS/DBHS Policy Manual; ADHS/DBHS Covered Services Guide (http://www.azdhs.gov/bhs/covserv.htm); Office of Grievances and Appeals Database Manual, (http://azdhs.gov/bhs/scanned/ogadbmanual.pdf)

Financial Reporting Guide for Regional Behavioral Health Authorities (http://www.azdhs.gov/bhs/fin_rep_gde.pdf) and others as required by ADHS. When required by the Health Insurance Portability and Accountability Act, the Contractor shall utilize electronic transactions.

The Contractor shall have a sufficient number of qualified MIS and claims/encounter personnel dedicated to support the maintenance and operations of the MIS for this Contract. These personnel shall have MIS and claims/encounter technical knowledge, including knowledge regarding payment rules and regulations for health care or behavioral health delivery systems.

The Contractor shall obtain data from providers that is timely, accurate, and complete by, at a minimum, 1) verifying the accuracy and timeliness of reported data, and 2) screening the data for completeness, logic, and consistency.

The Contractor's MIS or any component therein is subject to ADHS approval if there are reasonable concerns regarding its suitability or ability to comply with the requirements of this Contract. The Contractor shall make available all components of its MIS system for review or audit upon request by ADHS.

The Contractor shall obtain ADHS approval on the details of planned system changes, system enhancements, or software, hardware, or network procurement, including the estimated impact upon the interface process before the Contractor proceeds with the system change.

If the Contractor plans to make any modifications that may affect any of the data interfaces, it shall first provide ADHS the details of the planned changes, the estimated impact upon the interface process, and unit and parallel test files. The Contractor shall not implement the proposed change until ADHS evaluates and approves the test data. The Contractor shall notify ADHS in advance of the exact implementation date of all changes and cooperate with ADHS if ADHS elects to monitor for unintended impacts of the change.

The Contractor shall accept at least ninety (90) days notice from ADHS prior to a system change unless ADHS determines that the change is immediately needed and vital to system operations.

Response: Agree ____ , Agree with Deviations ____ , or Disagree ____
(If Offeror marked "Disagree" or "Agree with Deviations," please provide the rationale and any alternative provision to which Offeror would agree.)

2. Claims Payment Encounter Reporting

The Contractor shall develop and maintain a claims payment system capable of processing, cost-avoiding and paying claims in accordance with requirements outlined in this Contract, Federal regulations, and State law. The Contractor shall pay ninety

percent (90%) of all clean claims within thirty (30) days of receipt of the clean claim and ninety-nine percent (99%) shall be paid within 90 days of receipt of the clean claim. The receipt date of the claim is the date stamp on the claim. The paid date of the claim is the date on the check or other form of payment. Claims submission deadlines shall be calculated from the date of service or the effective date of eligibility posting, whichever is later. The Contractor must be capable of submitting, upon request by a provider, an electronic Health Care Claim Payment/Advice 835 transaction in accordance with HIPAA requirements. When sending remittance advices along with payment to providers, the Contractor shall include, at a minimum, adequate descriptions of all denials and adjustments, the reasons for the denials and adjustments, the amount billed, the amount paid, and provider appeal rights for claims dispute.

For each covered behavioral health service delivered to a behavioral health recipient, the Contractor shall require PNOs, the Crisis Response Network and qualified service providers to submit claims or encounters in accordance with claims and encounter submission requirements in the ADHS/DBHS Provider Manual, the ADHS/DBHS Program Support Procedures Manual, the ADHS/DBHS Covered Services Guide, the Financial Reporting Guide for Regional Behavioral Health Authorities, the CIS File Layout and Specifications Manual requirements and in accordance with the Health Insurance Portability and Accountability Act. The Contractor shall require and ensure subcontracted providers to obtain a National Provider Identifier (NPI). The Contractor shall provide claims inquiry information to providers on the Contractor's website.

a. Electronic Data Exchange

The Contractor shall have a management information system capable of sending and receiving information to and from ADHS and capable of receiving encounter information from PNOs, the Crisis Response Network and qualified service providers. The Contractor's management information system shall be capable of sending and receiving information to and from other agencies as identified in the collaborative agreements, IGAs, Inter-Service Agreements (ISAs), the Maricopa County Superior Court Amended Administrative Order No 2005-055, *In The Matter Of Implementation Of Procedures To Share Identifying Information For Individuals With Mental Illness*, and the Maricopa County Jail Data Link. At a minimum, the Contractor shall have a T1 line. The Contractor shall develop and maintain security precautions for email transmission in accordance with Health Insurance Portability and Accountability Act and consistent with ADHS' systems and encryption methods.

b. Encounter Submissions

The Contractor shall submit encounters to ADHS in accordance with the CIS File Layout Specifications Manual, ADHS/DBHS Office of Program Support Procedures Manual, ADHS/DBHS Provider Manual, the ADHS/DBHS Covered Services Guide, and the Financial Reporting Guide for Regional Behavioral Health Authorities. The Contractor shall meet all timeliness, accuracy and omission of data requirements for processing encounters in accordance with the ADHS/ DBHS Office of Program Support Procedures

Manual. The Contractor shall be subject to sanctions for non-compliance with encounter submission standards.
The Contractor shall develop and implement policies and procedures that instruct staff to: 1) timely process encounters for accuracy and completeness; 2) ensure encounters represent the services provided and are accurately adjudicated according to AHCCCS and ADHS standards; and 3) comply with all State and Federal requirements. The Contractor shall cooperate with ADHS when ADHS elects to monitor the Contractor's encounters for accuracy and adjudication accuracy against the Contractor's internal criteria.

The Contractor shall develop and maintain a system for monitoring and reporting the completeness of encounters and encounter data received from PNOs and qualified service providers. The Contractor shall verify that PNOs and qualified service providers are not submitting encounters for services that were not delivered.

The Contractor shall monitor encounters received from providers on a monthly basis. At a minimum, the Contractor shall compare encounter production to monthly revenue distributed to providers (after sufficient time for claims lag). The Contractor shall have procedures in place to timely respond to material over/under production of encounters by providers.

If the Contractor delivers services directly, the Contractor shall monitor encounter production and compare the production to expenses incurred. The Contractor shall monitor encounter production by service delivery site and have procedures in place to respond to anomalies. For services delivered directly by the Contractor, the Contractor shall use actuarially sound methods to develop unit values reported for these encounters. Unit values shall reasonably align with general market conditions.

With each encounter data submission, the Contractor's CEO or CFO shall submit a written attestation that based on his or her best knowledge, information and belief, the encounter data are accurate, complete and truthful.

c. Enrollment and Demographic Data Submission

The Contractor shall submit enrollment and demographic data in accordance with the CIS File Layout and Specifications Manual, the ADHS/DBHS Provider Manual, and the ADHS/DBHS Program Support Procedure Manual. The Contractor is subject to sanctions for non-compliance with enrollment and demographic data submission standards.

With each enrollment and demographic data submission, the Contractor's CEO or CFO shall submit a written attestation that based on his or her best knowledge, information and belief, the enrollment and demographic data are accurate, complete and truthful.

d. Grievance, Appeals, and Claims Dispute Data Submission

The Contractor shall enter grievances, appeals and provider claim dispute information into the ADHS Office of Grievances and Appeals database in accordance with Office of Grievances and Appeals Database Manual. The Contractor shall make initial and updated entries in the Office of Grievances and Appeals database within three (3) days of an event requiring entry.

e. Eligibility Inquiries

The Contractor shall develop and implement electronic processes to access Title XIX and Title XXI eligibility information including web-based inquiries in accordance with the ADHS/DBHS Provider Manual. The Contractor shall utilize the AHCCCS Prepaid Medical Management Information System (PMMIS) to determine Title XIX and Title XXI eligibility and AHCCCS Health Plan enrollment information. The Contractor shall identify staff that will utilize the PMMIS system and obtain log-on clearance by contacting the ADHS/DBHS Office of Program Support. The Contractor shall accept ADHS/DBHS Office of Program Support's technical assistance and training regarding the use and interpretation of the PMMIS data screens.

f. AHCCCSA Eligibility Status Reports

The Contractor shall accept electronic data from ADHS regarding the status of the behavioral health recipient's AHCCCS eligibility in accordance with the CIS File Layout Specifications Manual.

g. Ad Hoc Electronic Data Requests

The Contractor shall comply with any ad hoc electronic data submission, processing or review requests from ADHS upon at least a thirty (30) day notification from ADHS unless ADHS determines the data are immediately required and vital to operate the behavioral health service delivery system.

h. Contractor User Registration and Access to ADHS and AHCCCS Systems

The Contractor shall identify staff that will utilize the PMMIS system, the Grievance and Appeals database, the ADHS FTP Server and the ADHS Client Information System. Identified staff shall obtain log-on clearance by contacting and requesting such through the ADHS/DBHS Office of Program Support in accordance with the ADHS/DBHS Office of Program Support Procedures Manual.

i. AHCCCSA Encounter Data Validation Study (EDVS)

The Contractor and its subcontractors shall cooperate with and participate in the required annual Center for Medicaid and Medicare Services (CMS) data validation study conducted by AHCCCSA and other validation studies as directed by ADHS. Upon request, the Contractor shall provide any and all covered behavioral health services data for validation as part of the studies.

Per CMS requirement, AHCCCSA conducts encounter data validation studies in accordance with the ADHS/DBHS Program Support Procedure Manual. The Contractor shall be notified in writing of any significant change in study methodology if AHCCCSA revises the study methodology, timeliness, and sanction amounts based on its review or as a result of consultations with CMS.

If AHCCCSA, pursuant to the ISA with ADHS or its regulations, imposes a sanction against ADHS for any act or omission which, is an obligation the Contractor was prohibited or required to perform under this Contract, the Contractor shall be responsible for payment in an amount equal to the amount of the sanction imposed by AHCCCSA against ADHS. If the sanction from AHCCCSA is based on an act or omission that is both the obligation of the Contractor and one (1) or more other RBHA(s), the Contractor shall be responsible for payment according to ADHS allocation of sanctions that accounts for the Contractor's share of responsibility. The Contractor shall be responsible for all sanctions imposed against ADHS by AHCCCSA as a result of data validation studies. ADHS shall notify the Contractor in writing of the sanction amounts, if applicable.

The Contractor shall conduct encounter data validation studies of its subcontractors at least on a quarterly basis. The Contractor in conducting its encounter data validation studies shall verify that all services delivered to ADHS behavioral health recipients are being reported to the Contractor accurately, timely and are documented in the medical record. The Contractor shall conduct targeted encounter data validation studies of its subcontractors that are not in compliance with ADHS or Contractor's encounter submission requirements. The Contractor shall document the results of encounter data validation studies of its subcontractors and provide the findings to ADHS upon request.

Response: Agree ____ , Agree with Deviations ____ , or Disagree ____
(If Offeror marked "Disagree" or "Agree with Deviations," please provide the rationale and any alternative provision to which Offeror would agree.)

L. COLLECTION AND BILLING

1. Coordination of Behavioral Health Benefits and Third-Party Liability

The Contractor shall comply with the coordination of benefits and third-party liability requirements in accordance with the ADHS/DBHS Provider Manual including the two (2) methods used in coordination of benefits: cost avoidance and post-payment recovery.

The Contractor shall determine the liability of third parties that are obligated to pay for covered behavioral health services. The Contractor shall cost-avoid a claim if it determines there is probable cause or has information that third-party liability exists. The Contractor shall process all claims when it determines there is no probable cause or has no information that third-party liability exists at the time the claim is filed.

The Contractor shall pay any co-payment, coinsurance or deductible if a third-party payor requires the behavioral health recipient to pay these costs even for covered behavioral health services delivered by an out-of-network provider. The Contractor shall not pay a copayment, coinsurance, or deductible that exceeds an amount the Contractor would have paid for the entire service under a written contract with the provider delivering the service, or the ADHS/DBHS fee-for-service payment equivalent. The Contractor shall decide whether it is more cost-effective to provide the service within its network or pay a copayment, coinsurance, or deductible for a service outside its network. If the Contractor refers the behavioral health recipient for services to a third-party payor, and the payor requires payment in advance of all copayments, coinsurance, or deductibles, the Contractor shall make the payments in advance. The Contractor shall comply with Medicare cost sharing requirements in accordance with the ADHS/DBHS Provider Manual and Chapter 200 of the AHCCCS Contractor Operations Manual.

When the Contractor knows that the third-party payor will not pay a claim for a covered behavioral health service because of untimely claim filing or denial of coverage, the Contractor shall not deny service delivery, deny payment of the claim based on third-party liability, or require the third-party payor to send a written denial letter if the covered behavioral health service is medically necessary. The Contractor shall communicate third-party liability information of any known change in or addition to health insurance information, including Medicare, to AHCCCSA, Division of Member Services, not later than ten (10) days from the date of discovery using the AHCCCS Approved Third-Party Change Correspondence in the ADHS/DBHS Provider Manual. If the Contractor is aware of a potential third-party payor, but does not know whether the third-party payor is liable for a particular medically necessary covered behavioral health service, the Contractor shall contact the third-party payor to determine whether the third-party payor is liable to pay for the service and shall not require the behavioral health recipient to contact the third-party payor for this purpose. The Contractor shall timely deliver all medically necessary covered behavioral health services when the Contractor determines a third-party payor is not liable to pay for services .

Response: Agree ____ , Agree with Deviations ____ , or Disagree ____

(If Offeror marked "Disagree" or "Agree with Deviations," please provide the rationale and any alternative provision to which Offeror would agree.)

2. Post-Payment Recoveries

The Contractor may engage in post-payment recovery in cases where the Contractor was not aware of third-party liability coverage or was unable to cost-avoid at the time services were delivered or at the time they were paid.

The Contractor may retain up to one hundred percent (100%) of its third-party collections if all of the following conditions exist:

i. total collections received do not exceed the total amount of the Contractor's financial liability for the behavioral health recipient;
ii. no payments are made by AHCCCSA related to fee-for-service, reinsurance, or administrative costs; and
iii. the recovery is not prohibited by Federal or State law.

The Contractor shall report to ADHS, upon request, case level detail of third-party collections and cost avoidance including number of referrals on total plan cases.

Response: Agree ____ , Agree with Deviations ____ , or Disagree ____
(If Offeror marked "Disagree" or "Agree with Deviations," please provide the rationale and any alternative provision to which Offeror would agree.)

3. Medicare Services and Cost-Sharing

The Contractor shall pay for Medicare cost-sharing expenses for covered behavioral health services delivered to behavioral health recipients that are eligible for both Medicaid (Title XIX) and Medicare reimbursed services ("dual eligibles"). The Contractor shall comply with the different cost-sharing responsibilities that apply to dual eligible behavioral health recipients based on a variety of factors in accordance with the AHCCCSA Medicare Cost Sharing Policy in the AHCCCS Contractor Operations Manual Chapter 200. The Contractor shall not pay Medicare cost sharing expenses if the Medicare payment exceeds what ADHS' would have paid for the same service delivered to a behavioral health recipient that is not eligible for Medicare.

The Contractor shall coordinate Medicare Part D prescription drug benefits through Medicare Prescription Drug Plans (PDPs) or Medicare Advantage Prescription Drug Plans (MAPDs) to Medicare eligible behavioral health recipients, including dual eligibles. The Contractor shall base prescription drug coverage for Medicare eligible behavioral health recipients enrolled in Part D on the Part D Plans' formularies. The Contractor shall pay for or be reimbursed with State funds for Medicare Part D cost sharing and Medicare Part D excluded or non-covered prescription drugs in accordance

with the ADHS/DBHS Provider Manual. The Contractor's obligation for payment of any Medicare Part D cost sharing or any Medicare Part D excluded or non-covered drugs for non-Title XIX eligible, non-seriously mentally ill behavioral health recipients shall be based on available funding.

Response: Agree ____ , Agree with Deviations ____ , or Disagree ____
(If Offeror marked "Disagree" or "Agree with Deviations," please provide the rationale and any alternative provision to which Offeror would agree.)

4. Billing and Collection of Fees from Behavioral Health Recipients

The Contractor shall act in accordance with the ADHS/DBHS Provider Manual regarding collection of fees from behavioral health recipients. Except as provided in Federal and State laws and regulations, the Contractor shall not bill, nor attempt to collect payment directly or through a collection agency from a person claiming to be AHCCCSA eligible without first verifying the person was ineligible for AHCCCSA on the date of service, or that the services delivered were not covered behavioral health services.

Response: Agree ____ , Agree with Deviations ____ , or Disagree ____
(If Offeror marked "Disagree" or "Agree with Deviations," please provide the rationale and any alternative provision to which Offeror would agree.)

M. FINANCE AND RATES

1. Title XIX, Title XXI, Non-Title XIX and Non-Title XXI Payments

The Contractor shall receive in accordance with applicable Federal and State laws, regulations, or policies the following payments as set forth in the Capitation Rates Table, attached as Exhibit B, for services performed under this Contract.

a. *Title XIX and Title XXI Capitation Payments*
The Contractor shall receive monthly capitation payments based on the number of AHCCCS Title XIX and Title XXI persons eligible on the first day of the month. The Contractor shall accept the monthly capitation payment as full payment to deliver all Title XIX and Title XXI medically necessary covered behavioral health services to all behavioral health recipients that are Title XIX or Title XXI eligible during the month. The Contractor agrees that all administrative costs shall be included in the monthly capitation payment. The Contractor shall receive the monthly capitation payment on or before the tenth (10th) working day of the month. The Contractor agrees that it shall not receive adjustments to the monthly

capitation payment for Title XIX or Title XXI eligible or enrolled persons who are enrolled or disenrolled with AHCCCSA after the first of the month.

The Contractor agrees that ADHS may review the Title XIX and Title XXI capitation rates and make retrospective and/or prospective adjustments to the capitation rates for Title XIX and Title XXI covered behavioral health services for a gain or loss by the Contractor of more than four percent (4%), subject to the availability of appropriated funds. The Contractor agrees that ADHS has the sole discretion to reevaluate the capitation rates equal to four (4) times per year to make adjustments to the monthly capitation payments. The Contractor agrees that AHCCCSA and the Joint Legislative Budget Committee shall review and approve any adjustments to the Title XIX or Title XXI capitation rates.

b. *Non-Title XIX and Non-Title XXI Payments*
The Contractor shall receive Non-Title XIX and Non-Title XXI funds in twelve (12) monthly installments through the Contract year on or before the tenth (10th) working day of each month. The Contractor shall manage available Non-Title XIX and Non-Title XXI funds to continuously deliver services throughout the entire Contract year.

Response: Agree ____ , Agree with Deviations ____ , or Disagree ____
(If Offeror marked "Disagree" or "Agree with Deviations," please provide the rationale and any alternative provision to which Offeror would agree.)

2. Performance Guarantees and Incentives

a. Earning Performance Guarantees and Incentives
The Contractor may earn Performance Guarantees and Incentives based on the following:
   i. The Contractor shall be at risk to pay ADHS up to .25 percent of the annual Title XIX and Title XXI capitation payment as a penalty if the Contractor fails to meet the minimum performance thresholds on the measures in the matrix attached to this Contract as Attachment C. The Contractor agrees that the penalty shall be charged against the Contractor's administrative allocation portion of the monthly capitation payment and shall not reduce or diminish service delivery in any way.
   ii. The Contractor may earn an incentive up to one percent (1%) of the annual Title XIX and Title XXI capitation payment if the Contractor meets or exceeds the measures in the matrix attached to this Contract as Attachment C.

When applicable, the Contractor shall receive the .25 percent at risk payment for performance guarantees as part of the monthly capitation with a quarterly penalty administration. The one percent (1%) allocated to incentives shall be withheld from the

capitation and incentive payments shall be administered as performance thresholds are met. The penalty and incentive allocation for each metric is the percent as stated in the matrix in Attachment C.

A prerequisite for qualifying for incentive payments based on the Performance Guarantees in Attachment C is that the Contractor shall meet all contractually required data and encounter submission requirements outlined in the Financial Reporting Guide for Regional Behavioral Health Authorities. In addition, the Contractor must submit accurate demographic data for at least eighty-five percent (85%) of all enrolled behavioral health recipients within fifty-five (55) days of enrollment in accordance with the ADHS/DBHS Provider Manual, ADHS/DBHS Policy Clarification Memorandum dated December 1, 2006 (http://www.azdhs.gov/bhs/provider/assess.pdf) and the ADHS CIS File Layout and Specifications Manual. This threshold does not supercede any higher data submission requirement stated elsewhere.

The Contractor agrees performance guarantees and incentives shall become effective on the Contract Start Date and remain in effect for a period of twelve (12) consecutive calendar months and will automatically renew at the start of each new Contract year unless otherwise modified. The Contractor shall receive advance written notice of any changes in performance guarantee or incentive measures, thresholds, goals, and related in accordance with terms in this Contract.

The Contractor shall submit performance reports on established metrics to ADHS on a month-by-month basis or upon ADHS' request, quarter-by-quarter basis and year-to-date annualized reports. The Contractor shall submit reports in accordance with the established metrics in this Contract and not based on a book-of-business method.

b. Performance Guarantee Incentive Reporting
The Contractor shall submit summaries of performance to the ADHS/DBHS Bureau of Quality Management Operations as follows:
   i. Monthly Report on Established Performance Guarantees within thirty (30) days after each monthly measurement period;
   ii. Quarterly Report on Established Performance Guarantees within thirty (30) days after each quarterly measurement period; and
   iii. Annual Report on Established Performance Guarantees within forty-five (45) days after the fiscal year end.

c. Performance Guarantee Incentive Measurement
The Contractor shall measure performance for each standard on the performance for the period as defined in each standard as follows:
   i. For monthly metrics, the fees at risk and incentives available are defined as one-twelfth (1/12th) of the annual fees and incentives available.
   ii. For quarterly metrics, the fees at risk and incentives available are defined as one-fourth (1/4th) of annual fees and incentives available.

iii. For semi-annual metrics, the fees at risk and incentives available are defined as one-half (1/2) of annual fees and incentives available.
iv. For annual metrics, the fees at risk and incentives available are defined as those fees and incentives available during the year.

d. Penalty Assessments
The Contractor agrees that:
i. Any penalty amount shall be deducted from the monthly capitation check disbursed subsequent to an ADHS determination that the Contractor's performance does not meet established thresholds, and
ii. Administration of penalty assessments are performed at the end of each quarter based on monthly quarterly, semi-annual or annual results, as specified for each standard.
iii. The incentive payments will be calculated quarterly and payment will be made annually by wire transfer.

The Contractor shall receive/pay any monies owed with respect to these guarantees and incentives within one hundred and twenty (120) days of the termination of the Contract.

The Contractor shall cooperate with ADHS in its verification and audit of all performance measurement results. For performance guarantee measurement purposes, the Contractor shall submit self-reported results, which are subject to a data integrity analysis. Unless otherwise approved by ADHS, the Contractor's maximum error rate in submitted data shall be five percent (5%). The Contractor shall pay a penalty based on the applicable metric when its submitted data submission does not meet the thresholds for accuracy.

The Contractor shall cooperate with ADHS if, in its sole discretion, ADHS decides to perform an independent audit each year covering a three-(3) or more month period of the performance guarantee year. If the results of the independent audit are below the Contractor's self-reported results for the period under review, the Contractor shall agree to the independent audit results as the basis for performance guarantee measurement for the full year or until the Contractor demonstrates that the reliability of its self-reported results are consistent with independent audit results.

Response: Agree ____ , Agree with Deviations ____ , or Disagree ____
(If Offeror marked "Disagree" or "Agree with Deviations," please provide the rationale and any alternative provision to which Offeror would agree.)

3. Profit and Loss Corridors

The Contractor shall accept ADHS' established limits (i.e., profit and loss corridors) on the Contractor's potential profits and losses. These profit and loss corridors apply to the

profits and losses derived from this Contract and apply to the aggregate of the Contractor's income/revenue and the income/revenue earned by related parties that perform any requirement or function of the Contract. If profit is determined to exceed the permissible amount, ADHS shall reduce payments to the Contractor.

The amount of any sanctions imposed on the Contractor will not be included as an expense for the purpose of calculating profit or loss. Amounts permanently withheld from the Contractor for failure to meet the final encounter withhold calculations of ninety-five percent (95%) of "service revenue" eight (8) months after fiscal year end (as described in the ADHS Financial Reporting Guide, Fiscal Monitoring and Financial Viability section III.c.8) will not be considered a sanction for the purposes of calculating profit or loss corridors. Performance incentives earned under this Contract shall not be included as revenue for the purpose of calculating profit or loss corridors. Similarly, funds recouped from the Contractor related to Performance Guarantees shall not be included as an expense (or a reduction to revenue) for the purpose of calculating profit or loss corridors.

The Contractor's profit and loss corridors shall be calculated as follows:

a. *Title XIX Profit and Loss Corridors*. The Contractor's profits and losses for Title XIX revenues shall be limited to four percent (4%) of service revenue per contract year. Service revenue equals ninety-two point five percent (92.5%) of total ADHS revenue adjusted for payables and receivables from/to ADHS.

b. *Title XXI Profit and Loss Corridors*. The Contractor's profits and losses for Title XXI revenues shall be limited to four percent (4%) of service revenue per contract year. Service revenue equals ninety-two point five percent (92.5%) of total ADHS revenue adjusted for payables and receivables from/to ADHS.

c. *Non-Title XIX and Non-Title XXI Profit Limit*. The Contractor's profits for Non-Title XIX/XXI programs are limited to four percent (4%) of service revenue per contract year. There is no maximum loss for Non-Title XIX/XXI. Service revenue equals ninety-two point five percent (92.5%) of total ADHS revenue adjusted for payables and receivables from/to ADHS.

The Contractor agrees that ADHS may calculate profits and losses as described above as service revenues less service expenses. The Contractor shall return excess profits to ADHS. ADHS shall reimburse the Contractor for excess losses, subject to funding availability. The Contractor agrees that ADHS shall calculate profits and losses separately for the adult populations and the children's population. The Contractor may apply excess profit in the General Mental Health and/or Substance Abuse adult populations to offset losses in the children's population, but shall not apply excess profit in the children's population to offset losses in any adult population. Profits above four percent (4%) for the serious mental illness population may not be used for other programs and must be returned to the State, unless otherwise requested in writing and

approved by ADHS at least 3 months before fiscal year-end. The Contractor shall submit the Profit/Risk Corridor Calculation Reports to ADHS/DBHS Office of Financial Review by the 30th day after month end in accordance with the ADHS/DBHS Financial Reporting Guide.

Response: Agree ____ , Agree with Deviations ____ , or Disagree ____
(If Offeror marked "Disagree" or "Agree with Deviations," please provide the rationale and any alternative provision to which Offeror would agree.)

4. Recoupments

The Contractor shall reimburse to ADHS immediately upon demand: 1) all Contract funds expended that are deemed by ADHS or the Arizona Auditor General not to have been disbursed by the Contractor in accordance with the terms of this Contract, and 2) any recoupments imposed by AHCCCSA or the Federal government and passed through to the Contractor. If the party responsible to repay the Contract payments is other than the Contractor, the Contractor and ADHS shall work together to identify the responsible party(ies).

ADHS has established the encounter value threshold for the Contractor's subcontractors as ninety-five percent (95%) of the value of the subcontractor's total service revenue contract amount. The Contractor shall recoup the difference between a subcontractor's total value of encounters submitted to the Contractor and ninety-five percent (95%) of the subcontractor's total service revenue contract amount. The Contractor and its subcontracts are subject to recoupment.

Response: Agree ____ , Agree with Deviations ____ , or Disagree ____
(If Offeror marked "Disagree" or "Agree with Deviations," please provide the rationale and any alternative provision to which Offeror would agree.)

5. Financial Management and Reporting

The Contractor shall have a sufficient number of qualified professional staff and develop and maintain internal controls and systems to account for both ADHS-related revenue and expenses and non-ADHS-related revenue and expenses by type and program. The Contractor shall develop and maintain internal controls to prevent and detect fraud.

The Contractor shall submit to ADHS ad hoc, monthly, quarterly, and annual financial reports in accordance with the Financial Reporting Guide for Regional Behavioral Health Authorities, (http://azdhs.gov/bhs/fin_rep_gde.pdf) and Exhibit A of this Contract. The Contractor shall prepare financial reports in accordance with Generally Accepted Accounting Principles (GAAP) in electronic and hard copy form. Where specific guidance is not found in authoritative literature or where multiple acceptable methods to

record accounting transactions are available, the Contractor shall, when directed by ADHS, comply with the requirements in accordance with the Financial Reporting Guide. Upon ADHS request, the Contractor shall provide clarification in financial reports or for accounting issues identified by ADHS.

The Contractor shall submit to ADHS annual financial reports in accordance with Generally Accepted Auditing Standards (GAAS) audited by an independent Certified Public Accountant. The Contractor, whether a for-profit or non-profit entity, shall submit to ADHS audited financial reports in accordance with OMB Circular A-133 and a cost allocation plan in accordance with OMB Circular A-122. The Contractor shall annually submit to ADHS an audited Statement of Activities. Upon ADHS request, the Contractor shall submit additional attestation from the Contractor's auditor. Notwithstanding the Circular A-133 regulations restricting the inclusion of Medicaid programs, the Contractor shall include Title XIX and Title XXI as major programs for the purpose of this Contract.

Upon receipt of the Contractor's Final Audited Financial Statements, ADHS shall perform an analysis of the profit or loss of Contractor for the Title XIX, Title XXI, and for Non-Title XIX and Non-Title XXI programs. ADHS shall consider the following in its review methodology: analysis of Contractor encounters and review and analysis of Contractor IBNR amounts for appropriateness. Upon completion of this analysis, no later than twelve (12) months after the end of the fiscal year, any profits or losses on service revenue in excess of four percent (4%) for Title XIX and four percent (4%) for Title XXI shall be returned to ADHS (profits) or reimbursed to Contractor (losses), subject to available funding. Any Non-Title XIX and Non-Title XXI profits in excess of four percent (4%) shall be returned to ADHS.

ADHS shall notify Contractor of its draft determination of its profit/loss analysis in writing within thirty (30) days after receiving the Final Audited Financial Statements, Statement of Changes in Net Assets from the fourth quarter and the schedule reconciling the audited statements to the fourth quarter statements. The Contractor shall have twenty (20) days to comment on ADHS' initial determination of profit corridor profit/loss prior to ADHS' final determination of profit/loss, which shall be sixty (60) days following the receipt of the Final Audited Financial Statements. One-time funding sources and revenue distributed by ADHS within one hundred twenty (120) days of the end of a fiscal year for which the Contractor may not have anticipated may be excluded from the calculation.

Response: Agree ____ , Agree with Deviations ____ , or Disagree ____
(If Offeror marked "Disagree" or "Agree with Deviations," please provide the rationale and any alternative provision to which Offeror would agree.)

6. Performance Bond

The Contractor shall obtain and maintain a performance bond, rated at least A by A.M. Best Company, of a standard commercial scope from a surety company or companies holding a certificate of authority to transact surety business in Arizona issued by the Director of the Department of Insurance pursuant to A.A.C. Title 20, Chapter 2, Article 1, and in a form prescribed by A.A.C. Title 2, Chapter 7, Article 505. The Contractor may substitute a certified or cashier's check in lieu of a performance bond for as long as the Contractor has liabilities relating to performance of this Contract of $50,000 or more outstanding, or twelve (12) months following the expiration of this Contract, whichever is later.

The Contractor's performance bond or bond substitute shall guarantee payment of the Contractor's obligations to PNOs, qualified service providers, non-contracting providers, non-providers, and other subcontractors to satisfy its obligations under this Contract. The Contractor shall submit the performance bond in a form acceptable to ADHS and payable to ADHS or its designee(s) and sent directly to the ADHS Office of Financial Review. The Contractor shall include the State of Arizona Project/Contract Number on the performance bond.

Upon ADHS approval, the Contractor may substitute an irrevocable letter of credit to meet the performance bond requirement for the dollar amount and the length of time, provided the irrevocable letter of credit covers the entire fiscal year plus an additional twelve (12) months following fiscal year-end and is issued by:

a. a bank doing business in Arizona and insured by the Federal Deposit Insurance Corporation; or

b. a savings and loan association doing business in Arizona and insured by the Savings Association Insurance Fund; or

c. a credit union doing business in Arizona and insured by the National Credit Union Administration.

The Contractor shall not leverage the bond as collateral for debt or create other creditors using the bond as security. The Contractor shall be in material breach of this Contract if it fails to maintain or renew the performance bond as required by this Contract.

The Contractor shall obtain a performance bond in an amount equal to or greater than eighty percent (80%) of the first monthly Title XIX and Title XXI Capitation and Non-Title XIX and Non-Title XXI payment made to the Contractor. The Contractor may adjust the performance bond amount if notified by ADHS when the monthly Title XIX and Title XXI Capitation and Non-Title XIX and Non-Title XXI payments are adjusted by plus or minus ten percent (10%) to an amount equal to or greater than eighty percent (80%) of the

adjusted monthly Title XIX and Title XXI capitation and Non-Title XIX and Non-Title XXI payments. The Contractor shall obtain a performance bond with the adjusted amount no later than thirty (30) days after notification by ADHS of the amount required.

The Contractor agrees that if it is declared to be in default of any material term of this Contract, ADHS shall, in addition to any other remedies it may have under this Contract, obtain payment under the performance bond or performance bond substitute for the following:

a. paying damages sustained by subcontracted providers, non-contracting providers, and non-providers as a result of a breach of Contractor's obligations under this Contract;

b. reimbursing ADHS for any payments made by ADHS on behalf of the Contractor;

c. reimbursing ADHS for any extraordinary administrative expenses incurred by a breach of Contractor's obligations under this Contract, including, expenses incurred after termination of this Contract by ADHS; and

d. making any payments or expenditures deemed necessary to ADHS, in its sole discretion, incurred by ADHS in the direct operation of the Maricopa County Regional Behavioral Health Authorities pursuant to the terms of this Contract and to reimburse ADHS for any extraordinary administrative expenses incurred in connection with the direct operation of the Maricopa County Regional Behavioral Health Authorities by ADHS pursuant to the terms of this Contract.

The Contractor shall reimburse ADHS for expenses exceeding the performance bond amount.

Response: Agree ____ , Agree with Deviations ____ , or Disagree ____
(If Offeror marked "Disagree" or "Agree with Deviations," please provide the rationale and any alternative provision to which Offeror would agree.)

7. Financial Viability Standards

The Contractor shall separately account for all funds received under this Contract in accordance with the requirements in the Financial Reporting Guide for Regional Behavioral Health Authorities. The Contractor shall, on a monthly basis, meet the financial viability criteria in accordance with the Financial Reporting Guide for Regional Behavioral Health Authorities, Financial Ratios and Standards.

The Contractor shall comply with ADHS' established financial viability standards/performance guidelines and cooperate with ADHS' monthly reviews of the ratios and financial viability standards listed below. Failure to maintain the following

ratios and financial viability standards will be considered a material breach of this Contract:

a. *Defensive Interval:* Must be greater than or equal to thirty (30) days.

Defensive Interval = (Cash + Cash Equivalents)

((Operating Expense – Non-Cash Expense)/(Period Being Measured in Days))

b. *Equity per enrolled person*: Must be greater than or equal to three hundred dollars ($300) per enrolled person on the first day of the month.

c. *Current Ratio*: Current assets divided by current liabilities must be greater than or equal to 1.00.

The Contractor shall enact measures to minimize against the risk of insolvency so that AHCCCS enrollees will not be liable for the Contractor's debts if the Contractor becomes insolvent. The Contractor shall cover continuation of services to behavioral health recipients for the duration of the period for which payment has been made, as well as for inpatient admissions up until discharge, despite insolvency.

8. Other Financial Performance Standards

The Contractor shall cooperate with ADHS' due diligence in analyzing the Contractor's financial statement, monitoring financial performance standards related to the Contractor's administrative expense percentage, and service expense percentage in accordance with the standards in the Financial Reporting Guide for Regional Behavioral Health Authorities. The Contractor shall comply with ADHS' revisions or modifications to the standards. The standards are as follows:

a. Administrative Cost Percentage:
   i. Total Title XIX Administrative Costs divided by total Title XIX Revenue shall be less than or equal to seven and one-half percent (7.5%).
   ii. Total Title XXI Administrative Costs divided by total Title XXI Revenue shall be less than or equal to seven and one-half percent (7.5%).
   iii. Total non-Title XIX and Title XXI Administrative Costs divided by total Non-Title XXI and Title XXI revenue shall be less than or equal to seven and one-half percent (7.5)%.

b. Service Expense Percentage:
   i. Total Title XIX Service Expense divided by total Title XIX Revenue shall be no less than eighty-eight point eight percent (88.8%) and no more than ninety-six point two percent (96.2%), may be adjusted for effective tax rate.

ii. Total Title XXI Service Expense divided by total Title XXI Revenue shall be no less than eighty-eight point eight percent (88.8%) and no more than ninety-six point two percent (96.2%), may be adjusted for effective tax rate.

iii. Total Non-Title XIX and Non-Title XXI Service Expense divided by total Non-Title XIX and Non-Title XXI revenue shall be no less than eighty-eight point eight percent (88.8%), may be adjusted for effective tax rate.

Response: Agree ____ , Agree with Deviations ____ , or Disagree ____
(If Offeror marked "Disagree" or "Agree with Deviations," please provide the rationale and any alternative provision to which Offeror would agree.)

9. Advancement of Funds to Providers

The Contractor may advance funds to subcontracted providers to maintain the delivery of essential covered behavioral health services to behavioral health recipients only with prior ADHS approval. The Contractor shall obtain prior approval of ADHS to make any advances to a related party or subcontractor, make any distribution, loan, or loan guarantee to any entity including another fund or line of business within the Contractor's organization, or make any investments, other than investments in U.S. Government securities or Certificates of Deposit issued by a bank insured by the FDIC or SAIF.

Response: Agree ____ , Agree with Deviations ____ , or Disagree ____
(If Offeror marked "Disagree" or "Agree with Deviations," please provide the rationale and any alternative provision to which Offeror would agree.)

10. Management of Non-Title XIX and Non-Title XXI Funding

The Contractor shall prudently manage limited Non-Title XIX and Non-Title XXI funds to continuously deliver services throughout the entire Contract year consistently across the geographic service area. The Contractor shall comply with the requirements in Arizona Administrative Code Title 9, Chapter 21 when delivering services to Non-Title XIX and Non-Title XXI persons with serious mental illness. The Contractor shall submit to ADHS for approval an Annual Non-Title XIX and Non-Title XXI Service Prioritization Plan by March 1st of each Contract year in accordance with Exhibit A of this Contract.

Response: Agree ____ , Agree with Deviations ____ , or Disagree ____
(If Offeror marked "Disagree" or "Agree with Deviations," please provide the rationale and any alternative provision to which Offeror would agree.)

11. Management of Federal Block Grant Funds

The Contractor is authorized to expend: 1) SAPT Block Grant funds for planning, implementing, and evaluating activities to prevent and treat substance abuse and

related activities addressing HIV and tuberculosis services; and 2) CMHS Block Grant funds for services for adults with serious mental illness and children with serious emotional disturbance.

The Contractor shall manage, record, and report Federal Block Grant funds in accordance with the practices, procedures, and standards in the ADHS Accounting and Auditing Procedures Manual. The Contractor shall report financial information related to Federal Block Grants in accordance with the Financial Reporting Guide for Regional Behavioral Health Authorities. The Contractor shall comply with all terms, conditions, and requirements of the SAPT and CMHS Block Grants, including the Children's Health Act of 2000, P.L. 106-310 Part B of Title XIX of the Public Health Service Act [42 U.S.C. 300 et seq.] and 45 CFR Part 96 as amended. The Contractor shall retain as documentation of compliance with Federal requirements, and produce upon ADHS request, financial, performance, and program data that is subject to audit.

The Contractor shall develop and maintain fiscal controls in accordance with authorized activities of the Performance Partnership Grants, this Contract, and the ADHS/DBHS Provider Manual, the ADHS/DBHS Prevention Framework for Behavioral Health and ADHS' accounting, auditing, and financial reporting procedures. The Contractor shall account for mental health and substance abuse grant funds and services separately and report or produce information related to block grant expenditures to ADHS upon request. The Contractor shall deliver Federal Block grant funded services and submit data to ADHS consistent with the annual funding levels in the ADHS/DBHS Allocation Schedule of Non-Title XIX and Non-Title XXI Funding for certain allocations of the SAPT Block Grant including alcohol/drug abuse treatment services, primary prevention services, specialty programs and services for pregnant women and women with dependent children and HIV Early Intervention Services.

The Contractor shall manage the Federal Block Grant funds during each fiscal year to make funds available for obligation and expenditure until the end of the fiscal year for which the funds were paid. When making transfers involving Federal Block Grant funds, the Contractor shall comply with the requirements in accordance with the Federal Block Grant Funds Transfers Cash Management Improvement Act of 1990 and any rules or regulations promulgated by the U. S. Department of the Treasury including 31 CFR Part 205. The Contractor shall not discriminate against non-governmental organizations on the basis of religion in the distribution of Block Grant funds.

The Contractor shall not expend Federal Block Grant funds to deliver inpatient services; make cash payments to intended recipients; purchase or improve land, purchase, construct, or permanently improve, except for minor remodeling, any building or facility; purchase major medical equipment; provide financial assistance to any entity other than a public or non-profit private entity; administer any program involving the distribution of sterile needles for the hypodermic injection of any illegal drug; administer testing for the etiologic agent for acquired immune deficiency syndrome unless the testing is accompanied by appropriate pre-testing counseling and appropriate post-test

counseling; pay the salary of an individual through a grant or other extramural mechanism at a rate in excess of $175,700 per year; and purchase treatment services in penal or correctional institutions of the State of Arizona.

Response: Agree ____ , Agree with Deviations ____ , or Disagree ____
(If Offeror marked "Disagree" or "Agree with Deviations," please provide the rationale and any alternative provision to which Offeror would agree.)

SPECIAL TERMS AND CONDITIONS

A. CONTRACT INTERPRETATION

1. No Guaranteed Quantities.

ADHS does not guarantee the Contractor any minimum or maximum quantity of services or goods to be provided under this Contract.

2. Applicable Requirements. The Contractor and its subcontractors shall comply with all Federal, State, and local laws, rules, regulations, standards, and executive orders governing performance of duties under this Contract, including documents incorporated by reference, without limitation to those designated within this Contract. The Contractor and its subcontractors shall comply with all applicable AHCCCS Rules and the Audit Guide, policies and procedures relating to the audit of Contractor's records, medical audit protocols, any inspection of Contractor's facilities, and the surveys of behavioral health recipients and providers and reviews.

3. Contract Term. The term of any resultant contract shall commence on September 1, 2007, and shall continue for a period of three (3) Contract Years thereafter, unless terminated, canceled, or extended.

4. Contract Extension. By mutual written Contract amendment, any resultant contract may be extended for supplemental periods of up to a maximum of twenty-four (24) months.

5. Contract Type. Fixed Price

6. Renegotiations. At the end of the Contract Term or any resultant Contract Extension, Contract renegotiations may occur for good cause. Contract renegotiations during the Contract Term shall occur only if circumstances warrant at the discretion of ADHS.

7. Other State Agencies Purchasing from this Contract. Other State agencies may purchase services, in whole or in part, from this Contractor, with the prior written approval from ADHS. Prior to performing any work under these arrangements, the Contractor and State agency shall agree upon the work to be conducted by the Contractor and the rate and method for compensation.

8. Computation of Time. Unless a provision of this Contract or document incorporated by reference explicitly states otherwise, periods of time referred to in this Contract shall be computed as follows:

a. The period of time shall not include the day of the act, event, or default from which the designated period of time begins to run.

b. The period of time shall include each day after the day of the act, event or default from which the designated period of time begins to run.

c. If the period of time prescribed or allowed is less than eleven (11) days, the period of time shall not include intermediate Saturdays, Sundays, and legal holidays.

d. If the period of time prescribed or allowed is eleven (11) days or more, the period of time shall include intermediate Saturdays, Sundays, and legal holidays.

e. If the last day of the period of time prescribed or allowed is not a Saturday, Sunday, or legal holiday, the period of time shall include the last day of the period of time.

f. If the last day of the period of time prescribed or allowed is a Saturday, Sunday, or legal holiday, the period of time shall extend until the end of the next day that is not a Saturday, Sunday, or legal holiday.

Response: Agree ____ , Agree with Deviations ____ , or Disagree ____
(If Offeror marked "Disagree" or "Agree with Deviations," please provide the rationale and any alternative provision to which Offeror would agree.)

B. CONTRACT ADMINISTRATION AND OPERATION

1. Legal Entity Requirement. The Contractor shall be separately incorporated or be a separate legal entity from a parent, subsidiary or other affiliated company or corporation for the purpose of conducting business as a Contractor with ADHS.

2. Conflict of Interest. The Contractor shall not undertake any work that represents a potential or existing conflict of interest, or which is not in the best interest of ADHS or the State, without prior written approval by ADHS. The Contractor shall fully and completely disclose to ADHS a potential or existing conflict of interest.

3. Offshore Performance of Work Prohibited. Due to security and identity protection concerns, all services under this Contract shall be performed within the borders of the United States. All storage and processing of information shall be performed within the borders of the United States. This provision applies to work performed by any subcontractor.

4. Records. The Contractor shall maintain all forms, records, reports and working papers used in the preparation of reports, files, correspondence, financial statements, records relating to quality of care, medical records, prescription files, statistical information and other records specified by ADHS for purposes of audit and program management. The Contractor shall comply with all specifications for record keeping established by ADHS and Federal and State law. All books and records shall be maintained to the extent and in such detail as shall properly reflect each service provided and all net costs, direct and indirect, of labor, materials, equipment, supplies and services, and other costs and expenses of whatever nature for which payment is made to the Contractor.

The Contractor shall also require its independent auditor of financial statements to maintain all working papers related to an audit for a minimum of five (5) years after the date of the financial statement.

The Contractor shall preserve and make available all records for a period of six (6) years from the date of final payment under this Contract except in the following cases:

a. If this Contract is completely or partially terminated, the records relating to the work terminated shall be preserved and made available for a period of six (6) years from the date of any such termination.

b. Records which relate to disputes, litigation, or the settlement of claims arising out of the performance of this Contract, or costs and expenses of this Contract to which exception has been taken by the State, shall be retained by the Contractor until such disputes, litigation, claims, or exceptions have been disposed of, or as required by applicable law, whichever is longer.

5. Audits. Audits may be conducted periodically to determine the Contractor's and subcontractors' compliance with Federal and State codes, rules, regulations and requirements. The Contractor shall submit data, reports and information for audits upon request from ADHS and in accordance with Exhibit A of this Contract. These audits include, but are not limited to, the following:

a. Auditor General Audits. Contractor and its subcontractors shall comply with and participate as required in the Performance Audit and other audits conducted by the Arizona Auditor General.

b. Other Federal and State Audits. Contractor and its subcontractors shall comply with and participate as required in other Federal and State audits, including the audit of an inpatient facility.

6. Inspections. At any time during the term of this Contract, the Contractor and its subcontractors shall fully cooperate with inspections by ADHS, AHCCCSA, the U.S. Department of Health and Human Services (including CMS) the Comptroller General, the U.S. Office of Civil Rights, or any authorized representative of the Federal or State governments. The Contractor and its subcontractors shall allow the authorized representative of the Federal and State government:

a. access to the Contractor's and subcontractors' staff and behavioral health recipients;

b. access to books and records related to the performance of the Contract or subcontracts for inspection, audit and reproduction. This shall include allowing ADHS to inspect the records of any employee who works on the Contract to ensure that the Contractor is in compliance with all Federal Immigration laws and regulations; and

c. on-site inspection, or other means, for the purpose of evaluating the quality, appropriateness, timeliness, and safety of services performed under this Contract. This inspection shall be conducted at reasonable times unless the situation warrants otherwise.

7. Requests for Information. ADHS may request financial or other information from Contractor. Upon receipt of a request for information, the Contractor shall provide complete and accurate information no later than thirty (30) days after the receipt of the request unless otherwise specified by ADHS. The Contractor shall provide all information requested by ADHS on a timely basis to facilitate ADHS obligations and functions.

Response: Agree ____ , Agree with Deviations ____ , or Disagree ____
(If Offeror marked "Disagree" or "Agree with Deviations," please provide the rationale and any alternative provision to which Offeror would agree.)

C. COSTS AND PAYMENTS

1. Payment. ADHS shall pay the Contractor, subject to the availability of funds and provided that the Contractor's performance is in compliance with this Contract. Payments shall be in compliance with A.R.S. Title 35, Public Finance. ADHS reserves the option to make payments to the Contractor by wire or NACHA transfer and shall provide Contractor at least thirty (30) days notice prior to the effective date of any change. When payments are made by electronic funds transfer, ADHS shall not be liable for any error or delay in transfer or indirect or consequential damages arising from the use of the electronic funds transfer process. A payment error discovered by ADHS shall be subject to adjustment or repayment by the Contractor, by making a corresponding decrease in a current Contractor's payment or by making an additional payment to the Contractor. The Contractor shall not assign any payment due by ADHS. This section shall not prohibit ADHS, at its sole discretion, from making payment to a fiscal agent hired by the Contractor.

2. Availability of Funds.

Payments made by ADHS pursuant to this Contract are conditioned upon the availability to ADHS of funds authorized for expenditure in the manner and for the purposes provided herein. ADHS shall not be liable for any purchases or subcontracts entered into by the Contractor or any subcontracted provider in anticipation of funding.

D. CONTRACT CHANGES

1. Changes within the General Scope of the Contract

a. ADHS may, at any time, by written notice to Contractor, make changes within the general scope of this Contract. If any change causes an increase or decrease in the cost of, or the time required for, performance of any part of the work under this Contract, the Contractor may assert its right to an adjustment in compensation paid under this Contract. Contractor shall assert its right to such adjustment within thirty (30) days from the date of receipt of the change notice. Any dispute or disagreement arising from the notice shall be treated as a Contract Claim and shall be settled in accordance with the Contract Claim Dispute Process in this Contract.

b. When ADHS issues an amendment to modify the Contract, and the Contractor does not assert a right to an adjustment in Contract compensation and/or other dispute or disagreement with the ADHS notice to Contractor, the provisions of the amendment shall be deemed to have been accepted sixty (60) days after the date of mailing by ADHS, even if Contractor has not signed the amendment. If the Contractor refuses to sign the amendment, ADHS may exercise its remedies under this Contract.

2. Merger, Reorganization and Change in Ownership

The Contractor shall obtain prior approval of ADHS and sign a written Contract amendment for any merger, reorganization or change in ownership of Contractor, or of a subcontracted provider that is related or affiliated with the Contractor. The Contractor shall submit a detailed merger, reorganization and/or transition plan to ADHS for review and include strategies to ensure uninterrupted services to behavioral health recipients, evaluate the new entity's ability to support the provider network, ensure that services to behavioral health recipients are not diminished, and that major components of the organization and programs are not adversely affected by the merger, reorganization, or change in ownership.

3. Changes to Documents Incorporated by Reference

ADHS will notify the Contractor when changes are made to a Document Incorporated by Reference. Changes to any of the documents incorporated by reference do not require a written Contract amendment. The Contractor shall have thirty (30) days to notify ADHS if it has any disagreement with the change.

E. DOCUMENTS INCORPORATED BY REFERENCE

1. Documents Incorporated by Reference

The following documents, and any subsequent amendments, modifications, and supplements adopted by or affecting ADHS or AHCCCSA during the Contract period, are incorporated herein by reference and made a part of this Contract by reference.

1) ADHS/DBHS Covered Behavioral Health Services Guide
http://www.azdhs.gov/bhs/covserv.htm
2) ADHS/DBHS Provider Manual
http://www.azdhs.gov/bhs/provider/index.htm
3) ADHS/DBHS Policies and Procedures Manual
http://www.azdhs.gov/bhs/policy.htm
4) ADHS/DBHS Program Support Procedures Manual
http://www.azdhs.gov/bhs/prog_support.htm
5) Fraud and Abuse Operations and Procedures Manual
http://www.azdhs.gov/bhs/fau.pdf
6) Client Information System (CIS) File Layout and Specifications Manual
http://www.azdhs.gov/bhs/cis.pdf
7) Office of Grievance and Appeals Database Manual
http://www.azdhs.gov/bhs/scanned/ogadbmanual.pdf

8) ADHS Accounting and Auditing Procedures Manual
http://www.azdhs.gov/bhs/account_audit.htm
9) Financial Reporting Guide for Regional Behavioral Health Authorities
http://www.azdhs.gov/bhs/fin_rep_gde.pdf
10) ADHS/DBHS Quality Management Utilization Management (QM/UM) Plan
http://www.azdhs.gov/bhs/qm_plan.htm
11) ADHS/DBHS Prevention Framework for Behavioral Health
http://azdhs.gov/bhs/scanned/preventfrmwk.pdf
12) AHCCCSA Medical Policy Manual (AMPM)-Chapters 900 and 1000
http://www.ahcccs.state.az.us/Regulations/OSPpolicy/chap900/01_06Chap900.pdf
http://www.ahcccs.state.az.us/Regulations/OSPpolicy/chap1000/11_05Chap1000.pdf
13) AHCCCS Contractor Operations Manual
http://www.ahcccs.state.az.us/Publications/GuidesManuals/ACOM/ACOM.pdf
14) ADHS/DBHS Strategic Plan
http://www.azdhs.gov/bhs/stratplan.pdf
15) Maricopa County Strategic Plans for Services provided to persons with serious mental illness:
    a. Maricopa County Case Management and Clinical Team Services Plan
    http://www.azdhs.gov/bhs/casemgtservplan.pdf
    b. ADHS/DBHS Strategic Plan for Dual Diagnosis
    http://www.azdhs.gov/bhs/dualdiagstrat.pdf
    c. Maricopa County Plan for Employment and Rehabilitation
    http://www.azdhs.gov/bhs/employrehabplan.pdf
    d. ADHS/DBHS Strategic Plan for Housing for Maricopa County for Individuals with a Serious Mental Illness
    http://www.azdhs.gov/bhs/strategic_housing.pdf
16) ADHS/DBHS Cultural Competence Plan
http://www.azdhs.gov/bhs/cc.htm
17) ADHS/DBHS Clinical Guidance Documents
http://www.azdhs.gov/bhs/guidance/guidance.htm
    i. The Use of Psychotropic Medication in Children and Adolescents
    http://www.azdhs.gov/bhs/guidance/psychotropic.pdf
    ii. Attention Deficit Hyperactivity Disorder
    http://www.azdhs.gov/bhs/guidance/adhd.pdf
    iii. Substance Use, Abuse and/or Dependence in Pregnant and Postpartum Women
    http://www.azdhs.gov/bhs/guidance/substance.pdf
    iv. Co-Occurring Psychiatric and Substance Disorders
    http://www.azdhs.gov/bhs/guidance/co_occur.pdf
    v. Transitioning to Adult Service
    http://www.azdhs.gov/bhs/tas.pdf
    vi. The Adult Clinical Team
    http://www.azdhs.gov/bhs/tact.pdf
    vii. The Child and Family Team
    http://www.azdhs.gov/bhs/guidance/cft.pdf

viii. Substance Abuse Treatment in Children
http://www.azdhs.gov/bhs/sat.pdf
ix. Best Practices
http://www.azdhs.gov/bhs/guidance/bp.pdf
x. Therapeutic Foster Care Services for Children
http://www.azdhs.gov/bhs/guidance/tfc.pdf
xi. Children and Adolescents Who Act Out Sexually
http://www.azdhs.gov/bhs/guidance/cawaos.pdf
xii. Out of Home Care Services
http://www.azdhs.gov/bhs/guidance/oohcs.pdf
xiii. The Unique Behavioral Health Service Needs of Children Involved with CPS
http://www.azdhs.gov/bhs/guidance/unique_cps.pdf
xiv. Pervasive Developmental Disorders and Developmental Disabilities
http://www.azdhs.gov/bhs/guidance/pdddd.pdf
xv. Arizona State Hospital: Effective Utilization and Collaboration
http://www.azdhs.gov/bhs/guidance/ash.pdf
xvi. Neuropsychological Evaluations
http://www.azdhs.gov/bhs/guidance/tad1.pdf
xvii. Disorders of Attachment
http://www.azdhs.gov/bhs/guidance/attach.pdf
xviii. The Child and Family Team Process
http://www.azdhs.gov/bhs/guidance/cfttad.pdf
xix. Information Sharing with Family Members of Adult Behavioral Health Recipients
http://www.azdhs.gov/bhs/guidance/isfm.pdf
xx. Providing Services to Children in Detention
http://www.azdhs.gov/bhs/guidance/cid.pdf
xxi. Informed Consent for Psychotropic Medication Treatment
http://www.azdhs.gov/bhs/guidance/psyc.pdf
xxii. Polypharmacy Use: Assessment of Appropriateness and Importance of Documentation
http://www.azdhs.gov/bhs/guidance/poly.pdf

18) Title XIX ADHS Children's System of Care Plan
http://www.azdhs.gov/bhs/childrenplan_0806.pdf
19) ADHS Performance Improvement Specifications Manual
http://www.azdhs.gov/bhs/pism.pdf
20) ADHS/DBHS Medication List
http://www.azdhs.gov/bhs/md/medlist.pdf
21) Assisting Behavioral Health Recipients with AHCCCSA Eligibility Manual
http://www.azdhs.gov/bhs/ahcccs_eligibility/index.htm
22) *Arnold vs. ADHS* Joint Stipulation on Exit Criteria and Disengagement
http://www.azdhs.gov/bhs/scanned/sarnsjointstip.pdf
23) *Arnold vs. ADHS* Supplemental Agreement
http://www.azdhs.gov/bhs/scanned/sarnssuppagree.pdf
24) Additional court orders in *Arnold vs. ADHS*
http://www.azdhs.gov/bhs/stipulation.htm

25) *Arnold vs. ADHS* Stipulation and Order On Completion Dates
http://www.azdhs.gov/bhs/stip_dates.pdf
26) *Arnold vs. ADHS* Stipulation and Order for Partial Disengagement from Exit Stipulation ¶¶ 12, 24, 26 and Appendix C.1 and Supplemental Agreement ¶¶ 13, 14, 15, 16, and 24
http://www.azdhs.gov/bhs/part_diseng.pdf
27) *Arnold vs. ADHS* Stipulation and Order re: Revised Completion Dates
http://www.azdhs.gov/bhs/stipulation2_061906.pdf
28) JK vs Gerard Settlement Agreement
http://www.azdhs.gov/bhs/jkfinaleng.pdf
http://www.azdhs.gov/bhs/jkamend.pdf
29) Community Mental Health Services Performance Partnership Program pursuant to Division B, Title XXXII, Section 3204 of the Children's Health Act of 2000 (CMHS)
http://www.azdhs.gov/bhs/cmhbg.htm
30) Substance Abuse Prevention and Treatment Performance Partnership Program pursuant to Division B, Title XXXIII, Section 3303 of the Children's Health Act of 2000 and pursuant to Section 1921-1954 of the Public Health Service Act and 45 CFR Part 96 Interim Final Rules (SAPT)
http://www.azdhs.gov/bhs/sapt.htm
31). Child and Adolescent Mental Health and Substance Abuse State Infrastructure Grant
http://www.azdhs.gov/bhs/sig.htm
32) Project for Assistance in Transition from Homelessness Grant (PATH)
http://www.azdhs.gov/bhs/path.htm
33) Project Match
http://www.azdhs.gov/bhs/pmg.htm
34) State Coalition to Promote Community Based Care Under Olmstead
http://www.azdhs.gov/bhs/scp.htm
35) State Mental Health Data Infrastructure Grant for Quality Improvement (DIG II)
http://www.azdhs.gov/bhs/digtwo.htm
36) Synetic (Drug and Alcohol Services Information System) DASIS
http://www.azdhs.gov/bhs/das.htm
37) Youth Substance Abuse Coordination Grant
http://www.azdhs.gov/bhs/ysa.htm
38) Youth Suicide Prevention and Early Intervention Grant
http://www.azdhs.gov/bhs/ysp.htm
40) Intergovernmental Agreement between ADHS and the Arizona Department of Economic Security/Division of Developmental Disabilities (DDD)
http://azdhs.gov/bhs/isadesddd.pdf
42) Intergovernmental Agreement between ADHS and the City of Phoenix Local Alcoholism Reception Center (LARC)
http://azdhs.gov/bhs/scanned/adhsphxlarc.pdf
43) Intergovernmental Agreement between ADHS and the Maricopa County Board of Supervisors (2006/2007)
http://azdhs.gov/bhs/scanned/igamaricopa2.pdf

44) Interagency Service Agreement between ADHS and the Arizona Administrative Office of the Courts (AOC)
http://azdhs.gov/bhs/scanned/adhsaoc.pdf
45) Interagency Service Agreement between ADHS and the Arizona Department of Economic Security/Rehabilitation Services Administration (ADES/RSA)
http://azdhs.gov/bhs/scanned/adhsdesrsa.pdf
47) Interagency Service Agreement between ADHS and the ADOC-COOL Program
http://www.azdhs.gov/bhs/scanned/adhsdoccool.pdf
48) Interagency Service Agreement between ADHS and the Arizona Department of Housing
http://www.azdhs.gov/bhs/scanned/adhsdoh.pdf
49) Memorandum of Understanding between ADHS and the Arizona Department of Economic Security, Arizona Health Care Cost Containment System, Arizona Department of Education, Arizona Department of Juvenile Corrections and Administrative Office of the Arizona Supreme Court (Children's Executive Memorandum of Understanding)
http://azdhs.gov/bhs/mou.pdf
50) AHCCCSA State Plans with Center for Medicare and Medicaid Services (CMS):
http://www.azahcccs.gov/Publications/PlansWaivers/1115Waivers/default.asp
http://azahcccs.gov/Publications/PlansWaivers/Plans/Kidscare/CurrentApprovedKidsCareStatePlan_2002/2002_kidscare_cov_pg.asp
51) AHCCCSA Medical Policy Manual
http://www.ahcccs.state.az.us/Regulations/OSPpolicy/
52) AHCCCSA Health Plan Psychiatric Medication Formularies
http://www.azdhs.gov/bhs/plans.htm
53) ADHS/DBHS and Arizona State Hospital Annual Report
http://www.azdhs.gov/bhs/annual_report/annualrpt_fy2005.pdf
54) AHCCCSA/ADHS Contract
http://www.azdhs.gov/bhs/contracts/cye07n30.pdf
55). Financial Reports by Contractor
http://azdhs.gov/bhs/finance/reports/annual.htm
56) Geographic Service Areas Map
http://www.azdhs.gov/bhs/index.htm
57) ADHS/DBHS Provider Manual Template
http://www.azdhs.gov/bhs/provider/provider_main.htm
58) ADHS/DBHS Member Handbook Template
English - http://www.azdhs.gov/bhs/mht.pdf [PDF 229K]
Spanish - http://www.azdhs.gov/bhs/mhtsp.pdf [PDF 225K]
59) ADHS/DBHS Provider Network Listing
http://www.azdhs.gov/bhs/list_gsa.htm
60) Children's System of Care Vision and Principles
http://www.azdhs.gov/bhs/principles.pdf

61) Principles for Persons with a Serious Mental Illness
http://www.azdhs.gov/bhs/ppsmi.pdf
62) Maricopa County QM Plan
http://www.azdhs.gov/bhs/mcqm.pdf
63) Administrative Order No 2005-055 (amended) Implementation of Procedures to Share Identifying Information for Individuals with Mental Illness
http://www.superiorcourt.maricopa.gov/adminOrders/2005/ao2005-055.pdf

2. Compliance with Applicable Laws

The Contractor shall comply with all applicable Arizona and Federal laws required by this Contract including, at a minimum, the following:

1) Balanced Budget Act
http://www.access.gpo.gov/nara/cfr/waisidx_05/42cfr438_05.html
2) Medicare Modernization Act
http://www.azdhs.gov/bhs/mma/mma.htm
3) Deficit Reduction Act
http://www.access.gpo.gov/nara/cfr/waisidx_05/42cfr435_05.html
4) Arizona Administrative Code R2-19 Administrative hearing rules
http://www.azsos.gov/public_services/Title_02/2-19.htm
5) Arizona Administrative Code R9-20 Behavioral Health Service Agencies: Licensure
http://www.azsos.gov/public_services/Title_09/9-20.htm
6) Arizona Administrative Code R9-21 Behavioral Health Services for Persons with Serious Mental Illness
http://www.azsos.gov/public_services/Title_09/9-21.htm
7) Arizona Administrative Code, R9-22 AHCCCSA rules for the Title XIX acute program.
http://www.azsos.gov/public_services/Title_09/9-22.htm
8) Arizona Administrative Code, R9-28 AHCCCSA rules for the Title XIX DDD ALTCS Program
http://www.azsos.gov/public_services/Title_09/9-28.htm
9) Arizona Administrative Code, R9-31 AHCCCSA rules for the Title XXI program.
http://www.azsos.gov/public_services/Title_09/9-31.htm
10) Arizona Administrative Code R9-34 AHCCCSA rules for the grievance system
http://www.azsos.gov/public_services/Title_09/9-34.htm

Response: Agree ____ , Agree with Deviations ____ , or Disagree ____
(If Offeror marked “Disagree” or “Agree with Deviations,” please provide the rationale and any alternative provision to which Offeror would agree.)

F. RISKS AND LIABILITY

1. Indemnification. The Contractor shall indemnify, defend, save and hold harmless the State of Arizona, ADHS (hereinafter referred to as "Indemnitee" from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorney's fees, and costs of claim processing, investigation, and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss of damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of the Contractor or any of its owners, officers, directors, agents, employees, or subcontractors. This indemnity includes any Claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of such Contractor to conform to any Federal, State, or local law, statute, ordinance, rule, regulation, or court decree. It is the specific intention of the parties that the Indemnitee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnitee, be indemnified by the Contractor from and against any and all Claims. It is agreed that the Contractor will be responsible for primary loss investigation, defense, and judgment costs where this indemnification is applicable. In consideration of the award of this Contract, the Contractor agrees to waive all rights of subrogation against the State of Arizona, its officers, officials, agents, and employees for losses arising from the work performed by the Contractor for the State of Arizona. This indemnity shall not apply if the Contractor or subcontractor(s) is/are an agency, board, or commission or University of the State of Arizona.

2. Insurance. The Contractor and its subcontractors shall procure and maintain, until all of their obligations have been discharged, including until any warranty periods under this Contract are satisfied, insurance against claims for injury to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Contractor, his agents, representatives, employees, or subcontractors. The insurance requirements herein are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract. The State of Arizona in no way warrants that the minimum limits contained herein are sufficient to protect the Contractor from liabilities that might arise out of the performance of the work under this contract by the Contractor, its agents, representatives, employees, or subcontractors, and Contractor is free to purchase additional insurance. If the Contractor and/or its subcontractors utilize the Social Service Contractors' Indemnity Pool (SSCIP) for insurance coverage, SSCIP is exempt from the A.M. Best's rating requirements listed in this Contract. If the Contractor and/or subcontractor choose to use SSCIP as their insurance provider, the contractor/subcontractor would be in full compliance with insurance requirements.

a. Minimum Scope and Limits of Insurance. The Contractor shall provide coverage with limits of liability not less than those stated below.

i. Commercial General Liability – Occurrence Form. The policy shall include bodily injury, property damage, personal injury, and broad form contractual liability coverage as follows:

General Aggregate	$2,000,000
Products–Completed Operations Aggregate	$1,000,000
Personal and Advertising Injury	$1,000,000
Blanket Contractual Liability–Written and Oral	$1,000,000
Fire Legal Liability	$50,000
Each Occurrence	$1,000,000

The policy shall be endorsed to include: 1) coverage for sexual abuse and molestation that applies to any provider with responsibility for consumer interaction in person; 2) the following additional insured language: "The State of Arizona, Department of Health Services and Maricopa County shall be named as additional insured with respect to liability arising out of the activities performed by or on behalf of the Contractor"; and 3) a waiver of subrogation against the State of Arizona, Department of Health Services for losses arising from work performed by or on behalf of the Contractor."

ii. Automobile Liability. Bodily Injury and Property Damage for any owned, hired, and/or non-owned vehicles used in the performance of this Contract.

Combined Single Limit (CSL)	$1,000,000

The policy shall be endorsed to include the following additional insured language: "The State of Arizona, Department of Health Services and Maricopa County shall be named as additional insured with respect to liability arising out of the activities performed by or on behalf of the Contractor, involving automobiles owned, leased, hired or borrowed by the Contractor."

iii. Worker's Compensation and Employer's Liability

Worker's Compensation and Employer's Liability	Statutory
Each Accident	$500,000
Disease – Each Employee	$500,000
Disease – Policy Limit	$1,000,000

The policy shall contain a waiver of subrogation against the State of Arizona, Department of Health Services for losses arising from work performed by or on behalf of the Contractor. This requirement shall not apply to any Contractor or subcontractor exempt under A.R.S. §23-901 AND when such Contractor or subcontractor executes the appropriate waiver (Sole Proprietor/Independent Contractor) form.

iv. Professional Liability (Errors and Omissions Liability)

Each Claim	$1,000,000
Annual Aggregate	$2,000,000

In the event that the professional liability insurance required by this Contract is written on a claims-made basis, the Contractor warrants that any retroactive date under the policy shall precede the effective date of this Contract; and that either continuous coverage will be maintained or an extended discovery period will be exercised for a period of two (2) years beginning at the time work under this Contract is completed. The policy shall cover professional misconduct or lack of ordinary skill for those positions defined in the Contract. Professional Liability shall include Medical Malpractice for licensed medical providers.

b. Additional Insurance Requirements. The policies shall include, or be endorsed to include, the following provisions:

i. The State of Arizona, ADHS, and Maricopa County wherever additional insured status is required such additional shall be covered to the full limits of liability purchased by the Contractor, even if those limits of liability are in excess of those required by this Contract.

ii. The Contractor's insurance coverage shall be primary insurance with respect to all other available sources.

iii. Coverage provided by the Contractor shall not be limited to the liability assumed under the indemnification provisions of this Contract.

c. Notice of Cancellation. Each insurance policy required by the insurance provisions of this Contract shall provide the required coverage and shall not be suspended, voided, canceled, or reduced in coverage or in limits except after thirty (30) days prior written notice has been given to the State of Arizona. Such notice shall be sent directly to the ADHS Procurement Office 1740 W. Adams Rm., 303 Phoenix, AZ 85007 and shall be sent by certified mail, return receipt requested.

d. Acceptability of Insurers. Insurance is to be placed with duly licensed or approved non-admitted insurers in the State of Arizona with an "A.M. Best" rating of not less than A-VII. The State of Arizona in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.

e. Verification of Coverage. The Contractor shall furnish the State of Arizona with certificates of insurance (ACORD form or equivalent approved by the State of Arizona) as required by this Contract. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

All certificates and endorsements are to be received and approved by the State of Arizona before work commences. Each insurance policy required by this Contract must be in effect at or prior to commencement of work under this Contract and remain in effect for the duration of the project. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal, is a material breach of contract.

All certificates required by this Contract shall be sent directly to the ADHS Procurement Office 1740 W. Adams, Rm. 303 Phoenix, AZ 85007. The State of Arizona Project/Contract number and project description shall be noted on the certificate of insurance. The State of Arizona reserves the right to require complete, certified copies of all insurance policies required by this Contract at any time. DO NOT SEND CERTIFICATES OF INSURANCE TO THE STATE OF ARIZONA'S RISK MANAGEMENT SECTION.

f. Subcontractors. The Contractor's certificate(s) shall include all subcontractors as insured under its policies or the Contractor shall obtain from the subcontractor(s) separate certificates and endorsements for each subcontractor. The Contractor shall maintain certificates of insurance from all subcontractors and providers and ensure adequate coverage is provided throughout the term of the subcontractors' agreement. All coverage for subcontractors shall be subject to the minimum requirements identified above.

g. Approval. Any modification or variation from the insurance requirements in the Contract shall be made by the Department of Administration, Risk Management Section, whose decision shall be final. Such action will not require a formal Contract amendment, but may be made by administrative action.

h. Exceptions. In the event the Contractor or subcontractor(s) is/are a public entity, then the Insurance Requirements shall not apply. Such public entity shall provide a Certificate of Self-Insurance. If the Contractor or subcontractor(s) is/are a State

of Arizona agency, board, commission, or university, none of the above shall apply.

3. Warranties. Contractor, by execution of this Contract, warrants that it has the ability, authority, skill, expertise and capacity to perform the services specified in this Contract and that all services shall be performed in conformity with the requirements of this Contract by qualified personnel in accordance with standards required by Federal or State law, rules and regulations.

Response: Agree ____ , Agree with Deviations ____ , or Disagree ____
(If Offeror marked "Disagree" or "Agree with Deviations," please provide the rationale and any alternative provision to which Offeror would agree.)

G. ADHS' CONTRACTUAL REMEDIES

1. Declaration of Emergency. Upon a declaration by the Governor that an emergency situation exists in the delivery of behavioral health service delivery system that without intervention by government agencies, threatens the health, safety or welfare of the public, ADHS may operate as the Contractor or undertake actions to negotiate and award, with or without bid, a Contract to an entity to operate as the Contractor. Contracts awarded under this section are exempt from the requirements of A.R.S. Title 41, Chapter 23. ADHS shall immediately notify the affected Contractor(s) of its intention.

2. ADHS Right to Operate Contractor. In accordance with A.R.S. § 36-3412.D and in addition to any other rights provided by law or under this Contract, upon a determination by ADHS that Contractor has failed to perform any requirements of this Contract that materially affect the health, safety or welfare of behavioral health recipients, ADHS may, immediately upon written Notice to the Contractor, directly operate the Contractor for so long as necessary to ensure the uninterrupted care to behavioral health recipients and to accomplish the orderly transition of behavioral health recipients to a new or existing Contractor, or until the Contractor corrects the Contract performance failure to the satisfaction of ADHS.

Response: Agree ____ , Agree with Deviations ____ , or Disagree ____
(If Offeror marked "Disagree" or "Agree with Deviations," please provide the rationale and any alternative provision to which Offeror would agree.)

H. CONTRACT TERMINATION

1. Termination Upon Mutual Agreement. This Contract may be terminated by mutual written agreement of the parties effective upon the date specified in the written agreement. If the parties cannot reach agreement regarding an effective date for termination, ADHS will determine the effective date.

2. Voidability of Contract. This Contract is voidable and subject to immediate termination by ADHS upon the Contractor becoming insolvent or filing proceedings in bankruptcy or reorganization under the United States Code, or upon assignment or delegation of the Contract without the prior written approval of ADHS.

3. Contract Cancellation. ADHS reserves the right to cancel this Contract, in whole or in part, due to a failure by the Contractor to carry out any material obligation, term or condition of the Contract. ADHS shall issue written notice to the Contractor of the intent to cancel the Contract for acting or failing to act, as in any of the following:

a. the Contractor fails to adequately perform the services set forth in the specifications of the Contract including the documents incorporated by reference;

b. the Contractor fails to complete the work required or to furnish required materials within the time stipulated by the Contract; or

c. the Contractor fails to make progress in improving compliance with the Contract or gives ADHS reason to believe that the Contractor will not or cannot improve performance to meet the requirements of the Contract.

4. Response to Notice of Intent to Cancel. Upon receipt of the written notice of intent to cancel the Contract, the Contractor shall have ten (10) days to provide a satisfactory response to ADHS. Failure on the part of the Contractor to adequately address all issues of concern may result in ADHS implementing any single or combination of the following remedies:

a. cancel the Contract and send a Notice of Termination;

b. reserve all rights or claims to damage for breach of any covenant of the Contract, and/or

c. perform any test or analysis on materials for compliance with the specifications of the Contract. If the result of any test confirms a material non-compliance with the specifications, any reasonable expense of testing shall be borne by the Contractor.

5. ADHS' Rights Following Contract Cancellation. If the Contract is cancelled, ADHS reserves the right to purchase materials or to complete the required work in accordance with the Arizona Procurement Code. ADHS may recover any reasonable excess costs resulting from these actions from the Contractor by:

a. deduction from an unpaid balance;

b. collection against the bid and/or performance bond or performance bond substitute; and

c. any combination of the above or any other remedies as provided by law.

6. Contractor Obligations. In the event the Contract or any portion thereof, is terminated for any reason, or expires, the Contractor shall assist ADHS in the transition of its behavioral health recipients to another Contractor at its own expense. In addition, ADHS reserves the right to extend the term of the Contract on a month-to-month basis to assist in any transition of behavioral health recipients. The Contractor shall:

a. make provisions for continuing all management and administrative services and the provision of direct services to behavioral health recipients until the transition of all behavioral health recipients is completed and all other requirements of this Contract are satisfied;

b. designate a person with appropriate training to act as the transition coordinator. The transition coordinator shall interact closely with ADHS and the staff from the new Contractor to ensure a safe and orderly transition;

c. upon ADHS' request submit for approval a detailed plan for the transition of its behavioral health recipients, including the name of the transition coordinator;

d. provide all reports set forth in this Contract and necessary for the transition process. This includes providing to ADHS, until ADHS is satisfied that the Contractor has paid all such obligations: 1) a monthly claims aging report by provider/creditor including IBNR amounts, 2) a monthly summary of cash disbursement; and 3) copies of all bank statements received by the Contractor. These reports shall be due on the fifth (5th) day of each succeeding month for the prior month;

e. notify subcontractors and behavioral health recipients of the Contract termination as directed by ADHS;

f. complete payment of all outstanding obligations for covered behavioral health services rendered to behavioral health recipients. The Contractor shall cover continuation of services to enrollees for the duration of the period for which payment has been made, as well as for inpatient admissions up until discharge;

g. cooperate with a successor Contractor during Transition Period including, at a minimum, sharing and transferring behavioral health recipient information and records. ADHS will notify the Contractor with specific instructions and required actions at the time of transfer;

h. return any funds advanced to the Contractor for coverage of behavioral health recipients for periods after the date of termination to ADHS within thirty (30) days of termination of the Contract; and

i. supply all information necessary for reimbursement of outstanding claims.

7. Impact on Indemnification.In the event of expiration or termination or suspension of the Contract by ADHS, the expiration or termination or suspension shall not affect the obligation of the Contractor to indemnify ADHS for any claim by any third party against the State or ADHS arising from the Contractor's performance of this Contract and for which the Contractor would otherwise by liable under this Contract.

8. Additional Obligations.In addition to the requirements stated above and in the Uniform Terms and Conditions, Paragraphs on Termination for Convenience and Termination for Default, the Contractor shall comply with the following provisions:

a. The Contractor shall stop all work as of the effective date contained in the Notice of Termination and shall immediately notify all management subcontractors, in writing, to stop all work as of the effective date of the Notice of Termination.

b. Upon receipt of the Notice of Termination, and until the effective date of the Notice of Termination, the Contractor shall perform work consistent with the requirements of this Contract and in accordance with a written plan approved by ADHS for the orderly transition of behavioral health recipients to another Contractor.

c. Unless otherwise directed by ADHS, the Contractor shall direct subcontracted providers to continue to provide services consistent with the individual's service plan.

9. Disputes. Any dispute by the Contractor with respect to termination or suspension of this Contract by ADHS shall be exclusively governed by the Resolution of Contract Claim provisions of this Contract.

10. Payment. The Contractor shall be paid the Contract price for all services and items completed prior to the effective date of the Notice of Termination and shall be paid its reasonable and actual costs for work in progress as determined by GAAP; however, no such amount shall cause the sum of all amounts paid to the Contractor to exceed the compensation limits set forth in this Contract.

Response: Agree ____ , Agree with Deviations ____ , or Disagree ____
(If Offeror marked "Disagree" or "Agree with Deviations," please provide the rationale and any alternative provision to which Offeror would agree.)

I. CONTRACT CLAIMS

1. Resolution of Contract Claims. A Contract Claim is any claim or controversy, other than a claim dispute, arising out of the terms of this Contract. Except for Contractor Claim Disputes, all Contract Claims or controversies under this Contract shall be resolved according to Uniform Terms and Conditions, Paragraph J. Contract Claims. Prior to filing a Contract Claim, the Contractor may resolve the dispute informally with ADHS; however, nothing in the informal dispute resolution process shall waive applicable deadlines within which to file a Contract Claim.

2. Claim Disputes. A Contractor Claim Dispute is the Contractor's dispute of a payment of a claim, denial of claim, or imposition of a sanction by ADHS. All Contractor Claim Disputes with ADHS shall be resolved in accordance with the process set forth in both the ADHS Policy on Claim Disputes and other documents incorporated herein by reference.

3. Payment Obligations. The Contractor shall pay and perform all of its obligations and liabilities when and as due, provided, however, that if and to the extent there exists a bona fide dispute with any party to whom the Contractor may be obligated, the Contractor may contest any obligation so disputed until final determination by a court of competent jurisdiction; provided, however, that the Contractor shall not permit any judgment against it or any levy, attachment, or process against its property, the entry of any order or judgment of receivership, trusteeship, or conservatorship or the entry of any order to relief or similar order under laws pertaining to bankruptcy, reorganization, or insolvency, in any of the foregoing cases to remain undischarged, or unstayed by good and sufficient bond, for more than fifteen (15) days. Behavioral health recipients may not be held liable for payment in the event of the Contractor's insolvency, ADHS' failure to pay the Contractor, or ADHS' or the Contractor's failure to pay a provider.

Response: Agree ____ , Agree with Deviations ____ , or Disagree ____
(If Offeror marked "Disagree" or "Agree with Deviations," please provide the rationale and any alternative provision to which Offeror would agree.)

J. BEHAVIORAL HEALTH TRUST

The following documents, which are not a part of this Contract, contain additional information regarding the Trust and are available for information in the RFP Library:

1. ComCare Liquidation Proceeds Trust;

2. Agreement for Distribution of Trust Proceeds;

3. ComCare Liquidation Proceeds Trust Administrative Trustee Compensation Agreement; and

4. ComCare Liquidation Proceeds Trust Amendment to the Administrative Trustee Compensation Agreement.

The Contractor shall serve as Administrative Trustee in accordance with the terms and conditions of the ComCare Liquidation Proceeds Trust. The duties, obligations and responsibilities of the Administrative Trustee are governed solely by the terms of the Trust and not by any of the terms and conditions of this Contract. Compensation paid to the Administrative Trustee is governed by a separate agreement between the Policy Trustee and the Administrative Trustee under the terms of the ComCare Liquidation Proceeds Trust and not by any of the terms and conditions of this RFP or Contract.

Response: Agree ____ , Agree with Deviations ____ , or Disagree ____
(If Offeror marked 'Disagree' or 'Agree with Deviations' please provide the rationale and any alternative provision to which Offeror would agree.)

K. USE OF FUNDS FOR LOBBYING

The Contractor shall not use funds paid to the Contractor by ADHS, or interest earned, for the purpose of influencing or attempting to influence any officer or employee of any State or Federal agency; or any member of, or employee of a member of, the United States Congress or the Arizona State Legislature 1) in which it asserts authority to represent ADHS or advocate the official position of ADHS in any matter before a State or Federal agency; or any member of, or employee of a member of, the United States Congress or the Arizona State Legislature; or 2) in connection with awarding of any Federal or State contract, the making of any Federal or State grant, the making of any Federal or State loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment or modification of any Federal or State contract, grant, loan, or cooperative agreement.

Response: Agree ____ , Agree with Deviations ____ , or Disagree ____
(If Offeror marked 'Disagree' or 'Agree with Deviations' please provide the rationale and any alternative provision to which Offeror would agree.)

L. ANTI-KICKBACK

The Contractor or any director, officer, agent, employee or volunteer of the Contractor shall not request nor receive any payment or other thing of value either directly or indirectly, from or for the account of any subcontractor (except such performance as may be required of a subcontractor under the terms of its subcontract) as consideration for or to induce the Contractor to enter into a subcontract with the subcontractor or any referrals of enrolled persons to the subcontractor for the provision of covered behavioral health services.

The Contractor certifies that it has not engaged in conduct that would violate the Medicare Anti-kickback statute (42 U.S.C. 130a-7b) or the "Stark I" and "Stark II" laws governing related-entity referrals (PL101-239 and PL 101-432) and compensation.

Response: Agree ____ , Agree with Deviations ____ , or Disagree ____
(If Offeror marked 'Disagree' or 'Agree with Deviations' please provide the rationale and any alternative provision to which Offeror would agree.)

M. TRANSITIONS AND IMPLEMENTATION

1. Transition Period

During the Transition Periodhe Contractor shall implement the terms of this Contract and collaborate with ADHS to effectuate the seamless transition between Contractors in order to prevent interruption of services and promote continuity of care to behavioral health recipients. Upon Contract award, ADHS and the Contractor shall immediately collaborate to:

a. Define project management and reporting standards,

b. Establish communication protocols between the Contractor, ADHS and existing RBHAs and providers,

c. Establish an implementation plan includes the schedule for key activities and milestones, and

d. Define expectations for content and format of Contract deliverables.

2. Implementation Period and Plan

The Contractor shall develop a comprehensive written Implementation Plan to monitor progress throughout the Transition and Implementation Periods. The Contractor shall submit the Implementation Plan to ADHS for review and approval no later than 14 days from the Notice of Contract Award. The Contractor, as required by ADHS, shall provide ADHS with verbal and written Implementation Plan updates and shall cooperate and communicate with ADHS to resolve transition and implementation issues to ADHS' satisfaction. The Contractor shall include in the Implementation Plan a detailed description of its implementation methods, staff assigned to be accountable for completing tasks and timetables, including, at a minimum, the following components:

a. human resource and staffing plan;

b. facilities acquisition and installation plans;

c. customer service plan;

d. telephone systems plan;

e. data systems plan, including hardware and equipment acquisition and installation, operating system and software installation, and file installation;

f. website development plan;

g. system readiness testing and acceptance testing plan and a data conversion plan to include, at a minimum, intake, closure, eligibility, demographics, encounters, and other file data;

h. network development plan, including analysis and plans to effect a smooth transition;

i. clinical services transition, service continuation, and vertically integrated network plan;

j. pending grievance, appeal, and customer service case transition;

k. Quality Management/Utilization Management Plan;

l. security, business continuity, disaster recovery, and contingency plan;

m. communication plan that includes a plan to communicate with behavioral health recipients, family members, and other stakeholders regarding the transition;

n. communication and transition plan with existing RBHAs and providers;

o. plan to meet other administrative start-up requirements;

p. transfer of electronic data and records;

q. transfer of hard copy records;

r. transfer of property, including real property, deeds of purchase, leases, staff, and equipment;

s. budget plan for transition expenses, including Contractor travel, personnel;

t. taxes, and anticipated service development costs prior to the Contract Start Date;

u. Member Handbook and Provider Manual completion;

v. claims and eligibility interface development;

w. compliance plan;

x. financial reporting plan;

y. pricing of encounters;

z. orientation and training plan; and

aa. post-implementation deliverables.

3. <u>Personnel</u>

No later than one (1) month prior to the Contract Start Date, the Contractor shall designate its Key Personnel. Prior to the Contract Start Date, the Contractor shall submit to ADHS the resumes of each Key Personnel position for ADHS' approval and updated organizational charts. The Contractor shall have sufficient personnel working and operating in Maricopa County during the Transition Period and Implementation Period in order to be fully compliant with the terms of this Contract.

4. Transitioning of Behavioral Health Recipients and Operations

When applicable, the Contractor shall transition behavioral health recipients receiving services so care is not disrupted. The Contractor shall collaborate with existing RBHAs and providers to develop and implement a behavioral health recipient's service plan during the transition and deliver all services contained in the plan. At a minimum, the Contractor shall provide service information, emergency telephone numbers and instructions on how to obtain additional services to each behavioral health recipient involved in the transition of care.

The Contractor shall transition pending grievances, appeals, and customer service cases to assure timely resolution. The Contractor shall have a sufficient number of qualified staff to meet filing deadlines and attend all court or administrative proceedings.

5. Operational and Financial Readiness Reviews

Prior and subsequent to the Contract Start Date, the Contractor shall cooperate with ADHS' Operational and Financial Readiness Reviews to assess the Contractor's readiness and ability to provide covered behavioral health services to behavioral health recipients and to resolve previously identified operational deficiencies. Upon ADHS' request and approval, the Contractor shall develop and implement a corrective action plan in response to deficiencies identified during the Readiness Review. The Contractor shall commence operations only if the Readiness Review factors and corrective action plan requirements are met to ADHS' satisfaction.

At a minimum, the Contractor shall cooperate with ADHS to review the following areas:

a. network sufficiency and management including reviews of subcontracts;

b. staffing adequacy;

c. customer service;

d. QM/UM;

e. financial management;

f. information processing and system testing;

g. transition of behavioral health recipients;

h. routine communications with behavioral health recipients;

i. continuity of care for behavioral health recipients;

j. network sufficiency;

k. Direct Care Clinic operations; and

l. continuity of pending grievance, appeal, and customer service cases.

During the Readiness Review, the Contractor shall provide ADHS with access to staff, documentation and work space as requested by ADHS.

Response: Agree ____ , Agree with Deviations ____ , or Disagree ____
(If Offeror marked 'Disagree' or 'Agree with Deviations' please provide the rationale and any alternative provision to which Offeror would agree.)

N. DEFINITION OF TERMS

All of the definitions related to activities required in the Scope of Work are incorporated herein. For ease of readability, definitions are the last section of this Contract.

Response: Agree ____ , Agree with Deviations ____ , or Disagree ____
(If Offeror marked 'Disagree' or 'Agree with Deviations' please provide the rationale and any alternative provision to which Offeror would agree.)

O. PANDEMIC CONTRACTUAL PERFORMANCE

1. The State shall require a written plan that illustrates how the contractor shall perform up to contractual standards in the event of a pandemic. The State may require a copy of the plan at anytime prior or post award of a contract. At a minimum, the pandemic performance plan shall include:

a. Key succession and performance planning if there is a sudden significant decrease in contractor's workforce.

b. Alternative methods to ensure there are products in the supply chain.

c. An up to date list of company contacts and organizational chart.

2. In the event of a pandemic, as declared the Governor of Arizona, U.S. Government or the World Health Organization, which makes performance of any term under this contract impossible or impracticable, the State shall have the following rights:

a. After the official declaration of a pandemic, the State may temporally void the contract(s) in whole or specific sections, if the contractor cannot perform to the standards agreed upon in the initial terms.

b. The State shall not incur any liability if a pandemic is declared and emergency procurements are authorized by the Director as per A.R.S. 41-2537 of the Arizona Procurement Code.

c. Once the pandemic is officially declared over and/or the contractor can demonstrate the ability to perform, the State, at is sole discretion, may reinstate the temporarily voided contract(s).

Response: Agree ____ , Agree with Deviations ____ , or Disagree ____
(If Offeror marked 'Disagree' or 'Agree with Deviations' please provide the rationale and any alternative provision to which Offeror would agree.)

UNIFORM TERMS AND CONDITIONS

A. DEFINITION OF TERMS

As used in this Solicitation and any resulting Contract, the terms listed below are defined as follows:

1. *"Attachment"* means any item the Solicitation requires the Offeror to submit as part of the Offer.
2. "*Claims Disputes"* means a dispute involving the payment of a claim, denial of a claim or imposition of a sanction.
3. *"Contract"* means the combination of the Solicitation, including the Uniform and Special Instructions to Offerors, the Uniform and Special Terms and Conditions, and the Specifications and Statement or Scope of Work; the Offer and any Best and Final Offers; and any Solicitation Amendments or Contract Amendments.
4. *"Contract Amendment"* means a written document signed by the Procurement Officer that is issued for the purpose of making changes in the Contract.
5. *"Contractor"* means any person who has a Contract with the State.
6. *"Days"* means calendar days unless otherwise specified.
7. *"Exhibit"* means any item labeled as an Exhibit in the Solicitation or placed in the Exhibits section of the Solicitation.
8. *"Gratuity"* means a payment, loan, subscription, advance, deposit of money, services, or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value is received.
9. *"Materials"* means all property including equipment, supplies, printing, insurance and leases of property but does not include land, a permanent interest in land or real property or leasing space.
10. "*Offer*" means bid, proposal or quotation.
11. "*Offeror*" means a vendor who responds to the RFP.
12. *"Procurement Officer"* means the person, or his or her designee, duly authorized by the State to enter into and administer Contracts and make written determinations with respect to the Contract.

13. *"Services"* means the furnishing of labor, time or effort by a contractor or subcontractor which does not involve the delivery of a specific end product other than required reports and performance, but does not include employment agreements or collective bargaining agreements.

14. "*Solicitation*" means an Invitation for Bids ("IFB"), a Request for Proposals ("RFP"), or a Request for Quotations ("RFQ").

15. "*Solicitation Amendment*" means a written document that is signed by the Procurement Officer and issued for the purpose of making changes to the Solicitation.

16. *"Subcontract"* means any Contract, express or implied, between the Contractor and another party or between a subcontractor and another party delegating or assigning, in whole or in part, the making or furnishing of any material or any service required for the performance of the Contract.

17. *"State"* means the State of Arizona and Department or Agency of the State that executes the Contract.

18. *"State Fiscal Year"* means the period beginning with July 1 and ending June 30.

B. CONTRACT INTERPRETATION

1. Arizona Law. The Arizona law applies to this Contract including, where applicable, the Uniform Commercial Code as adopted by the State of Arizona and the Arizona Procurement Code, Arizona Revised Statutes (A.R.S.) Title 41, Chapter 23, and its implementing rules, Arizona Administrative Code (A.A.C.) Title 2, Chapter 7.

2. Implied Contract Terms. Each provision of law and any terms required by law to be in this Contract are a part of this Contract as if fully stated in it.

3. Contract Order of Precedence. In the event of a conflict in the provisions of the Contract, as accepted by the State and as they may be amended, the following shall prevail in the order set forth below:

   a. Special Terms and Conditions;

   b. Uniform Terms and Conditions;

   c. Statement or Scope of Work;

   d. Specifications;

   e. Attachments;

   f. Exhibits;

   g. Documents referenced or included in the Solicitation.

4. Relationships of Parties. The Contractor under this Contract is an independent Contractor. Neither party to this Contract shall be deemed to be the employee or agent of the other party to the Contract.

5. Severability. The provisions of this Contract are severable. Any term or condition deemed illegal or invalid shall not affect any other term or condition of the Contract.

6. No Parol Evidence. This Contract is intended by the parties as a final and complete expression of their agreement. No course of prior dealings between the parties and no usage of the trade shall supplement or explain any terms used in this document and no other understanding either oral or in writing shall be binding.

7. No Waiver. Either party's failure to insist on strict performance of any term or condition of the Contract shall not be deemed a waiver of that term or condition even if the party accepting or acquiescing in the nonconforming performance knows of the nature of the performance and fails to object to it.

C. CONTRACT ADMINISTRATION AND OPERATION

1. Records. Under A.R.S. § 35-214 and § 35-215, the Contractor shall retain and shall contractually require each subcontractor to retain all data and other "records" relating to the acquisition and performance of the Contract for a period of six (6) years after the completion of the Contract. All records shall be subject to inspection and audit by the State at reasonable times. Upon request, the Contractor shall produce a legible copy of any or all such records.

2. Non-Discrimination. The Contractor shall comply with State Executive Order No. 99-4 and all other applicable Federal and State laws, rules and regulations, including the Americans with Disabilities Act.

3. Audit. Pursuant to A.R.S. § 35-214, at any time during the term of this Contract and six (6) years thereafter, the Contractor's or any subcontractor's books and records shall be subject to audit by the State and, where applicable, the Federal Government, to the extent that the books and records relate to the performance of the Contract or Subcontract.

4. Facilities Inspection and Materials Testing. The Contractor agrees to permit access to its facilities, subcontractor facilities and the Contractor's processes or services, at reasonable times for inspection of the facilities or materials covered under this Contract. The State shall also have the right to test at its own cost the materials to be supplied under this Contract. Neither inspection of the Contractor's facilities nor materials testing shall constitute final acceptance of the materials or services. If the State determines non-compliance of the materials, the Contractor shall be responsible for the payment of all costs incurred by the State for testing and inspection.

5. Notices. Notices to the Contractor required by this Contract shall be made by the State to the person indicated on the Offer and Acceptance form submitted by the Contractor unless otherwise stated in the Contract. Notices to the State required by the Contract shall be made by the Contractor to the Solicitation Contact Person indicated on the Solicitation cover sheet, unless otherwise stated in the Contract. An authorized Procurement Officer and an authorized Contractor representative may change their respective person to whom notice shall be given by written notice to the other and an amendment to the Contract shall not be necessary.

6. Advertising, Publishing, and Promotion of Contract. The Contractor shall not use, advertise, or promote information for commercial benefit concerning this Contract without the prior written approval of the Procurement Officer.

7. Property of the State. Any materials, including reports, computer programs and other deliverables, created under this Contract are the sole property of the State. The Contractor is not entitled to a patent or copyright on those materials and may not transfer the patent or copyright to anyone else. The Contractor shall not use or release these materials without the prior written consent of the State.

8. Ownership of Intellectual Property. Any and all intellectual property, including but not limited to copyright, invention, trademark, trade name, service mark, and/or trade secrets created or conceived pursuant to or as a result of this contract and any related subcontract ("Intellectual Property"), shall be work made for hire and the State shall be considered the creator of such Intellectual Property. The agency, department, division, board or commission of the State of Arizona requesting the issuance of this contract shall own (for and on behalf of the State) the entire right, title and interest to the Intellectual Property throughout the world. Contractor shall notify the State, within thirty (30) days, of the creation of any Intellectual Property by it or its subcontractor(s). Contractor, on behalf of itself and any subcontractor (s), agrees to execute

any and all document(s) necessary to assure ownership of the Intellectual Property vests in the State and shall take no affirmative actions that might have the effect of vesting all or part of the Intellectual Property in any entity other than the State. The Intellectual Property shall not be disclosed by contractor or its subcontractor(s) to any entity not the State without the express written authorization of the agency, department, division, board or commission of the State of Arizona requesting the issuance of this contract.

D. COSTS AND PAYMENTS

1. Payments. Payments shall comply with the requirements of A.R.S. Titles 35 and 41, Net 30 days. Upon receipt and acceptance of goods or services, the Contractor shall submit a complete and accurate invoice for payment from the State within thirty (30) days.

2. Delivery. Unless stated otherwise in the Contract, all prices shall be F.O.B. Destination and shall include all freight delivery and unloading at the destinations.

3. Applicable Taxes.

   a. Payment of Taxes. The Contractor shall be responsible for paying all applicable taxes.

   b. State and Local Transaction Privilege Taxes. The State of Arizona is subject to all applicable state and local transaction privilege taxes. Transaction privilege taxes apply to the sale and are the responsibility of the seller to remit. Failure to collect taxes from the buyer does not relieve the seller from its obligation to remit taxes.

   c. Tax Indemnification. Contractor and all subcontractors shall pay all Federal, state and local taxes applicable to its operation and any persons employed by the Contractor. Contractor shall, and require all subcontractors to hold the State harmless from any responsibility for taxes, damages and interest, if applicable, contributions required under Federal, and/or state and local laws and regulations and any other costs including transaction privilege taxes, unemployment compensation insurance, Social Security and Worker's Compensation.

   d. IRS W9 Form. In order to receive payment, the Contractor shall have a current IRS W9 Form on file with the State of Arizona, unless not required by law.

4. Availability of funds for the Next State Fiscal Year. Funds may not presently be available for performance under this Contract beyond the current State fiscal year. No legal liability on the part of the State for any payment may arise under this Contract beyond the current State fiscal year until funds are made available for performance of this Contract.

5. Availability of Funds for the Current State Fiscal Year. Should the State Legislature enter back into session and reduce the appropriations or for any reason and these goods or services are not funded, the State may take any of the following actions:

   a. Accept a decrease in price offered by the contractor.

   b. Cancel the Contract.

   c. Cancel the contract and re-solicit the requirements.

E. CONTRACT CHANGES

1. Amendments. This Contract is issued under the authority of the Procurement Officer who signed the Contract. The Contract may be modified only through a Contract Amendment within the scope of the Contract. Changes to the Contract, including the addition of work or materials, the revision of payment terms, or the substitution of work or materials, directed by a person who is not specifically authorized by the Procurement Officer in writing or made unilaterally by the Contractor are violations of the Contract and of applicable law. Such changes, including unauthorized written Contract Amendments shall be void and without effect, and the Contractor shall not be entitled to any claim under this Contract based on those changes.

2. Subcontracts. The Contractor shall not enter into any Subcontract under this Contract for the performance of this contract without the advance written approval of the Procurement Officer. The Contractor shall clearly list any proposed subcontractors and the subcontractors' proposed responsibilities. The Subcontract shall incorporate by reference the terms and conditions of this Contract.

3. Assignment and Delegation. The Contractor shall not assign any right nor delegate any duty under this Contract without the prior written approval of the Procurement Officer. The State shall not unreasonably withhold approval.

F. RISKS AND LIABILITY

1. Risk of Loss. The Contractor shall bear all loss of conforming material covered under this Contract until received by authorized personnel at the location designated in the purchase order or Contract. Mere receipt does not constitute final acceptance. The risk of loss for nonconforming materials shall remain with the Contractor regardless of receipt.

2. Indemnification.

   a. Contractor/Vendor Indemnification (Not Public Agency). The parties to this contract agree that the State of Arizona, its departments, agencies, boards and commissions shall be indemnified and held harmless by the contractor for the vicarious liability of the State as a result of entering into this contract. However, the parties further agree that the State of Arizona, its departments, agencies, boards and commissions shall be responsible for its own negligence. Each party to this contract is responsible for its own negligence.

   b. Public Agency Language Only. Each party (as 'indemnitor') agrees to indemnify, defend, and hold harmless the other party (as 'indemnitee') from and against any and all claims, losses, liability, costs, or expenses (including reasonable attorney's fees) (hereinafter collectively referred to as 'claims') arising out of bodily injury of any person (including death) or property damage but only to the extent that such claims which result in vicarious/derivative liability to the indemnitee, are caused by the act, omission, negligence, misconduct, or other fault of the indemnitor, its officers, officials, agents, employees, or volunteers."

3. Indemnification-Patent and Copyright. The Contractor shall indemnify and hold harmless the State against any liability, including costs and expenses, for infringement of any patent, trademark or copyright arising out of Contract performance or use by the State of materials furnished or work performed under this Contract. The State shall reasonably notify the Contractor of any claim for which it may be liable under this paragraph. If the contractor is insured pursuant to A.R.S. §41-621 and §35-154, this section shall not apply.

4. Force Majeure.

a. Except for payment of sums due, neither party shall be liable to the other nor deemed in default under this Contract if and to the extent that such party's performance of this Contract is prevented by reason of force majeure. The term *"force majeure"* means an occurrence that is beyond the control of the party affected and occurs without its fault or negligence. Without limiting the foregoing, force majeure includes acts of God; acts of the public enemy; war; riots; strikes; mobilization; labor disputes; civil disorders; fire; flood; lockouts; injunctions-interventions-acts; or failures or refusals to act by government authority; and other similar occurrences beyond the control of the party declaring force majeure which such party is unable to prevent by exercising reasonable diligence.

b. Force Majeure shall not include the following occurrences:

i. Late delivery of equipment or materials caused by congestion at a manufacturer's plant or elsewhere, or an oversold condition of the market;

ii. Late performance by a subcontractor unless the delay arises out of a force majeure occurrence in accordance with this force majeure term and condition; or

iii. Inability of either the Contractor or any subcontractor to acquire or maintain any required insurance, bonds, licenses or permits.

c. If either party is delayed at any time in the progress of the work by force majeure, the delayed party shall notify the other party in writing of such delay, as soon as is practicable and no later than the following working day, of the commencement thereof and shall specify the causes of such delay in such notice. Such notice shall be delivered or mailed certified-return receipt and shall make a specific reference to this article, thereby invoking its provisions. The delayed party shall cause such delay to cease as soon as practicable and shall notify the other party in writing when it has done so. The time of completion shall be extended by Contract Amendment for a period of time equal to the time that results or effects of such delay prevent the delayed party from performing in accordance with this Contract.

d. Any delay or failure in performance by either party hereto shall not constitute default hereunder or give rise to any claim for damages or loss of anticipated profits if, and to the extent that such delay or failure is caused by force majeure.

5. Third Party Antitrust Violations. The Contractor assigns to the State any claim for overcharges resulting from antitrust violations to the extent that those violations concern materials or services supplied by third parties to the Contractor, toward fulfillment of this Contract.

G. WARRANTIES

1. Liens. The Contractor warrants that the materials supplied under this Contract are free of liens and shall remain free of liens.

2. Quality. Unless otherwise modified elsewhere in these terms and conditions, the Contractor warrants that, for one year after acceptance by the State of the materials, they shall be:

   a. Of a quality to pass without objection in the trade under the Contract description;

   b. Fit for the intended purposes for which the materials are used;

   c. Within the variations permitted by the Contract and are of even kind, quantity, and quality within each unit and among all units;

   d. Adequately contained, packaged and marked as the Contract may require; and

   e. Conform to the written promises or affirmations of fact made by the Contractor.

3. Fitness. The Contractor warrants that any material supplied to the State shall fully conform to all requirements of the Contract and all representations of the Contractor, and shall be fit for all purposes and uses required by the Contract.

4. Inspection/Testing. The warranties set forth in subparagraphs G.1 through G.3 of this paragraph are not affected by inspection or testing of or payment for the materials by the State.

5. Year 2000.

   a. Notwithstanding any other warranty or disclaimer of warranty in this Contract, the Contractor warrants that all products delivered and all services rendered under this Contract shall comply in all respects to performance and delivery requirements of the specifications and shall not be adversely affected by any date-related data Year 2000 issues. This warranty shall survive the expiration or termination of this Contract. In addition, the defense of *force majeure* shall not apply to the Contractor's failure to perform specification requirements as a result of any date-related data Year 2000 issues.

b. Additionally, notwithstanding any other warranty or disclaimer of warranty in this Contract, the Contractor warrants that each hardware, software, and firmware product delivered under this Contract shall be able to accurately process date/time data (including but not limited to calculation, comparing, and sequencing) from, into, and between the twentieth and twenty-first centuries, and the years 1999 and 2000 and leap year calculations, to the extent that other information technology utilized by the State in combination with the information technology being acquired under this contract properly exchanges date-time data with it. If this contract requires that the information technology products being acquired perform as a system, or that the information technology products being required perform as system in combination with other State information technology, then this warranty shall apply to the acquired products as a system. The remedies available to the State for breach of this warranty shall include, but shall not be limited to, repair and replacement of the information technology products delivered under this Contract. In addition, the defense of *force majeure* shall not apply to the failure of the Contractor to perform any specification requirements as a result of any date-related data Year 2000 issues.

4. Compliance With Applicable Laws. The materials and services supplied under this Contract shall comply with all applicable Federal, state and local laws, and the Contractor shall maintain all applicable license and permit requirements.

5. Survival of Rights and Obligations after Contract Expiration or Termination.

a. Contractor's Representation and Warranties. All representations and warranties made by the Contractor under this Contract shall survive the expiration or termination hereof. In addition, the parties hereto acknowledge that pursuant to A.R.S. § 12-510, except as provided in A.R.S. § 12-529, the State is not subject to or barred by any limitations of actions prescribed in A.R.S., Title 12, and Chapter 5.

b. Purchase Orders. The Contractor shall, in accordance with all terms and conditions of the Contract, fully perform and shall be obligated to comply with all purchase orders received by the Contractor prior to the expiration or termination hereof, unless otherwise directed in writing by the Procurement Officer, including, without limitation, all purchase orders received prior to but not fully performed and satisfied at the expiration or termination of this Contract.

H. STATE'S CONTRACTUAL REMEDIES

1. Right to Assurance. If the State in good faith has reason to believe that the Contractor does not intend to, or is unable to perform or continue performing under this Contract, the Procurement Officer may demand in writing that the Contractor give a written assurance of intent to perform. Failure by the Contractor to provide written assurance within the number of Days specified in the demand may, at the State's option, be the basis for terminating the Contract under the Uniform Terms and Conditions or other rights and remedies available by law or provided by the Contract.

2. Stop Work Order.

   a. The State may, at any time, by written order to the Contractor, require the Contractor to stop all or any part, of the work called for by this Contract for period(s) of days indicated by the State after the order is delivered to the Contractor. The order shall be specifically identified as a stop work order issued under this clause. Upon receipt of the order, the Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage.

   b. If a stop work order issued under this clause is canceled or the period of the order or any extension expires, the Contractor shall resume work. The Procurement Officer shall make an equitable adjustment in the delivery schedule or Contract price, or both, and the Contract shall be amended in writing accordingly.

3. Non-exclusive Remedies. The rights and the remedies of the State under this Contract are not exclusive.

4. Nonconforming Tender. Materials or services supplied under this Contract shall fully comply with the Contract. The delivery of materials or services or a portion of the materials or services that do not fully comply constitutes a breach of contract. On delivery of nonconforming materials or services, the State may terminate the Contract for default under applicable termination clauses in the Contract, exercise any of its rights and remedies under the Uniform Commercial Code, or pursue any other right or remedy available to it.

5. Right of Offset. The State shall be entitled to offset against any sums due the Contractor, any expenses or costs incurred by the State, or damages assessed by the State concerning the Contractor's non-conforming performance or failure to perform the Contract, including expenses, costs and damages described in the Uniform Terms and Conditions.

I. CONTRACT TERMINATION

1. Cancellation for Conflict of Interest. Pursuant to A.R.S. § 38-511, the State may cancel this Contract within three (3) years after Contract execution without penalty or further obligation if any person significantly involved in initiating, negotiating, securing, drafting or creating the Contract on behalf of the State is or becomes at any time while the Contract or an extension of the Contract is in effect an employee of or a consultant to any other party to this Contract with respect to the subject matter of the Contract. The cancellation shall be effective when the Contractor receives written notice of the cancellation unless the notice specifies a later time. If the Contractor is a political subdivision of the State, it may also cancel this Contract as provided in A.R.S. § 38-511.

2. Gratuities. The State may, by written notice, terminate this Contract, in whole or in part, if the State determines that employment or a Gratuity was offered or made by the Contractor or a representative of the Contractor to any officer or employee of the State for the purpose of influencing the outcome of the procurement or securing the Contract, an amendment to the Contract, or favorable treatment concerning the Contract, including the making of any determination or decision about contract performance. The State, in addition to any other rights or remedies, shall be entitled to recover exemplary damages in the amount of three times the value of the Gratuity offered by the Contractor.

3. Suspension or Debarment. The State may, by written notice to the Contractor, immediately terminate this Contract if the State determines that the Contractor has been debarred, suspended or otherwise lawfully prohibited from participating in any public procurement activity, including but not limited to, being disapproved as a subcontractor of any public procurement unit or other governmental body. Submittal of an offer or execution of a Contract shall attest that the contractor is not currently suspended or debarred. If the Contractor becomes suspended or debarred, the contractor shall immediately notify the State.

4. Termination for Convenience. The State reserves the right to terminate the Contract in whole or in part at any time, when in the best interests of the State without penalty or recourse. Upon receipt of the written notice, the Contractor shall stop all work, as directed in the notice, notify all subcontractors of the effective date of the termination and minimize all further costs to the State. In the event of termination under this paragraph, all documents, data and reports prepared by the Contractor under the contract shall become the property of and be delivered to the State upon demand. The Contractor shall be entitled to receive just and equitable compensation for work in progress, work completed and materials accepted before the effective date of the termination. The Cost principles and procedures provided in A.A.C. R2-7-701 shall apply.

5. Termination for Default.

   a. In addition to the rights reserved in the Uniform Terms and Conditions, the State may terminate the Contract in whole or in part due to the failure of the Contractor to comply with any term or condition of the Contract, to acquire and maintain all required insurance policies, bonds, licenses and permits, or to make satisfactory progress in performing the Contract. The Procurement Officer shall provide written notice of the termination and the reasons for it to the Contractor.

   b. Upon termination under this paragraph, all goods, materials, documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State on demand.

   c. The State may, upon termination of this Contract, procure, on terms and in the manner that it deems appropriate, materials or services to replace those under this Contract. The Contractor shall be liable to the State for any excess costs incurred by the State in procuring materials or services in substitution for those due from the Contractor.

6. Continuation of Performance Through Termination. The Contractor shall continue to perform, in accordance with the requirements of the Contract, up to the date of termination, as directed in the termination notice.

J. CONTRACT CLAIMS

All contract claims or controversies under this Contract shall be resolved according to A.R.S Title 41, Chapter 23, Article 9, and rules adopted there-under.

K. ARBITRATION

The parties to this Contract agree to resolve all disputes arising out of or relating to this contract through arbitration, after exhausting applicable administrative review, to the extent required by A.R.S. § 12-1518, except as may be required by other applicable statutes (Title 41).

Arizona State Procurement Office

Version 7.0 (Effective May 1, 2003)

PROPOSAL CONTENT

A. ADMINISTRATION, ORGANIZATION, AND EXPERIENCE

1. List the proposed location(s) to administer the Contract. Include the types of services or administrative functions that will be provided at each location. Identify all required services and administrative functions by location, including, at a minimum, oversight of all service delivery; provider credentials verification; network development, credentialing, contracting, and management; customer service; utilization management; quality management; care management; physician advisor consultation; processing of complaints, grievances, and appeals; compliance; legal oversight; claims administration and encounter processing; financial management and reporting; and collection and billing. Repeat the grid as necessary if multiple locations will be used, including any Management Services Subcontractors (i.e., after-hours services) or administrative functions required under this Contract that will be performed all or in part (i.e., corporate legal) at other locations.

Service Center Location	
Name of Location	_____
Address	_____
City, State, Zip	_____
Telephone Number	_____
Type(s) of Service(s)	_____

2. Indicate hours of operation for each location listed in A.1. using the grid below.

	Hours			
Day	From		To	
Monday through Friday		am/pm		am/pm
Saturday		am/pm		am/pm
Sunday		am/pm		am/pm
Holidays		am/pm		am/pm

3. Business Information

a. The Offeror agrees to manage the Contract (if awarded) through an entity incorporated in Arizona.

☐ Yes ☐ No

b. Provide the number of government/public sector customers for which the Offeror has managed the behavioral health care services of persons eligible for Medicaid in the most recent five (5) calendar years (i.e., 2002, 2003, 2004, 2005, and 2006). [1] Indicate how many of these contracts were at full risk.

c. Complete the chart below for up to five (5) of the largest (as defined by the number of eligibles) government/public sector customers included in response to A.3.b. above.

Customer Name	Number of Eligible Members, Including Medicaid Eligibles	Approximate Annual Revenue in Most Recent Year of Contract	Nature of Contract/Form of Payment (e.g., full cap, cap w/ risk corridors, ASO fee)	Direct Contract with Agency or Through Health Plan	Populations Served (e.g. Title XIX, Title XXI, State-only, S-CHIP, SAPT block grant)	Number of Years Offeror (has) Held Contract	Contract is Active or Terminated

d. Provide the percentage and dollar amounts of Offeror's managed behavioral health care revenue attributed to government/public sector customers in fiscal years 2004, 2005, 2006, and the first quarter of fiscal year 2007.

e. Identify the year in which the Offeror first managed behavioral health care services for government/public sector Medicaid eligible members.

[1] *It is permissible to substitute the next largest contract for which the Offeror provides the relevant program requirement if the Offeror identifies the customer(s) in A.3.c. for which the Offeror does not offer the program requirement and the customer that is substituted and provides the information required in the chart in A.3.c for the substitute customer.*

f. Describe the ownership/tax status of Offeror's organization (e.g., private/for profit).

g. List the names of all persons or entities with a five percent (5%) or greater ownership interest in Offeror's organization.

h. Provide the following information using the grids below for:

1) All government/public sector customers for whom Offeror currently manages Medicaid behavioral health care services:

Active

Name _____

Address _____

City, State, Zip _____

Telephone Number _____

2) All government/public sector customers for whom Offeror managed Medicaid behavioral health care services in the most recent three (3) years (i.e., 2004, 2005, 2006):

Terminated

Name _____

Address _____

City, State, Zip _____

Telephone Number _____

Reason for Termination _____

4. Submit current resumes of proposed Key Personnel, Organizational Staff and Liaisons documenting their educational and career history. If proposed Key Personnel, Organizational Staff and Liaisons are not yet identified, submit job descriptions outlining the minimum qualifications of the position(s), including experience, education, and responsibilities for the position. Each resume or job description should be limited to three (3) pages.

5. Submit an attestation, signed and dated by the individual signing the Offeror's proposal, that the Offeror, its employees, subcontractors, and consultants have never been debarred, suspended, or excluded from any Federal or State program.

6. Identify any entity, including a parent, subsidiary, affiliate, or other related organization, the Offeror intends to subcontract with for administrative or management services. Submit the following information regarding proposed Management Services Subcontractors:

   a. name, address, and telephone number of the subcontractor;

   b. ownership of the organization;

   c. specific management service(s) that will be subcontracted;

   d. the years of the subcontractor's relevant management services experience;

   e. the number of years the subcontract(s) for these services have been in place between the subcontractor and Offeror's organization, if applicable;

   f. the positions and hours that are expected to be provided on an annual basis;

   g. the proposed compensation arrangement, including total estimated annual subcontractor compensation;

   h. an attestation, signed and dated by the individual signing the management services subcontract, that the subcontractor, its employees, and consultants have never been debarred, suspended or excluded from any Federal or State program; and

   i. a copy of the management or administrative services subcontracts or proposed agreements the Offeror will have with a Management Services Subcontractor [2].

   Limit five (5) pages per subcontractor arrangement, excluding copies of the agreements and attestations.

7. Submit Offeror's organizational charts that show:

   a. corporate structure and lines of responsibility and authority for all functions of this Contract;

   b. local organizational structure, including the number of full-time equivalents devoted to this Contract by functional area;

c. work unit/department and reporting structure within the organization of all Key Personnel, Organizational Staff members, and Liaisons as described in the RFP;

d. administrative or managed care functions that Offeror proposes to perform outside Arizona;

e. Offeror's proposed committee structure and committee lines of accountability with a brief description of responsibility, including whether the committee includes stakeholder participation; and

f. if the Offeror is proposing to use subcontractor(s) for any management services, provide an organizational chart showing how oversight of the Management Services Subcontractor will be performed within the Offeror's organizational structure, including the primary individuals responsible for overseeing each subcontractor.

8. List Offeror's staffing ratios (numbers of staff to behavioral health recipients), minimum educational requirements (e.g. high school, BA, masters, MD), minimum licensure requirements (where applicable), and minimum years of experience for each of the positions listed below. In the last column, list the average ratio of supervisor to staff members.

Position Title	**Ratio of Staff to Behavioral Health Recipients**	**Minimum Degree/License Required**	**Minimum Years of Experience Required**	**Ratio of Supervisor to Staff**
Claims/Encounter Processors				
Intake/Customer Service Reps				
Care Managers				
Physician Advisors				
Supervisor to Staff				

9. Indicate the annual turnover rate in 2005 and 2006 for each of the following positions in the Offeror's organization for government/public sector managed behavioral health care employees using the following formula:

Numerator = the number of unique employees who held a position included in the denominator for the previous twelve months who left that position during the same period.
Denominator = the number of filled and vacant positions for each position for the twelve (12)-month period in question.

Also, indicate in parentheses the total number of positions in the staffing category for the twelve (12) month period in question.

Position Title	2005	2006
Claims/Encounter Processors	xx.x% (# positions)	xx.x% (# positions)
Intake/Customer Service Reps	xx.x%	xx.x%
Care Managers	xx.x%	xx.x%
Provider Relations/Network Development	xx.x%	xx.x%
Senior Management Positions	xx.x%	xx.x%
Grievance and Appeals Staff	xx.x%	xx.x%

B. COLLABORATION AND PERFORMANCE

1. Describe the strategies the Offeror will use to facilitate behavioral health provider, physical health, justice system, and agency collaboration other than at the individual case level. Describe the Offeror's experience in at least two (2) actual examples of collaboration including the actions and strategies taken and results. Identify the customer(s) that can verify this experience. Limit two (2) pages.

2. Provide an example of a mixed services protocol (for physical and behavioral health) for a public sector contract, including outcomes achieved through its implementation. The mixed services protocol should address the services for which the physical and behavioral health entities are responsible for providing, respective responsibility for payment and coordination. Identify the customer(s) that can verify this experience. Limit five (5) pages.

3. Provide the following information regarding member satisfaction.

   a. Complete the following table with results from the Offeror's two (2) most recent member satisfaction surveys administered on behalf of the customers identified in response A.3.c. above.

	Time Period (i.e., 7/05 – 7/06)	Time Period (i.e., 7/04 – 7/05)
Overall response rate to satisfaction survey		
Percent of respondents satisfied overall		
Lowest rated item and percent satisfied		

b. Provide the rating scale used to collect satisfaction information (e.g., 1-very dissatisfied, 2-dissatisfied, 3-neutral, 4-satisfied, 5-very satisfied) for the overall satisfaction item and lowest rated item in response to B.3.a. above.

c. Indicate which rating scale response options are used in the numerator to calculate the percent satisfied.

d. Provide the text for the items used for the overall satisfaction rating and for the lowest rated item in response to B.3.a. above.

e. Indicate how the survey was administered (telephone, outreach, mail, IVR, etc.) for each entry in response to B.3.a. above. Discuss separately the methodology for each of the surveys, if different.

4. State separately for each of the most recent three (3) calendar years, i.e., 2004, 2005 or 2006, the number of complaints per 1,000 members received from the Offeror's public sector customers listed in response to A.3.c.

5. State separately for each of the most recent three (3) calendar years, i.e., 2004, 2005 or 2006, for the Offeror's government/public sector customers listed in response to A.3.c. the percentage of complaints resolved within thirty (30) days to the consumer's satisfaction.

6. State separately for each of the most recent three (3) calendar years, i.e., 2004, 2005 or 2006, and rank in order from the greatest to least, the three (3) most common types of complaints for customers listed in response to A.3.c.

7. Indicate whether the Offeror had funds withheld, recouped, or paid any performance penalties or financial sanctions related to Offeror's performance of managed behavioral health care services for a public sector contract in the most recent three (3) calendar years, i.e., 2004, 2005 or 2006.

   ☐ Yes ☐ No

   If yes, list the date, the government/public sector customer(s), the amount, the reason for each penalty/sanction, the actions taken to improve performance and the time period elapsed to correct the deficiency that precipitated the penalty/sanction. Submit copies of the sanction or performance penalty letters and the plan(s) to correct the deficiencies.

8. Indicate whether the Offeror has received a Notice to Cure, Corrective Action Plan, or other written notification that Offeror's performance for a public sector, managed

behavioral health care contract required correction in the most recent three (3) calendar years, i.e., 2004, 2005 or 2006.[2]

☐ Yes ☐ No

If yes, list the date, the government/public sector customer(s), reason for each notice/corrective action plan/notification, the action(s) taken to cure and whether the actions taken to cure were sufficient to bring performance into compliance according to the Offeror and according to the customer issuing the notice/corrective action plan/notification.

9. Indicate whether the Offeror has been required to take corrective action in response to a verified HIPAA complaint.

☐ Yes ☐ No

If yes, list the date, describe the nature of the complaint(s), corrective action(s) taken by Offeror and any additional corrective action required by the Office of Civil Rights. Also indicate if civil monetary penalties or other sanctions were imposed.

10. Indicate whether the Offeror's organization or key personnel/members of the Offeror's organization have been arrested, charged with, or convicted of a felony in the most recent five (5) calendar years, i.e., 2002, 2003, 2004, 2005, or 2006.

☐ Yes ☐ No

If yes, identify the key personnel or organization and describe the arrest, charges and type of felony and the outcome.

11. Indicate whether the Offeror or any parent, subsidiary or affiliate company filed for bankruptcy in the most recent five (5) calendar years, i.e., 2002, 2003, 2004, 2005, or 2006.

☐ Yes ☐ No

If yes, describe the impact on current operations.

12. Have any key personnel or senior management staff operated a company that has filed for bankruptcy in the most recent five (5) years, i.e., 2002, 2003, 2004, 2005, or 2006?

☐ Yes ☐ No

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[2] *Include in Offeror's response all system level and/or individual behavioral health recipient issues that resulted in a customer requiring a Corrective Action Plan or sending a Notice to Cure to the Offeror to obtain satisfactory resolution. Do not include corrective action plans generated and resolved by the Offeror in response to a grievance, appeal or other routine quality improvement activity.*

If yes, describe the impact on current operations.

13. Has the Offeror, key personnel or senior management been named as a party to any litigation pending or resolved in the most recent five (5) calendar years, i.e., 2002, 2003, 2004, 2005, or 2006?

☐ Yes ☐ No

If yes and the litigation relates to Offeror's ability/qualifications to perform the services described in this Contract, provide a description of the litigation and its outcome.

C. IMPLEMENTATION

Name	Years with Organization	Title/Role	FT*	PT*	Transition*	Implementation*	Both*

1. Identify the full-time and part-time staff who would be assigned during the Transition and Implementation Periods using the following grid.
* Check boxes that apply

2. Complete the following table for any other implementation activities Offeror has scheduled during the Transition and/or Implementation Periods that involve members of the full- or part-time staff listed in C.1. above.

Name of Contractor	Number of Lives	Date Range of Implementation	Name of Team Member Impacted	Percent of Time Team Member will Spend on Other Implementation

3. Provide a copy of an implementation plan that Offeror has used for another government/public sector customer that is similar to this Contract, outlining tasks necessary to implement the program, the timetable, and the parties responsible. Identify the customer that can verify satisfaction with implementing the plan.

4. Assuming there is an aggressive implementation schedule for this Contract, identify what functions the Offeror could perform within three (3) months of Contract award (for example, claims payment, processing grievances and appeals, prior authorization, etc.) and the amount of lead time required for the remaining functions. Limit eight (8) pages.

5. Describe the three (3) most important lessons Offeror has learned from a government/public sector customer contract implementation in the most recent three (3) calendar years, i.e., 2004, 2005 or 2006, that will effect the Implementation Plan Offeror would design for this Contract. At least one (1) of the lessons should relate to IT or claims/encounter processing. Limit three (3) pages.

D. COMMUNITY INPUT AND REINVESTMENT

1. Describe the structures Offeror would put in place to solicit and utilize stakeholder input regarding Offeror's policies, procedures and practices. Include a list of the committees and recommended membership Offeror would establish. Also indicate whether the stakeholders would have a role on Offeror's governing board. Describe at least two (2) examples from Offeror's current or most recent public sector contracts that illustrate this requirement. Identify the customer(s) that can verify this experience. Limit four (4) pages.

2. Describe Offeror's experience with and knowledge regarding community reinvestment funds and how Offeror would recommend reinvestment funds be expended in Maricopa County. Describe at least two (2) examples from Offeror's current or most recent government/public sector customer that illustrate this proposal. Identify the customer(s) who can verify this experience.
Limit four (4) pages.

E. MANAGEMENT INFORMATION SYSTEMS (MIS)

1. Describe Offeror's hardware and platform on which the software runs. Describe the facility in which the processor is or will be located, including environmental and security safeguards. Limit five (5) pages.

2. Describe Offeror's software systems used to coordinate managed care and claims payment functions. Limit three (3) pages.

3. Provide a list of edits available for claims payment configuration and the proposed disposition settings for each edit. Limit twelve (12) pages.

4. Describe Offeror's operating system/network infrastructure on which the software runs. Describe the programming language utilized and the software used to develop it. Describe how the source code could be purchased so Offeror can customize the software. Describe Offeror's policy and procedure on software upgrades.
Limit five (5) pages.

5. Describe how Offeror's information systems are compatible or will become compatible with systems used by providers in Maricopa County.
Limit three (3) pages.

6. Provide claim submission statistics for the most recently completed month, i.e., December 2006, for electronic and paper submissions. All formats, including proprietary formats, must be included.

Claim Type	Number Received
CMS UB 92 (paper)	
CMS 1500 (paper)	
HIPAA 837I (Institutional)	
HIPAA 837P (Professional)	
NCPDP	
Other (please list)	

7. Describe the Offeror's system ability to provide an electronic data interface to allow transfer of HIPAA compliant information from and to ADHS, including software used. Include the transfer of eligibility and encounter data in the Offeror's response.
Limit three (3) pages.

8. Describe Offeror's plan for ensuring that there are adequate mechanisms to send and receive data from other agencies that may be in proprietary formats (e.g. DES/RSA, CPS, DD, Maricopa County) consistent with collaborative agreements, IGAs, ISAs, etc. Limit five (5) pages.

9. Provide a network configuration and architecture drawing of how workstations would be connected to the system, including internet, intranet, and extranet, wide area and local area networks. Limit five (5) pages.

10. Provide a list of scheduled and unscheduled downtime from January 1, 2006 through December 31, 2006 including the duration of downtime, the systems or software affected, and the reason for downtime. Indicate if there are parallel system environments available for development, testing (quality assurance), and productions environments. Limit three (3) pages.

11. Provide a proposed organizational chart for IT and claims staff that includes staff, titles, function, reporting relationships and where personnel are geographically located. Identify existing personnel that will be dedicated to the Maricopa County RBHA operations and positions that will be shared with other customers. Also include the number of additional positions that will be hired and whether they will be dedicated to Maricopa County or shared with other customers. Limit five (5) pages.

12. Describe how information technology and claims personnel are trained. Describe how subcontracted providers are trained on data submission requirements including at a minimum, demographic and claims data. Limit ten (10) pages.

13. Describe Offeror's system data archive and retrieval system as well as disaster recovery procedures. Include the most recent use of the data retrieval system and describe the outcome. Indicate if disaster recovery procedures have been used or tested and describe the outcomes. Limit six (6) pages.

14. Describe Offeror's system security and audit functions. Include physical and system security procedures in description as well as role based security protocols in place and systematic claims audit capabilities and functions utilized. Limit ten (10) pages.

15. Provide a data map between the data elements described in the Client Information System (CIS) File Layout and Specifications Manual and the data elements captured, stored and used by the proposed system. Identify any limitations on, or required modifications to, the captured data elements, such as field lengths. For any of the data elements listed that are not currently captured, stored, or used, indicate the capability to do so. Additionally, provide the Offeror's proposed plan for testing and transferring ADHS data into the Offeror's system. Limit thirty (30) pages.

16. Provide a claims data flow diagram from the time a claim enters the building via paper and/or EDI to final adjudication and payment. Limit four (4) pages.

17. Provide a listing of the Offeror's most recent standard claims management reports and a description of how they are currently used to track claims processes and ensure claims payments are accurate, timely and complete (e.g., claims turnaround times, pended claims, inventory). Limit three (3) pages.

18. Describe the Offeror's most recent internal claims auditing functions. Include overall percentage of claims audited as well as dollar threshold audit requirements. Provide statistics on audit outcomes related to internal claims auditing efforts. Limit five (5) pages.

19. Provide percentages in the grid below for claims payment performance for Offeror's customers listed in response to A.3.c. for calendar years 2004, 2005 and 2006.

Claim Processing Accuracy (Number of claims)			
Location 1:	**List Location**		
	2004	**2005**	**2006**
Accuracy			
Financial Payment Accuracy (Dollars)[3]			
Payment Incidence Accuracy Rate[4]			
Overall Procedural Accuracy Rate[5]			
Claims Timeliness			
% within 0 to 14 calendar days			
% within 0 to 30 calendar days			

20. Describe Offeror's experience with submitting and receiving 834 Enrollment/Disenrollment transaction sets. Also discuss Offeror's experience submitting Medicaid encounters in 837 and NCPDP formats to government agencies and discuss compliance issues with timeliness, accuracy, and volume requirements. Identify the customer who can verify this experience. Limit six (6) pages.

21. Propose a plan for implementing an Internet site to be utilized by behavioral health recipients and family members, providers, stakeholders and State agencies that provides provider directory, education and advocacy information as described in the RFP. Provide an example of an active Internet site that has been developed for a State agency and include information to permit access to the site. Describe the development tools that will be utilized to create the ADHS website as well as the proposed security protocols that will be used. The proposal should include a time frame for implementation. Limit response to ten (10) pages.

22. Describe the Offeror's plan to develop an electronic medical record to fulfill the requirements of the Contract including the sharing of the record among the ADHS,

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[3] *Financial Accuracy is calculated as the total audited "paid" dollars minus the absolute value of over- and/or under- payments, divided by the total audited paid dollars.*

[4] *Payment Incidence Accuracy means the total number of audited claims (pays and no pays) processed free of financial error divided by the total number of audited claims. Error is defined as any error regardless of cause (e.g., coding, procedural, system),* that results in incorrect payment. *Each type of error is counted as one full error, and no more than one error can be assigned to one claim.*

[5] *Overall Procedural Accuracy means the total number of audited claims minus the number of claims processed with error, divided by the total number of audited claims Error is defined as any error, regardless of cause (e.g., coding, procedural, system)* whether or not it results in an incorrect payment. *Each type of error is counted as one full error, and no more than one error can be assigned to one claim.*

RBHA, PNOs, Crisis Response Network and qualified service providers.
Limit four (4) pages.

F. MANAGING CARE

1. Complete the following table with information from the full 2006 calendar year for the customers listed in response to question A.3.c. Repeat the grid as required for each customer in A.3.c.

2006 Call Responsiveness Statistics	Business Hours Call Center	After Hours Call Center	Crisis Service[6]
Call Volume Claims Line			
Average Speed of Answer[7] — Claims Line			
% of Calls Answered in 30 Seconds — Claims Line			
Call Abandonment Rate Claims Line			
Call Volume Clinical Line[8]			
Average Speed of Answer — Clinical Line			
% of Calls Answered in 30 Seconds — Clinical Line			
Call Abandonment Rate Clinical Line			

2. Describe how emergency calls will be managed by customer services, during regular hours and during weekends or after hours. Address the following:

   a. Indicate how it is determined that an emergency exists.

   b. Indicate how the caller is connected with an individual or service that can help him or her.

   c. Indicate the proposed interface with mobile crisis teams and 911/fire/rescue. Indicate the Offeror's experience with implementing these or similar coordination strategies with mobile crisis teams or 911/fire/ rescue and with what results.

   d. Indicate the licensure requirements for those responsible for call resolution and required follow-up.

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[6] *The last four rows of the Crisis Service column should be completed only if the Offeror operates a stand-alone, crisis service. Otherwise, crisis calls should be included in the Clinical Line.*
[7] *Time from first ring to pick up by a live person.*
[8] *Clinical Line is limited to the following: information and referral, crisis, care management, appointment scheduling, customer service, grievance and appeals*

Limit two (2) pages.

3. Describe how Offeror will meet the Limited English Proficiency and translation/language requirements of the Contract. Limit three (3) pages.

4. Describe the medical necessity criteria and level of care guidelines utilized by Offeror's organization in managing care. Address the following:

   a. List the source of the criteria/guidelines with which the Offeror has experience and indicate the Offeror's experience in utilizing guidelines provided by client organizations.

   b. Describe the training provided to care managers, physician advisors and after-hours clinicians regarding the application of the criteria/guidelines in managing care. Include a plan for determining inter-rater reliability of medical necessity criteria application.

   c. Describe the process for assuring the criteria/guidelines are properly and consistently applied in the utilization review/care management/medical management process.

   Limit three (3) pages.

5. Describe the Practice Guidelines utilized by the Offeror's organization in managing care. Address the following:

   a. List the source of the guidelines with which the Offeror has experience and indicate the Offeror's experience in utilizing Practice Guidelines provided by client organizations.

   b. Describe the training provided to care managers, physician advisors, and after-hours clinicians regarding the application of Practice Guidelines in the management of care.

   c. Describe the process for assuring the Practice Guidelines are properly applied in the care management/medical management process.

   Limit three (3) pages.

6. Describe any Practice Guidelines for utilization of care that the Offeror proposes to use in addition to those required by ADHS. Limit two (2) pages.

7. Physician Advisors who make medical necessity determinations, perform utilization review, conduct peer review, and hear appeals must have the necessary training and experience to make proper determinations. Describe the specialties/expertise areas of the Physician Advisors that will be assigned to this Contract. Limit one (1) page.

8. Describe the Offeror's experience demonstrating compliance with annual notification to behavioral health recipients of member rights and other required information given confidentiality concerns and the transient lifestyle of some behavioral health recipients. Identify the customer(s) who can verify the experience described. Limit one (1) page.

9. Describe how the Offeror will conduct the utilization management program for behavioral health services. Address the following:

    a. Describe how the utilization management program will be organized. Provide an organizational chart for the utilization management department that includes position titles, numbers of positions and reporting relationships.

    b. Describe the required qualifications for each position (other than physician advisors) that will participate in the utilization management program.

    c. Describe the ongoing monitoring protocols for utilization management staff. Include the nature and frequency of supervision, documentation of audits, call monitoring, and any other oversight activities.

    d. Describe the utilization management workflow for the authorization of care. Address how the authorization and review process will differ for acute and ambulatory levels of care or for special populations.

    e. Describe the utilization management workflow and processes for the denial of care.

    f. Describe how the Offeror will use data and clinical decision support information systems to support care management activities. Specify the types of data used.

    g. Describe the methodology for identifying over- and under-utilization of services. Provide sample reports and how the information in those reports would be used.

h. Provide an example from another contract when Offeror has detected under-utilization of services (across providers), what was done to impact the utilization, and how the effectiveness of the strategy was measured. Identify the customer who can verify the experience.

i. Similarly, provide an example from another contract when Offeror has detected over-utilization of services (across providers), what was done to impact the utilization and how the effectiveness of the strategy was measured. Identify the customer(s) who can verify the experience.

Limit ten (10) pages exclusive of flow charts, report samples and organizational chart.

10. Describe how the Offeror will refer behavioral health recipients to PNOs. Address how:

a. the referral will be handled when the request for services is through the customer service department;

b. behavioral health recipients will be matched to providers;

c. behavioral health recipients will be matched and/or assigned to PNOs;

d. the Offeror will ensure behavioral health recipients have real choice within the PNO;

e. the Offeror will ensure behavioral health recipients have real choice between/among the PNOs;

f. the Offeror proposes to limit choice;

g. Offeror will track and manage requests for out-of-network and out-of-region providers;

h. the Offeror will assure providers are accepting new referrals;

i. the Offeror will confirm the individual was seen in a timely manner;

j. follow-up is conducted with individuals who do not show up for the appointment; and

k. requests to change providers will be addressed and tracked.

Include Offeror's decision making criteria when applicable.

Limit five (5) pages, excluding decision making criteria.

11. Illustrate an example of Offeror's most successful behavioral health recipient communication effort that best embodies the system principles outlined in the RFP. Identify the customer(s) who can verify this experience. Limit four (4) pages.

12. Describe how the Offeror will provide an outreach program to ensure that high-risk behavioral health recipients understand the benefits and services available to them. Include how the Offeror defines and identifies high-risk behavioral health recipients. Provide an example of a successful outreach program and the customer(s) who can verify the experience described. Limit two (2) pages.

13. Describe Offeror's pharmacy management program. Indicate the following:

    a. List the medications or medication combinations for which the Offeror would recommend prior-authorization.

    b. Describe the strategies recommended to promote medication adherence.

    c. Describe the strategies the Offeror will use to detect and address medication abuse and/or aberrant prescribing patterns. Provide an example from another contract when Offeror has detected and addressed medication abuse and/or aberrant prescribing patterns and the results achieved. Identify the customer who can verify the experience.

    d. Describe how the Offeror will address requests for medications not included on the formulary.

    Limit two (2) pages.

G. FINANCE AND RATES

1. Submit an attestation, signed by the individual signing the Offeror's proposal, that the Offeror has reviewed the Financial Reporting Guide for Regional Behavioral Health Authorities and will comply with the requirements contained in it, if awarded a Contract. Limit one (1) page.

2. Describe the Offeror's experience tracking and reporting revenues, services and administrative expenditures at the rate cell/population subgroup level. Provide an actual example of such historical reporting on a quarterly and annual time period. Identify the customer(s) who can verify the experience. Limit two (2) pages.

3. Indicate if the Offeror has accounting systems that identify expenditures at the rate cell level. If not, identify how these systems will be developed. Limit two (2) pages.

4. Submit the Offeror's audited financial statements that cover the two (2) most recent years and the most recent un-audited quarterly financial statements (year-to-date). If the Offeror is a newly formed corporation and does not have any audited financial statements submit the most recent annual audited (to cover the most recent two (2) years) and quarterly unaudited financial statements of the corporation that intends to provide funding or support to the newly formed corporation. Disclose the relationships of the corporation to the Offeror. Limit one (1) page excluding the audited financial statements.

5. Explain how the Offeror will ensure reporting of encounters/claims from their provider network. Include a description of how the Offeror will resolve encounter reporting issues in a timely manner and how the Offeror proposes to price encounters. Limit three (3) pages.

6. Complete Attachment A—Estimated Allocation of Revenue, to specify, in percent format, the Offeror's estimated expenditure for all services and other expenses. These allocations shall take into consideration the Arizona Children's Vision and Principles, Principles for Persons with a Serious Mental Illness, and other service delivery requirements set forth in this RFP. Number of pages limited to Attachment A format.

7. Provide a statement that the Offeror has chosen to either accept the capitation rates presented in Exhibit B—Capitation Rates or has chosen to accept the capitation rates that ADHS would otherwise develop in its customary rate development process which would conclude in approximately May 2007 and would consider more recent encounter and financial data (see Rate Setting Methodology on the Maricopa County Behavioral Health Services Data Book page located on the secure web site containing data files redacted for PHI). Limit one (1) page.

8. Describe how the Offeror will contain costs while promoting access to care and delivery of quality behavioral health care services. Limit four (4) pages.

9. Describe how the Offeror will meet the performance bonding requirement outlined in the RFP. For purposes of this response assume that the initial performance bonding requirement is approximately $32 million. Limit one (1) page.

10. Describe the fraud and abuse program the Offeror would propose for this Contract. Include a description of the internal controls the Offeror will have at the RBHA level, the provider, and behavioral health recipient abuse detection strategies that would be implemented and other key components. Describe the Offeror's experience with

implementing a comprehensive fraud and abuse monitoring program. Include key personnel involved in Offeror's fraud and abuse program. Provide three (3) examples of fraud or abuse Offeror has detected and what Offeror did upon detection. Identify customer(s) who can verify the experience. Limit four (4) pages.

11. The Offeror agrees to have in place within thirty (30) days of the Contract award date, initial capitalization in the amount of $15,000,000 which is met with no encumbrances, such as loans subject to repayment. The initial capitalization may be applied toward meeting the ongoing equity per member requirement and is intended for use in the operations of the Contractor.

    ☐ Yes ☐ No

    Describe in detail how this requirement will be met. If the Offeror is relying on another organization to meet the initial minimum capitalization requirement, submit the most recent audited financial statements of the other organization. In addition, in this case, submit a written certification, signed and dated by the President/CEO of the parent organization, indicating the parent organization's intent to provide the initial minimum capitalization to the Offeror, without restrictions, within the time frame contained in the RFP.

    Limit three (3) pages

12. The Offeror has a Current Ratio (Formula = Current Assets/Current Liabilities = >1.0) in each of the two (2) most recent audits and in the most recent quarterly reports for each of its government sector managed behavioral health care contracts.

    ☐ Yes ☐ No

    If no, provide the current ratio for each of the two (2) most recent audits and the most recent quarterly reports.

H. SERVICE DELIVERY SYSTEM, NETWORK DEVELOPMENT, AND NETWORK MANAGEMENT

1. Describe the Offeror's proposed organizational structure for network development and management. Address the following:

    a. Provide an organizational chart that includes position titles, numbers of FTEs and supervisory relationships.

    b. Provide a summary of the qualifications and experience requirements for each position.

c. Provide the number of network staff who will be bilingual (Spanish/English) and have experience with recruiting Latino providers.

d. Provide the number of personnel that will be exclusively assigned to implementation of the Network Transition Plan and the number of staff exclusively assigned to other network operations.

e. Describe the location of network operations for this Contract and available resources, such as information technology, to support network management functions.

f. Discuss Offeror's network staff training program.

Limit fifteen (15) pages exclusive of copy of organizational chart(s).

2. Describe Offeror's approach to implementing the three (3) Network Transition Stages and Transition Plan outlined in the Network Transition section of the Contract. Address the following:

a. Identify any staff or subcontractors identified to facilitate the transition and discuss their qualifications.

b. Include how services, operations, and service delivery staff will be transitioned to the PNOs.

c. Discuss any experience or qualifications that prepare the Offeror to implement the network transition, including direct provision of clinical services or organizing creative network solutions.

d. Provide an example of how the Offeror has developed, organized, or implemented another public sector mental health and substance abuse network to successfully achieve system goals similar to those outlined in this Contract. Identify the customer(s) who can verify this experience.

Limit fifteen (15) pages.

3. Describe how the Offeror will meet Minimum Network Requirements. Address the following:

a. Complete and submit Attachment B–Minimum Network Requirements that identifies the minimum number of select providers or services the Offeror will have available in the Maricopa County GSA.

b. Describe the assumptions used by the Offeror in identifying the minimum number of providers or services in Attachment B.

c. Describe how the Offeror will ensure the sufficiency of the network on a continual basis, identifying specific data sources, including service demand information, and how sufficiency of subspecialties will be determined.

Limit five (5) pages.

4. Describe how the Offeror will meet appointment access requirements. Address the following:

a. Describe how the Offeror will secure sufficient numbers of providers to assure appointment access to covered behavioral health services beginning on September 1, 2007.

b. Identify anticipated barriers to sufficient access on September 1, 2007.

c. Describe the strategies the Offeror proposes to address these barriers. Identify two strategies used in the past that have been successful and one that has not. Identify the customer(s) who can verify this experience.

Limit two (2) pages.

5. Describe how the Offeror will assure PNOs facilitate recovery and resilience. Address the following:

a. Describe strategies to facilitate recovery the Offeror will use specific to youth ages eighteen (18) through twenty-four (24), adults, and older adult (ages sixty-five (65) +) populations. Describe two (2) strategies that have worked and one (1) that did not. Include the strategy, implementation, measurement of success, and what made the strategy successful or not. Identify the customer(s) that can verify these experiences.

b. Describe strategies the Offeror will use to facilitate resilience and achievement of the Children's Outcomes. Describe two (2) strategies that have worked and one (1) that did not. Include the strategy, implementation,

measurement of success, and what made the strategy successful or not. Identify the customer(s) that can verify these experiences.

Limit five (5) pages.

6. Describe the specific strategies the Offeror has used and will use to recruit and retain sufficient qualified providers to ensure economically challenged and culturally and linguistically diverse behavioral health recipients are served.

   a. Propose how the Offeror will develop and maintain sufficient qualified service providers to ensure culturally appropriate services, including outreach, engagement, and re-engagement of the Hispanic-Latino, Native American and Black populations and delivery of a service array and mix comparable to the majority population.

   b. Describe at least one (1) strategy that improved the availability of and member engagement in culturally appropriate services and one (1) that did not. Identify the customer(s) that can verify these experiences.

   Limit five (5) pages.

7. Provide a list of all contracted service providers in Maricopa County. If the Offeror does not have sufficient contracted providers in Maricopa County, provide a list of providers who have signed letters of intent to contract. Number of pages limited to the size of the list.

8. Describe the specialized services available in the network (e.g., Dialectical Behavioral Therapy (DBT), ACT Teams, substance abuse treatment for adolescents and adults with co-occurring disorder, services for developmentally disabled individuals with a mental disorder, and Family Psychoeducational programs, etc.). Address the following:

   a. Describe the specialized services that will be available.

   b. Describe the methods that will be used to determine the specialized services needed in the Offeror's network.

   c. Describe how the providers needed to delivery these services will be recruited.

   Limit five (5) pages.

9. Describe how the Offeror has prevented and will prevent provider shortages. Specifically, describe the strategies Offeror will implement to address a shortage of psychiatric appointments, community placements for sexual offenders, individuals with specialized needs or other services. Provide two (2) actual examples of how Offeror has prevented and addressed provider shortages. Identify the customer(s) that can verify this experience.

   Limit five (5) pages.

10. Identify the optimal percent of direct services funding that should be allocated to (a) consumer-operated services and (b) consumer-delivered services. Identify the Offeror's strategies to fund consumer-operated programs. Limit one (1) page

11. Assess the geographic accessibility of qualified service providers at the zip code level in Maricopa County. Address the following:

    a. Provide the detailed geographic access reports for those zip codes that do not meet standards.

    b. Submit a proposal for expanding geographic access in under-served areas of Maricopa County. Specifically, address the requirements outlined in Scope of Work D. Network Development 2. Network Transformation f.i. through iv. For Scope of Word D.2.f.iv., provide the days and hours of access for each of the outpatient clinics. If outpatient clinic hours do not provide adequate coverage, address how access will be improved. Limit two (2) pages.

12. Housing and Residential Living. Address the following:

    a. Describe the Offeror's experience with managing housing and residential living services. Identify the customer(s) who can verify this experience.

    b. Discuss the Offeror's approach to selecting and subcontracting with a Community Development Corporation to develop, manage, and increase the availability of housing during the first Contract year.

    c. Describe the Offeror's approach to ensuring that housing support services and residential living programs are coordinated with other covered services delivered by the PNOs.

d. Describe how the Offeror will evaluate the housing capacity and how the Offeror will decide what additional types of housing to develop, specifying the funding sources created for that purpose.

Limit three (3) pages.

13. Describe how the Offeror will implement the case management services described in the Case Management Plan developed for *Arnold v. ADHS*, which includes three (3) levels of case management, based on acuity, for persons with a serious mental illness. Limit three (3) pages.

14. Describe how the Offeror plans to oversee that persons with a serious mental illness are discharged to appropriate settings in a timely manner from Level I facilities. Include the Offeror's assessment of necessary community resources and services and the steps the Offeror will take to prevent inappropriate readmissions. Limit three (3) pages.

15. Peer Support

    a. Describe how the Offeror will supplement the peer support services already offered in Maricopa County.

    b. Identify and describe any peer support models the Offeror has successfully implemented. Identify the customer(s) that can verify the experience described.

    c. Propose the minimum standard of Peer and Family Support full-time equivalents per one hundred (100) behavioral health recipients for children, adults with serious mental illness and adults with general mental health or substance abuse conditions.

    Limit three (3) pages.

16. Describe how the Offeror plans to engage populations across the life span (children, youth ages eighteen (18) through twenty-four (24), substance abusing pregnant women, adults ages twenty-five (25) through sixty-four (64), and older adults ages sixty-five (65) +) that may be in need of mental health and substance abuse services, but are less likely to utilize services.

    a. Describe outreach strategies the Offeror will employ to increase participation for each of the groups identified above.

b. Identify evidence to support the effectiveness of outreach strategies from Offeror's experience or from the literature.

c. Discuss Offeror's experience and approach to informing and engaging persons in a culturally and linguistically appropriate manner regarding the availability of behavioral health services.

d. Identify the customer(s) that can verify the experience.

Limit five (5) pages.

17. Describe how the Offeror will deliver services to children and their families in accordance with the Arizona Children's System of Care Vision and Principles and the JK v. Gerard Settlement Agreement. Limit five (5) pages.

18. Describe the Offeror's experience with implementing Practice Guidelines for the provider network.

    a. Include experience with implementing Practice Guidelines for Latino, Native American and Black populations.

    b. Describe how the Offeror would implement Practice Guidelines, including financing, training, measurement of, and fidelity to the Practice Guideline, and address experience in implementing these strategies.

    c. Include a discussion of strategies for addressing non-compliance to Practice Guidelines.

    d. Identify the customer(s) that can verify the experience.

    Limit three (3) pages.

19. Describe how the Offeror will conduct determinations of serious mental illness eligibility consistent with the ADHS/DBHS Provider Manual. Discuss the protections available to the individual being assessed to ensure that determinations are based on the statutory criteria for determining serious mental illness eligibility and not on the availability of resources to serve the individual. Discuss the process the Offeror will use to inform the applicant of his or her right to appeal the determination. Limit three (3) pages.

20. Describe how the Offeror will structure the behavioral health delivery system's response to behavioral health recipients experiencing a crisis during and after business hours. Address:

    a. the respective responsibilities of the Crisis Response Network, PNOs and qualified service providers, including which entity is responsible for responding to the behavioral health recipient first and under what circumstances;

    b. how the Crisis Response Network, PNOs and qualified service providers will collaborate; and

    c. the interface of the Crisis Response Network, PNOs and qualified service providers with hospital emergency rooms and police/fire/rescue.

    Limit three (3) pages.

I. QUALITY MANAGEMENT, GRIEVANCES AND APPEALS, COMPLIANCE

1. Describe the essential elements of the Quality Management/Utilization Management Plan the Offeror would develop for Maricopa County and how the Offeror will assure it is a dynamic document that focuses on continuous quality improvement activities. Include:

    a. covered behavioral health services and administrative and clinical processes and functions to be addressed;

    b. committee structure, responsibility and membership;

    c. necessary data sources;

    d. proposed outcome measures and instruments;

    e. monitoring activities (e.g., surveys, audits, studies, profiling, etc.); and

    f. feedback loops.

    Limit eight (8) pages.

2. Describe how the Offeror will assure the data upon which performance improvement is based are accurate and complete. Limit two (2) pages.

3. Describe the essential elements of a corrective action plan, when corrective action plans should be implemented, how the Offeror would track corrective action plan progress and effectiveness, and when a corrective action plan should be modified or discontinued. Provide two (2) examples each of successful and unsuccessful government/public sector customer corrective action plan implementations occurring during the most three recent calendar years, i.e., 2004, 2005 and 2006. Identify the customer(s) that can verify the experience. Limit six (6) pages.

4. Describe how the Offeror will involve behavioral health recipients, family members, Offeror personnel, subcontracted providers and other stakeholders in the development and ongoing work of the Quality Management system. Limit one (1) page.

5. Provide two (2) examples for which Offeror has implemented the Plan Do Check Act (PDCA) cycle and demonstrated documented improvement in the quality of member care. Provide a third example for which Offeror improved a process that was not directly related to behavioral health service delivery (i.e., administrative efficiency). Include the nature of the problem, the nature of the intervention(s), how information from multiple data sources was utilized, what feedback loops were in place, and the outcome. Identify the customer(s) that can verify the examples. Limit four (4) pages.

6. Describe the Offeror's provider profiling system proposed for this Contract.

   a. List the elements the Offeror will use to profile providers.

   b. Indicate if the profiling elements will vary by provider type.

   c. Include a description of the parties who will have access to the provider profile and how the information will be utilized.

   d. Describe how the Offeror has used provider profiles for other public sector behavioral health managed care contracts.

   e. Identify the customer(s) that can verify this experience.

   Limit four (4) pages.

7. Describe how the Offeror will meet the Notice of Action, Notice of Decision and other requirements related to denials, terminations, reduction, and suspension and appeals for the Title XIX and Title XXI behavioral health recipients. Provide proposed work flow, sample policy, information technology system supports and sample Notice of Action and Notice of Decision letter templates. Include how the

Offeror will assure that subcontracted providers properly deliver Notices. Limit two (2) pages exclusive of sample policy and letter template.

8. Describe the Offeror's proposed risk management program (i.e., its plan to reduce the risk of harm to consumers and family members and other potential losses). Include how the Offeror would identify risks, evaluate the degree of risk and priority for risk management, identify and measure the impact of risk management strategies and incorporate changes into operations. Limit two (2) pages.

9. Describe the methods the Offeror will use to ensure its own and its subcontractors' compliance with Contract requirements. Limit four (4) pages.

10. Describe how the Offeror will assure behavioral health recipients understand and know how to exercise their rights including how the Offeror will assure behavioral health recipients' rights are recognized and supported by employees, volunteers, contracted staff and providers. Limit three (3) pages.

11. Describe how the Offeror will resolve identified quality of care concerns and how this information will be used to improve the quality of care provided to behavioral health recipients at the individual and behavioral health system level. Limit two (2) pages.

12. Describe how the Offeror will address the concerns of individuals who choose to complain to the media, government officials or others outside of the prescribed complaint, grievance, and appeals processes including the systems or structures that would be in place to manage these events, how the individual's privacy will be maintained and how a response will be coordinated and communicated. Limit two (2) pages.

13. Describe how the Offeror will support ADHS' quality management, grievance and appeal, compliance and other obligations under the JK Settlement Agreement and *Arnold v. ADHS*. Limit four (4) pages.

14. The Offeror's organization is a Covered Entity under HIPAA.

☐ Yes ☐ No

If yes, please indicate whether Offeror is a health plan, health care clearinghouse, or health care provider.

If no, please explain.

15. The Offeror agrees that ADHS is able to review Offeror's privacy, security, and electronic data exchange policies and procedures, upon ADHS request.

☐ Yes ☐ No

If no, please explain.

ATTACHMENTS AND EXHIBITS

Exhibit A: Contractor Periodic and Ad Hoc Reporting Requirements

REPORT	FREQUENCY	WHEN DUE	REFERENCE	SUBMIT TO
Maricopa County Advocacy Group Meeting Minutes	Monthly	15 days after the month end	Contract	Assistant Deputy Director
Reports on Established Performance Guarantee Metrics	Monthly or Quarterly as directed	30 days after period end	Contract	Bureau of Quality Management Operations
Children's System of Care – Quality Management Data Structural Elements Report	Monthly	15 days after month end	Contract	Bureau of Quality Management Operations
Referral Logs for Routine Assessment Appointments	Monthly	15 days after month end	Contract	Bureau of Quality Management Operations
Title XIX and Title XXI Screening and Referral Report	Monthly	15 days after month end	Legislative Requirement; ADHS/DBHS Provider Manual	Office of Utilization Management and Data Dissemination
Case Management and Clinical Team Work Plan	Initial Plan Submission	90 days after Contract Start Date	Contract	Clinical and Recovery Services
Network Transition Plan	Initial Plan Submission	90 days after Contract Start Date	Contract	Clinical and Recovery Services
PASRR Invoice	Monthly	10 days after month end	Contract	Office of Business Operations and Personnel
Profit/Risk Corridor Calculation Reports	Monthly	30 days after month end	Financial Reporting Guide	Office of Financial Review
Statement of Activities	Monthly	30 days after month end	Financial Reporting Guide	Office of Financial Review
Statement of Cash Flow	Monthly	30 days after month end	Financial Reporting Guide	Office of Financial Review
Statement of Changes in Net Assets/Equity	Monthly	30 days after month end	Financial Reporting Guide	Office of Financial Review
Statement of Financial Position	Monthly	30 days after month end	Financial Reporting Guide	Office of Financial Review
Incidents and Accidents Summary Report Concerning Persons with Serious Mental Illness or in Need of Special Assistance	Monthly	10 days after month end	Contract; ADHS/DBHS Policies and Procedures Manual	Office of Human Rights
Identification of Each Person in Need of Special Assistance	Monthly	10 days after month end	Contract; ADHS/DBHS Policies and Procedures Manual	Office of Human Rights and Appropriate Human Rights Committee

REPORT	FREQUENCY	WHEN DUE	REFERENCE	SUBMIT TO
Redacted Restraint and Seclusion Summary Report Concerning Children and Persons with Serious Mental Illness	Monthly	10 days after month end	Contract; ADHS/DBHS Policies and Procedures Manual	The Appropriate Human Rights Committee
Out-of-State Placements Summary	Quarterly	15 days after quarter end	Contract	Bureau of QM Operations
Quarterly Seclusion and Restraint Analysis Reporting	Quarterly	30 days after end of quarter	Contract	Bureau of QM Operations
Quarterly Trending Analysis – Incident, Accidents and Deaths	Quarterly	30 days after quarter end	Contract	Bureau of QM Operations
Pharmacy Data Report	Quarterly	30 days after quarter end	Contract	Bureau of QM Operations
Open Performance Improvement Initiatives	Quarterly	30 days after quarter end	Contract	Bureau of QM Operations
Member Services Report	Quarterly	30 days after quarter end and 40 days after 4th quarter end	Contact	Bureau of QM Operations
Quarterly Showing Report and Statistical Appendix	Quarterly	10 days after quarter end	Contract; ADHS/DBHS Policies and Procedures Manual	Bureau of QM Operations
HIV Quarterly Activity Report	Quarterly	30 days after quarter end	Contract; ADHS/DBHS Provider Manual	Clinical and Recovery Services
SAPT Wait List Report	Quarterly	60 days after end of quarter	Contract	Clinical and Recovery Services
COOL Quarterly Report	Quarterly	10 days after quarter end	ADHS/DBHS Provider Manual	Clinical and Recovery Services
Quarterly Prescriber Sufficiency Assessment	Quarterly	15 days after quarter end	Contract	Clinical and Recovery Services
Quarterly Network Status Report	Quarterly	15 days after quarter end	Contract	Clinical and Recovery Services
Financial Ratio Analysis Comparison Report	Quarterly	30 days after quarter end and 40 days after 4th quarter end	Contract; Financial Reporting Guide	Office of Financial Review
Incurred but not Reported (IBNR) Claims Report (LAG report)	Quarterly	30 days after quarter end and 40 days after 4th quarter end	Financial Reporting Guide	Office of Financial Review

REPORT	FREQUENCY	WHEN DUE	REFERENCE	SUBMIT TO
Profit/Risk Corridor Calculation Reports	Quarterly	30 days after quarter end and 40 days after 4th quarter end	Contract Financial Reporting Guide	Office of Financial Review
Statement of Activities	Quarterly	30 days after quarter end and 40 days after 4th quarter end	Contract Financial Reporting Guide	Office of Financial Review
Statement of Cash Flow	Quarterly	30 days after quarter end and 40 days after 4th quarter end	Contract Financial Reporting Guide	Office of Financial Review
Statement of Changes in Net Assets/Equity	Quarterly	30 days after quarter end and 40 days after 4th quarter end	Contract Financial Reporting Guide	Office of Financial Review
Statement of Financial Position	Quarterly	30 days after quarter end and 40 days after 4th quarter end	Contract Financial Reporting Guide	Office of Financial Review
Children's System of Care QM Data- CFT Process Measurement Review	Semiannually	October 1, 2007 then July 31 and January 31 of each contract year	Contract	Bureau of QM Operations
Annual Reports on Established Performance Guarantee Metrics	Annually	45 days after fiscal year end	Contract	Bureau of QM Operations
Annual Children's System of Care Work Plan	Annually	November 15 of each contract year	Contract	Office of the Medical Director
Medical Care Evaluation: Study Results	Annually	November 1, 2007, then September 1 of each contract year	ADHS/DBHS Policies and Procedures Manual	Bureau of QM Operations
Medical Care Evaluation: Study Methodology	Annually	December 1, 2007 then October 1 of each contract year	ADHS/DBHS Policies and Procedures Manual	Bureau of QM Operations
Annual QM and UM Plan and Work plan	Annually	November 30 of each contract year	Contract	Bureau of QM Operations
Annual QM and UM Evaluation	Annually	November 30 of each contract year	Contract	Bureau of QM Operations
Annual Non-Title XIX Service Prioritization	Annually	March 1 of each Contract Year	Contract	Clinical and Recovery Services
Annual Provider Network Development and Management Plan	Annually	March 1, 2008 and May 30 each contract year thereafter	Contract	Clinical and Recovery Services

REPORT	FREQUENCY	WHEN DUE	REFERENCE	SUBMIT TO
Assurance of Network Adequacy and Sufficiency	Annually	March 1, 2008 and each year thereafter	Contract	Clinical and Recovery Services
Network Inventory	Annually	March 15 of each Contract Year	Contract	Clinical and Recovery Services
Administrative Cost Allocation Plan	Annually	May 1, 2008 and each year thereafter	Financial Reporting Guide	Office of Financial Review
Annual Prescriber Sufficiency Assessment	Annually	May 30 of each Contract Year	Contract	Clinical and Recovery Services
Annual Housing Plan	Annually	October 31, 2007 then August 31 of each Contract Year	Contract	Clinical and Recovery Services
Draft Audited Financial Statements	Annually	75 days after fiscal year end	Financial Reporting Guide	Office of Financial Review
Draft Supplemental Reports to the Audited Financial Statements	Annually	75 days after fiscal year end	Financial Reporting Guide	Office of Financial Review
Final Audited Financial Statements	Annually	100 days after fiscal year end	Contract; Financial Reporting Guide	Office of Financial Review
Final Audited Financial Statements for All Related Parties Earning Revenue under this Contract	Annually	100 days after fiscal year end	Contract; Financial Reporting Guide	Office of Financial Review
Final Supplemental Reports to the Audited Financial Statements	Annually	100 days after fiscal year end	Financial Reporting Guide	Office of Financial Review
Audited Statement of Activities	Annually	100 days after fiscal year end	Financial Reporting Guide	Office of Financial Review
OMB Circular A-133 Reports	Annually	100 days after fiscal year end	Contract; Financial Reporting Guide	Office of Financial Review
Status of Administrative Review Corrective Actions	Annually	June 15 of each contract year	Contract	Bureau of Compliance
Business Continuity/Recovery Plan	Annually	September 10th 2007 then July 10 of each subsequent contract year	Contract	Bureau of Compliance
Member Handbook	Annually	October 1, 2007 then August 1 of each contract year or within 30 days of receipt of changes made to template by ADHS	Contract	Bureau of Compliance

REPORT	FREQUENCY	WHEN DUE	REFERENCE	SUBMIT TO
Prevention Report	Annually	August 31 of each contract year	ADHS/DBHS Prevention Framework for behavioral health	Office of Prevention
Corporate Compliance Plan	Annually	October 1 of each contract year	Contract	Office of Program Integrity
Changes in Key Personnel	Ad Hoc	Within 7 days of notification of intended resignation or change	Contract	Office of the Deputy Director
Out of State placements	Ad Hoc	Concurrent to placement	Contract	Medical Director
Data and Records Related to Contract	Ad Hoc	Upon Request	Contract	Bureau of QM Operations
Mortality Review for all Behavioral Health recipients	Ad Hoc	Within 60 days following Incident Report	ADHS/DBHS Policies and Procedures Manual	Bureau of QM Operations
Report of significant incident/accidents	Ad Hoc	Within one day of awareness	Contract; ADHS/DBHS Policies and Procedures Manual	Bureau of QM Operations
Expected Material Change to Network	Ad Hoc	Must be approved in advance by ADHS	Contract	Clinical and Recovery Services
Failure of subcontractor to meet licensing criteria or if subcontract is being terminated or suspended	Ad Hoc	Within 5 days of learning of the licensing deficiency, or of deciding to terminate or suspend	Contract	Clinical and Recovery Services
Assurance of Network Adequacy and Sufficiency	Ad Hoc	Upon significant change in operations impacting services and capacity	Contract	Clinical and Recovery Services
Unexpected Material Changes that could Impair the Provider Network	Ad Hoc	Within 1 day of the unexpected material change	Contract	Clinical and Recovery Services
Contractor Response to Complaints	Ad Hoc	As specified on a request from ADHS	Contract	Clinical and Recovery Services

REPORT	FREQUENCY	WHEN DUE	REFERENCE	SUBMIT TO
Unexpected Material Changes that could impair the Provider Network	Ad Hoc	Within 1 day of the Unexpected Material Change	Contract	Clinical and Recovery Services
Refusal of Non-Title XIX Person with a Serious Mental Illness to Participate in Title XIX/XXI Screening and Referral	Ad Hoc	After all attempts to encourage person to participate and prior to discontinuance of services	ADHS/DBHS Provider Manual	Clinical and Recovery Services
Notice of Real Property Transactions	Ad Hoc	As Occurring	Contract	Bureau of Financial Operations
Performance Bond	Ad Hoc	30 days notification by ADHS to adjust the amount	Contract	Office of Financial Review
Videoconferencing Equipment Inventory	Ad Hoc	Within 15 days of obtaining equipment	Contract	Office of Business Operations and Personnel
Incidents of Suspected Fraud or Abuse	Ad Hoc	Immediately after discovered followed by written report within 10 working days	Fraud and Abuse Operations and Procedures Manual	Office of Program Integrity
Reports of Allegations of Physical Abuse, Sexual Abuse, or Death	Ad Hoc	Within 3 working days of occurrence	Contract; ADHS/DBHS Policies and Procedures Manual	Office of Grievances and Appeals
Grievance or Request for Investigation for People in Need of Special Assistance	Ad Hoc	Within 5 working days of receipt	ADHS/DBHS Policies and Procedures Manual	Office of Human Rights
Incident and Accident Reports Concerning Persons with Serious Mental Illness and are in Need of Special Assistance	Ad Hoc	Within 3 working days of Contractor's receipt of report	ADHS/DBHS Policies and Procedures Manual	Office of Human Rights
Person No Longer in Need of Special Assistance	Ad Hoc	Within 10 working days of the determination	ADHS/DBHS Policies and Procedures Manual	Office of Human Rights

REPORT	FREQUENCY	WHEN DUE	REFERENCE	SUBMIT TO
Request for Special Assistance	Ad Hoc	Within 3 working days of identifying a person is in need of special assistance	ADHS/DBHS Policies and Procedures Manual	Office of Human Rights
Redacted Incidents and Accidents Reports Concerning All Behavioral Health recipients	Ad Hoc	Within 3 working days of Contractor's receipt of report	Contract; ADHS/DBHS Policies and Procedures Manual	The Appropriate Human Rights Committee
Redacted Restraint and Seclusion Reports Concerning Persons with a Serious Mental Illness and Children	Ad Hoc	Within 3 working days of Contractor's receipt of report	Contract; ADHS/DBHS Policies and Procedures Manual	The Appropriate Human Rights Committee
Data/Reports/ Information for Audits conducted of ADHS	Ad Hoc	Upon request from ADHS	Contract	Bureau of Compliance
Copies of Management Services Subcontracts	Ad Hoc	At start of contract, within 30 days of subcontract execution.	Contract	Bureau of Compliance
Copies of Sample PNO and Qualified Service Provider Subcontracts	Ad Hoc	Prior to the Contract Start Date, within 30 days of subcontract execution and when a material change is made to the provider subcontract	Contract	Bureau of Compliance
Member Handbook Updates	Ad Hoc	Within 30 days of receiving changes made to ADHS template	Contract	Bureau of Compliance
Complete and Valid Certificate of Insurance	Ad Hoc	Prior to contract activity and when certificate is renewed	Contract	ADHS Procurement 1740 West Adams Room 303 Phoenix Arizona 85007

Exhibit B: Capitation Rates[9]

Contractor shall provide services as described in this Contract. ADHS will pay monthly capitation based on AHCCCSA eligibles to Contractor in accordance with the terms of this contract at the following rates:

	Maricopa County		
	Capitation PMPM	**1% Incentive**	**Total Potential PMPM**
Title XIX eligible children, under the age of 18 (represents the cost of providing covered behavioral health services to children), not enrolled in CMDP:	$ 33.58	$ 0.34	$ 33.92
Title XIX eligible children, under the age of 18 (represents the cost of providing covered behavioral health services to children), enrolled in CMDP:	$ 632.28	$ 6.32	$ 638.60
Title XIX eligible adults, age 18 and older (represents the cost of providing covered behavioral health services to serious mental illness adults):	$ 96.16	$ 0.96	$ 97.13
Title XIX eligible adults, age 18 and older (represents the cost of providing covered behavioral health services to non-serious mental illness adults):	$ 40.23	$ 0.40	$ 40.64
Title XXI eligible children under age 18 (represents the cost of providing covered behavioral health services to children):	$ 17.22	$ 0.17	$ 17.39
Title XXI eligible adults age 18 (represents the cost of providing covered behavioral health services to serious mental illness and non-serious mental illness adults):	$ 28.85	$ 0.29	$ 29.14
Title XXI eligible adults, age 18 and older, and whose family income is up to two hundred percent (200%) of the FPL (represents the cost of providing covered behavioral health services to serious mental illness adults):	$ 25.96	$ 0.26	$ 26.22
Title XXI eligible adults, age 18 and older, and whose family income is up to two hundred percent (200%) of the FPL (represents the cost of providing covered behavioral health services to non-serious mental illness adults):	$ 13.68	$ 0.14	$ 13.82
DES DD ALTCS eligible adults representing the cost of providing covered behavioral health services to DES DD ALTCS adults	$ 94.98	$ 0.95	$ 95.93
DES DD ALTCS eligible children representing the cost of providing covered behavioral health services to DES DD ALTCS children	$ 82.41	$ 0.82	$ 83.23

[9] *These rates are subject to AHCCCS approval and JLBC review. See Rate Setting Methodology on the Maricopa County Behavioral Health Services Data Book page of the secure web site containing data files redacted for PHI.*

Attachment A: Estimated Expenditures By Percent

Contract Year 2007/2008

Category of Service		Title XIX				Non-Title XIX	
		Child	Child CMDP	SMI	GMH/SA	SMI	GMH/SA
501	Treatment Services						
502	Rehabilitation Services						
503	Medical Services						
504	Support Services						
505	Crisis Intervention Services						
506	Inpatient Services						
507	Residential Services						
508	Behavioral Health Day Programs						
510	Medications						
513	Subtotal						
	Administration/Profit/Contingencies						
	Total						

Contract Year 2008/2009

Category of Service		Title XIX				Non-Title XIX	
		Child	Child CMDP	SMI	GMH/SA	SMI	GMH/SA
501	Treatment Services						
502	Rehabilitation Services						
503	Medical Services						
504	Support Services						
505	Crisis Intervention Services						
506	Inpatient Services						
507	Residential Services						
508	Behavioral Health Day Programs						
510	Medications						
513	Subtotal						
	Administration/Profit/Contingencies						
	Total						

Contract Year 2009/2010

Category of Service		Title XIX				Non-Title XIX	
		Child	Child CMDP	SMI	GMH/SA	SMI	GMH/SA
501	Treatment Services						
502	Rehabilitation Services						
503	Medical Services						
504	Support Services						
505	Crisis Intervention Services						
506	Inpatient Services						
507	Residential Services						
508	Behavioral Health Day Programs						
510	Medications						
513	Subtotal						
	Administration/Profit/Contingencies						
	Total						

Attachment B: Minimum Network Requirements

Provider Type/Service	Number	Unit
Subacute facility capable of accepting walk-ins Provider type B5, B6, B7		Number of facilities
Subacute facility (excluding detox services) Provider types B5, B6		Number of adult beds
		Number of child beds
		Number of adolescent bed
Inpatient service Provider types 02,71		Number of adult beds
		Number of adolescent beds
		Number of child beds
Inpatient detoxification services Provider types 02, 71, B5, B6		Number of adult beds
		Number of adolescent beds
		Number of child beds
RTC Provider types 78, B1, B2, B3		Number of adolescent beds
		Number of child beds
Level II Residential Provider type 74		Number of adult beds for substance abuse treatment
		Number of adult beds
		Number of child beds for substance abuse treatment
		Number of child beds
Level III Residential Provider type A2		Number of adult beds
		Number of child beds
Home Care Training to Client Provider type A5		Number of adults to be served
		Number of children to be served
Housing		Number of adults with a serious mental illness who will be assisted in locating or maintaining housing
		Number of transition age youth (16–24) who will be assisted in locating or maintaining housing
		Number of other persons who will be assisted in locating or maintaining housing
Pharmacy Locations Provider type 03		Number of locations
Outpatient agencies Provider type 77		Number of agencies
Habilitation Providers Provider type 39		Number of habilitation providers not associated with agencies
Community Service Agencies Provider type A3		Number that are consumer operated
		Number that are not consumer-operated

Provider Type/Service	Number	Unit
Behavioral Health Recipients to deliver Peer and Family Support Services		Full Time Equivalents working in community service agencies
		Full Time Equivalents working in outpatient agencies
Family Members to deliver Peer and Family Support Services		Full Time Equivalents working in community service agencies
		Full Time Equivalents working in outpatient agencies
Crisis response telephone		Full Time Equivalents for am shift
		Full Time Equivalents for pm shift
		Full Time Equivalents for night shift
Mobile crisis		Full Time Equivalents for am shift
		Full Time Equivalents for pm shift
		Full Time Equivalents for night shift

Attachment C: Performance Guarantees and Incentives

Performance Measure	***General Provisions or Definitions***	***Threshold***	***Goal***	***Risk Allocation[10]***	***Incentive Allocation[11]***
Adult System of Care Performance	▪ Priority clients have clinical teams which include the client, nurse, physician, case manager, and vocational specialist, unless employment has been determined as no longer to be an issue (Appendix C; item 2) ▪ Measured annually through the Independent Audit conducted by the Court Monitor, usually in the month of June ▪ Measure specifications are contained in the court approved Arnold Quality Management Plan ▪ Strata: adults determined to have a serious mental illness	85%	88%	10 Percent	10 Percent
Adult System of Care Performance	▪ Priority clients have ISPs with a functional assessment and a long-term view within 90 days of enrollment (Appendix C; Item 3) ▪ Measured annually through the Independent Audit conducted by the Court Monitor, usually in the month of June ▪ Measure specifications are contained in the court approved Arnold Quality Management Plan ▪ Strata: adults determined to have a serious mental illness	90%	93%	10 Percent	10 Percent
Children's System of Care Performance	▪ Children's System performance on the practice measurement tool ▪ Baseline set in FY 2008 ▪ Reported as percent of providers performing at ADHS established threshold or above ▪ Strata: Title XIX children	To Be Determined	To Be Determined	20 Percent	20 Percent

[10] *Risk allocation is expressed in terms of the percent of fees at risk. Risk allocations shall total 100 percent. For example, if .25 of 1% of the annual capitation is $1,250,000 the annual penalty would be $125,000 for nonperformance on a metric with a 10 percent Risk Allocation, and $62,500 on a penalty with a 5 percent risk allocation.*

[11] *Incentive allocation is expressed in terms of the percent of fees at risk. Incentive allocations shall total 100 percent. For example, if 1 percent of the annual capitation is $5,000,000, the annual penalty would be $500,000 for nonperformance on a metric with a 10 percent Risk Allocation, and $250,000 for a metric with a 5 percent risk allocation.*

Performance Measure	***General Provisions or Definitions***	***Threshold***	***Goal***	***Risk Allocation[10]***	***Incentive Allocation[11]***
Consumer Satisfaction	▪ Behavioral health recipients shall rate "satisfied" or better on an annual behavioral health recipient satisfaction survey. An annual survey shall be conducted of those behavioral health recipients who have accessed services to determine satisfaction with Contractor services and provider networks. ▪ Any penalties will be prorated based on the number of items that fall below the threshold. Incentives will be allocated based on the number of items that meet or exceed the goal. ▪ Items to be used include: – Items 1 through 20 on MHSIP for Performance Guarantee – Items 21 through 28 on MHSIP Survey for Incentive ▪ Measured and reported annually as the percent satisfied. ▪ Strata: adults and children. ▪ Penalty and Incentive allocation is divided evenly between the two strata	90 Percent Applies to 20 General Satisfaction Items Only **Tier 1:** <60 Percent **Tier 2:** 60 Percent - 69 Percent **Tier 3:** 70 Percent - 79 Percent **Tier 4:** 80 Percent - 89 Percent	80 Percent Applies to Eight Outcomes Items Only **Tier 1:** 75 Percent **Tier 2:** 80 Percent	10 Percent Prorated as follows: .5 Percent per Item **Tier 1:** 10 Percent plus sanction may apply **Tier 2:** 10 Percent **Tier 3:** 7.5 Percent **Tier 4:** 5 Percent	20 Percent Prorated as follows: 2.5 Percent per Item **Tier #1:** First Half payable **Tier #2** Second Half Payable
Title XIX Eligibility Ratio	▪ The percentage of individuals with a serious mental illness that are also qualified as eligible for Title XIX services shall be at least 63%. ▪ Numerator: the number of behavioral health recipients with a serious mental illness who are Title XIX; Denominator: The total number of Behavioral Health Recipients with a serious mental illness. ▪ Measured monthly using AHCCCS eligibility segment data ▪ Reported as the percent of behavioral health recipients with serious mental illness who are also Title XIX enrolled	63 percent	70 percent	5 percent	NA

Performance Measure	***General Provisions or Definitions***	***Threshold***	***Goal***	***Risk Allocation[10]***	***Incentive Allocation[11]***
Penetration Special Populations	▪ Percent of Title XIX or Title XXI behavioral health recipients accessing any service by ethnicity and race ▪ Measured and reported annually as the number of behavioral health recipients accessing at least one behavioral health service as a percent of total AHCCCS eligibles ▪ Stratified and reported separately for Black, Native American and Hispanic-Latino. ▪ Baseline to be set in year 1 for each population. Improvement goals set for Year 2 based on baseline in Year 1 and for subsequent years based on prior year's performance. Improvement goals may be limited to those populations whose access rate is significantly below prevalence rates for that population, based on national prevalence studies. ▪ Strata: Title XIX and Title XXI ▪ Substrata: Child and Adult	Year 1 establish baseline	Year 2 establish threshold and goal	NA	Incentive allocation in subsequent years to be determined in advance, per the advance notification requirements of the RFP.
Pre- and Post-Implementation Milestones[12]	▪ The Contractor shall develop and implement a Transition and Implementation Plan and a Network Transition/Transformation Plan with key implementation milestones that includes due dates, the responsible party and performance measures describing successful completion. ▪ Compliance will be measured as the number of milestones satisfactorily completed according to ADHS by the date specified in the implementation schedule as a percent of all milestones that were due under the implementation plan during the quarter. ▪ Contractor to provide specific plans for review and approval by ADHS. ▪ Milestones not met in one quarter carry over into next quarter for evaluation. Milestones carried over are not eligible for incentives. Milestones missed due to factors beyond Contractor's control will not be counted in measurement. Milestones missed due to factors within the Contractor's control will be counted in measurement and subject to penalties. ▪ Measured quarterly ▪ Earned incentives are paid annually	95 Percent	100 Percent	45 Percent	30 Percent

[12] *Risk on this metric will be reallocated at the point at which Implementation/Transition Milestones are no longer pending.*

Attachment D: Price Sheet/Fee Schedule

Contractor shall provide services as described in this Contract. ADHS will pay monthly capitation based on AHCCCS eligibles to Contractor in accordance with the terms of this Contract at the following rates, which are subject to JLBC review and AHCCCSA approval:

	Maricopa County		
	Capitation PMPM	**1% Incentive**	**Total Potential PMPM**
Title XIX eligible children, under the age of 18 (represents the cost of providing covered behavioral health services to children), not enrolled in CMDP:	$ 33.58	$ 0.34	$ 33.92
Title XIX eligible children, under the age of 18 (represents the cost of providing covered behavioral health services to children), enrolled in CMDP:	$ 632.28	$ 6.32	$ 638.60
Title XIX eligible adults, age 18 and older (represents the cost of providing covered behavioral health services to serious mental illness adults):	$ 96.16	$ 0.96	$ 97.13
Title XIX eligible adults, age 18 and older (represents the cost of providing covered behavioral health services to non-serious mental illness adults):	$ 40.23	$ 0.40	$ 40.64
Title XXI eligible children under age 18 (represents the cost of providing covered behavioral health services to children):	$ 17.22	$ 0.17	$ 17.39
Title XXI eligible adults age 18 (represents the cost of providing covered behavioral health services to serious mental illness and non-serious mental illness adults):	$ 28.85	$ 0.29	$ 29.14
Title XXI eligible adults, age 18 and older, and whose family income is up to two hundred percent (200%) of the FPL (represents the cost of providing covered behavioral health services to serious mental illness adults):	$ 25.96	$ 0.26	$ 26.22
Title XXI eligible adults, age 18 and older, and whose family income is up to two hundred percent (200%) of the FPL (represents the cost of providing covered behavioral health services to non-serious mental illness adults):	$ 13.68	$ 0.14	$ 13.82
DES DD ALTCS eligible adults representing the cost of providing covered behavioral health services to DES DD ALTCS adults	$ 94.98	$ 0.95	$ 95.93
DES DD ALTCS eligible children representing the cost of providing covered behavioral health services to DES DD ALTCS children	$ 82.41	$ 0.82	$ 83.23

Attachment D: Price Sheet/Fee Schedule

Please check as many as applicable and return this page with Offeror's proposal:

_____I certify that my company is a Woman-Owned Business Enterprise (WBE).
A WBE is defined as an enterprise where a woman owns at least 51% of the business. The owner(s) must have the day-to-day control of the firm and have experience and expertise in the firm's primary area of operation. The owner(s) must hold a proportionate share of the business capital, assets, profits and losses commensurate with their ownership interest.

____I certify that my company is a Minority-Owned Business Enterprise (MBE).
An MBE is defined as an enterprise where an ethnic minority owns at least 51% of the business. The owner(s) must have the day-to-day control of the firm and have experience and expertise in the firm's primary area of operation. The owner(s) must hold a proportionate share of the business capital, assets, profits and losses commensurate with their ownership interest.

____I certify that my company is a Small Business.
A Small Business is defined as a company having fewer than one hundred (100) employees or less than four million dollars ($4,000,000) in gross receipts.

Attachment E: Offer And Acceptance Signed By Authorized Person

	OFFER AND ACCEPTANCE **SOLICITATION NUMBER: HP632209**	**ARIZONA DEPARTMENT OF HEALTH SERVICES** 1740 West Adams Street Phoenix, Arizona 85007 (602) 542-1040 (602) 542-1741 Fax

Submit this form with an original signature to the:

Arizona Department of Health Services
Office of Procurement
1740 West Adams, Room 303
Phoenix, Arizona 85007

The Undersigned hereby offers and agrees to furnish the material, service or construction in compliance with all terms, conditions, specifications and amendments in the solicitation.

Arizona Transaction (Sales) Privilege Tax License No: _____

Federal Employer Identification No: _____

For Clarification of this Offer, Contact:

Name: _____

Telephone: _____

FAX: _____

Company Name | Signature of Person Authorized to Sign Offer

Address | Printed Name

City, State, ZIP Code | Title

OFFER ACCEPTANCE AND CONTRACT AWARD (For State of Arizona Use Only)

Your Offer is hereby accepted as described in the Notice of Award. The Contractor is now bound to perform based upon the Solicitation and the Contractor's Offer as accepted by the State.

This Contract shall henceforth be referred to as Contract Number: HP632209

The Contractor is hereby cautioned not to commence any billable work or provide any material, service or construction under this contract until the Contractor receives an executed purchase order or contract release document or written notice to proceed, if applicable.

State of Arizona

Awarded this _____ day of _____, 20_____

_____
PROCUREMENT OFFICER

DEFINITIONS

“638 Tribal Facility” means a facility owned and operated by a Native American Tribe that is authorized to provide services pursuant to Public Law 93-638, as amended.

“834 Transaction Enrollment/Disenrollment” means a HIPAA-compliant transmission, by a behavioral health provider to the Contractor or by the Contractor to ADHS, of information to establish or terminate a person’s eligibility to receive or not receive services in the ADHS behavioral health service delivery system.

“A.A.C.” means the Arizona Administrative Code.

“A.R.S.” means the Arizona Revised Statutes.

“ACYF” means the Administration for Children, Youth and Families within ADES.

“ADES” means the Arizona Department of Economic Security.

“ADHS” means the Arizona Department of Health Services.

“ADHS/DBHS” means the Arizona Department of Health Services, Division of Behavioral Health Services.

“ADHS/DBHS Covered Behavioral Health Services Guide” provides a full description of covered behavioral health services, including definitions, service standards, Qualified Service Provider qualifications, code specific information, billing limitations for each service, and funding sources.

“ADHS/DBHS Medication Formulary” means a list of psychotropic medications covered by the pharmacy benefit when clinically indicated.

“ADHS/DBHS Provider Manual” is a document that contains mandatory service delivery policies to guide providers in the administration and delivery of covered behavioral health services.

“ADJC” means the Arizona Department of Juvenile Corrections.

“ADOC” means the Arizona Department of Corrections.

“ADOE” means the Arizona Department of Education.

“ADOH” means the Arizona Department of Housing (ADOH), a, Arizona state agency devoted solely to housing which opened in October 2002 to administer various housing programs including the State Housing Trust Funds, Shelter Plus Care, and Low Income Targeted Tax Credits.

“AHCCCSA” means the Arizona Health Care Cost Containment System Administration

“ALTCS” means Arizona Long Term Care System.

“AZEIP” means Arizona Early Intervention Program.

“Administrative Costs” means administrative expenses incurred to manage the behavioral health system, including but not limited to: provider relations and contracting, provider billing, accounting, information technology services, processing and investigating grievances and appeals, legal services (including any legal representation of the Contractor at administrative hearings concerning the Contractor’s decisions, and actions), planning, program development, program evaluation, personnel management, staff development and training, provider auditing and monitoring, utilization review and quality assurance. Administrative costs do not include expenses related to direct provision of behavioral health services including case management. See also Financial Reporting Guide for categories of classification.

“Adult” means a person eighteen (18) years of age or older, unless the term is given a different definition by statute, rule, or policies adopted by the ADHS or AHCCCSA

“Advance Directive” means a written instruction, such as a living will or durable power of attorney for health care, recognized under State law (whether statutory or as recognized by the courts of the State), relating to the provision of health care when the individual is incapacitated and that clearly specifies how medical decisions affecting an individual are to be made if they are unable to make them or to authorize a specific person to make such decisions for them.

“ALTCS” means the Arizona Long Term Care System.

"Arizona Early Intervention Program" (AZEIP) is a program created by the Individuals with Disabilities Act, Part C and administered through the coordinated activities of ADES, ADHS, ASDB, AHCCCSA, and ADE).

"Arizona Long Term Care System" means a program under AHCCCSA that delivers long term, acute, and behavioral health care and case management services to members, as authorized by A.R.S. §36-2932 *et seq*.

"Arizona Revised Statute (A.R.S.)" means the laws of the State of Arizona.

"ASDB" means the Arizona State Schools for the Deaf and Blind.

"*Arnold vs. ADHS* Class Member" means an adult resident of Maricopa County that is indigent and who, pursuant to ADHS/DBHS policy, has been determined to have serious mental illness.

"BBA" means the Balanced Budget Act of 1997.

"Behavioral Health Disorder" means any behavioral health condition, mental health condition, or substance use (abuse/dependence) condition that is diagnosed by a behavioral health professional in accordance with the most current version of the Diagnostic and Statistical Manual or International Classification of Disorders.

"Behavioral Health Paraprofessional" means a staff member of a licensed behavioral health service agency in accordance with A.A.C. Title 9, Chapter 20.

"Behavioral Health Professional" means a psychiatrist, behavioral health medical practitioner, psychologist, social worker, counselor, marriage and family therapist, certified psychiatric nurse, substance abuse counselor, registered nurse behavioral health medical practitioner, or physician assistance that meets the requirements of A.A.C. Title 9, Chapter 20.

"Behavioral Health Provider" means any individual, organization or facility under subcontract with the Contractor that delivers covered behavioral health services to behavioral health recipients.

“Behavioral Health Recipient” means any person (adult or child) that is eligible for and receiving behavioral health services in or through ADHS funded programs. See also, Member or Enrollee.

“Behavioral Health Services” means those services listed in the ADHS Covered Behavioral Health Services Guide.

“Behavioral Health Technician” means a staff member of a licensed behavioral health service agency in accordance with A.A.C. Title 9, Chapter 20.

“Board Eligible for Psychiatry” means documentation of completion of an accredited psychiatry residency program approved by the American College of Graduate Medical Education, or the American Osteopathic Association as evidenced by either a certificate of residency training, including exact dates, or a letter of verification of residency training from the training director, including the exact dates of training.

“Capitation” is a reimbursement method developed by actuaries as a cost containment alternative to fee-for-service reimbursement for delivering covered behavioral health services to eligible persons. The capitation payment is based on a fixed rate per member per month notwithstanding: (a) the actual number of eligible persons who receive care from the Contractor, and (b) the amount of services provided to any enrolled person.

“CAP” means a corrective action plan.

“Care Management” means utilization management, care coordination, the facilitation of discharge planning from Level I facilities, the identification of and management of services for high risk individuals.

“CCO” means Chief Clinical Officer.

“Center for Medicare and Medicaid Services” means the division within the United States Department of Health and Human Services, which administers the Medicare and Medicaid program and the State Children’s Health Insurance Program.

“CEO” means Chief Executive Officer.

“CFO” means Chief Financial Officer.

“CFR” means the Code of Federal Regulations.

“CFT” means Child and Family Team.

“CIS” means the ADHS Client Information System.

“CMO” means Chief Medical Officer.

“CMDP” means the Comprehensive Medical and Dental Plan, an AHCCCSA Health Plan administered through ADES who provide for medical needs of children in the care and custody of the State.

“CMHS” means the Community Mental Health Services Performance Partnership Program Pursuant to Division B, Title XXXII, Section 3204 of the Children’s Health Act of 2000.

“CMS” means the Centers for Medicare and Medicaid Services within the United States Department of Health and Human Services, which administers the Medicare and Medicaid programs and the State Children’s Health Insurance Program, formerly known as the Health Care Financing Administration or HCFA.

“Complaint” means an expression of dissatisfaction with any aspect of care, other than the appeal of actions.

“COOL” means Correctional Officer/Offender Liaison Program.

“CPS” means the Child Protective Services within the ADES.

“CSRs” means Customer Service Representatives.

“Case Management” means supportive services provided to enhance treatment goals and effectiveness including services as listed in the ADHS/DBHS Covered Services Guide.

“Child” means an eligible person under the age of eighteen (18), unless the term is given a different definition by statute, rule, or policies adopted by the ADHS or AHCCCSA.

“Child Family Team” means individuals that meet as a group, including at a minimum, the child and his/her family, a behavioral health representative, and any individuals important in the child’s life invited to participate by the child and family. This may include, for example, teachers, extended family members, friends, family support partners, health care providers, coaches, community resource providers, representatives from churches, synagogues or mosques, agents from other service systems like CPS or DDD, etc. The size, scope and intensity of involvement of the team members are determined by the objectives established for the child, the needs of the family in providing for the child, and by which individuals are needed to develop an effective service plan, and can therefore expand and contract as necessary to be successful on behalf of the child.

“Children’s PNO” means an entity comprised of providers that enroll behavioral health recipients and collectively deliver a continuum of covered behavioral health services throughout Maricopa County to children and families pursuant to an individualized comprehensive service plan.

“Claim Dispute” means a dispute involving a payment of a claim, denial of claim, or imposition of a sanction.

“Client Information System” means the ADHS data system that stores member information.

“Clinical Liaison” means a behavioral health professional or a behavioral health technician that has been credentialed and privileged to oversee a behavioral health recipient’s care, perform assessments, participate in service planning, and provide clinical consultation when needed.

“Clinical Team” means individuals who meet as a group to develop a comprehensive service or treatment plan for a behavioral health recipient. The team may include a behavioral health recipient, member of the behavioral health recipient’s family, health, mental health or social service providers including professionals representing disciplines related to the person’s needs, or other persons that are not health, mental health, or social service providers identified by the person or family.

"Community Service Agency" means an agency under subcontract with the Contractor or PNO that is registered with AHCCCSA to provide rehabilitation and support services consistent with the staff qualifications and training. Community Service Agencies are not required to be licensed through the ADHS Office of Behavioral Health Licensure. Refer to the ADHS/DBHS Covered Behavioral Health Services Guide for details.

"Contract Start Date" means September 1, 2007.

"Contract Year" means a period from July 1 of a calendar year through and including June 30 of the following year.

"Contractor's Key Personnel" means the Contractor's CEO, CMO, CCO, and CFO.

"Correctional Officer/Offender Liaison Program" addresses the substance abuse service and behavioral health needs of high-risk offenders on parole from the ADOC. The COOL Program provides designated staff and additional funding to support offenders requiring treatment and support services in the community.

"Covered Behavioral Health Services" means those services in the ADHS/DBHS Covered Behavioral Health Services Guide.

"Credentialing" means the process of obtaining, verifying and assessing information (e.g. validity of the license, certification, training and/or work experience) to determine whether providers have the required knowledge, skill and expertise to deliver behavioral health services to behavioral health recipients or to review and verify licensure, accreditation and certification of behavioral health providers.

"Crisis Response Network" means the Contractor's county-wide network of qualified service providers that deliver and managed covered behavioral health crisis intervention services.

"CSP" means Comprehensive Service Provider.

"Cultural Competence" means a set of behaviors, attitudes and policies within a system, agency, organization, or among professionals that recognize the value of diversity and promote strategies that honor each individual's unique heritage, ethnicity and language.

“Days” means calendar days unless otherwise specified.

“DBHS” means the Division of Behavioral Health Services within ADHS.

“DBT” means Dialectical Behavior Therapy.

“DDD” means the Division of Developmental Disabilities within ADES.

“DTO” means danger to others.

“DTS” means danger to self.

“Deputy Director” means the Deputy Director for the ADHS/DBHS or his or her duly authorized representative.

Direct Care Clinic Sites” means all clinics operated by ValueOptions in FY 2006 that deliver covered behavioral services primarily to adults with a serious mental illness.

“Eligible Person” means an individual who meets the defined criteria to receive covered behavioral health services.

“Emerging Practices” means innovations in clinical practice that address critical needs of a particular program, population or system, but do not yet have scientific evidence or broad expert consensus support.

“Emergency Medical Condition” means a medical condition manifesting itself by acute symptoms of sufficient severity (including severe pain) that a prudent layperson, who possesses an average knowledge of health and medicine, could reasonably expect the absence of immediate medical attention to result in placing the health of the individual (or, with respect to a pregnant woman, the health of the woman or her unborn child) in serious jeopardy, serious impairments to bodily functions, or serious dysfunction of any bodily organ or part. What constitutes an emergency medical condition may not be limited on the basis of lists of diagnoses or symptoms.

“Emergency Services” means covered inpatient and outpatient medical or behavioral health care services that are: 1) furnished by a provider that is qualified to furnish the services, and 2) needed to evaluate or stabilize an emergency medical condition.

“Encounter” means a record of a covered service rendered by a provider to a behavioral health recipient enrolled with the Contractor on the date of service.

“Enrollee” means a Medicaid recipient who is currently enrolled in an MCO, PIHP, PAHP, or PCCM in a given managed care program.

“Enrolled Person” means a Title XIX, Title XXI or Non-Title XIX and Non-Title XXI eligible person recorded in the ADHS Client Information System.

“Enrollment” of documenting in the ADHS CIS that a person can receive covered behavioral health services.

“Evidence-Based Practice (EBP)” means an intervention that is an integration of science-based evidence; the skill and judgment of health professionals; and the unique needs, concerns and preferences of the person receiving services. EBPs are not intended to be automatically and uniformly applied, but instead considered as a combination of all three (3) factors.

“FFP” means Federal Financial Participation.

“Federal Financial Participation” means the percent of reimbursement provided by Medicaid for a service or administrative function. Also know as “Federal Match”. FFP is not available for amounts expended for providers excluded by Medicare, Medicaid or SCHIP, except for emergency services.

“Formulary” means a list of Contractor’s available medications for enrolled behavioral health recipients and includes, at a minimum, all medications on the ADHS/DBHS Medication Formulary.

“Fraud” means an intentional deception or misrepresentation made by a person with the knowledge that the deception could result in some unauthorized benefit to the person or some other person, including any act that constitutes fraud under applicable federal or State law.

“G&A” means Grievances and Appeals.

“GAAP” means Generally Accepted Accounting Principles.

“GMH” means General Mental Health and is used to designate adult funding type.

“GMH/SA” means General Mental Health and Substance Abuse and is used to designate an adult funding type.

“GD” means gravely disabled.

“GSA” means the Geographic Service Area.

“General Mental Health (GMH) Adults” means the adult population of behavioral health recipients age eighteen (18) and older that have general mental health issues and have not been determined to have a serious mental illness.

“GSA 6” means Maricopa County, the county for which the Contractor is responsible under this Contract to provide covered behavioral health services to eligible residents except as otherwise stated in this Contract.

“Gratuity” means a payment, loan, subscription, advance, deposit of money, services, or anything of more than nominal value, present, or promised, unless consideration of substantially equal or greater value is received.

“HB2003” means House Bill 2003 enacted in 2000 Arizona Session Laws, Chapter 2, Section 1 (5th Special Session).

“HIPAA” means Health Insurance Portability and Accountability Act of 1996.

“HUD” means the United States Department of Housing and Urban Development (HUD), a department of the federal government that provides funding for housing and housing support programs.

"Health Care Professional" means a provider who meets the qualifications to be an AHCCCS registered provider of behavioral health services, is permitted to practice independently by virtue of the provider's license and who is a physician (allopathic or osteopathic), licensed psychologist, physician assistant, registered nurse (including nurse practitioner), licensed clinical social worker, licensed marriage and family therapist and licensed professional counselor.

"Health Insurance Portability and Accountability Act of 1996 (HIPAA)" means Public Law 104-291 Title II Subtitle F and regulations published by the United States Department of Health and Human Services, the administrative simplification provisions and modifications thereof, and the Administrative Simplification Compliance Act of 2001.

"Housing Services" means services provided to assist individuals or families to obtain and maintain housing in the community. Housing Services includes homes or apartments that are owned, leased or subsidized with funds provided by ADHS. Housing Services may also include rent and utility subsidies, eviction prevention initiatives and relocation services to a person or family for the purpose of securing and maintaining housing.

"IBNR means liability for service rendered for which claims have not been reported.

"ICR" means Independent Case Review.

"IGA" means an Intergovernmental Agreement.

"IHS" means the Indian Health Service of the United States Department of Health and Human Services.

"IMD" means an Institution for Mental Disease.

"ISA" means an Interagency Service Agreement.

"ISP" means Individual Service Plan or Planning.

"IT" means Information Technology.

"Implementation Period" means the period of time beginning with the Contract Start Date and the date on which ADHS determines the Implementation Plan is complete.

"Incurred But Not Reported (IBNR)" means liability for service rendered for which claims have not been reported.

"Indian Health Service" means the bureau of the United States Department of Health and Human Services that is responsible for delivering public health and medical services to Native Americans.

"Institution for Mental Disease" means a hospital, nursing facility, or other institution of more than sixteen (16) beds, except when licensed as a unit of a general medical hospital that is primarily engaged in providing diagnosis, treatment, or care of persons with mental diseases, including medical attention, nursing care, and related services. An institution is an IMD if its overall character is that of a facility established and maintained primarily for the care and treatment of individuals with mental diseases.

"Interagency Service Agreement" means an agreement between two (2) or more agencies of the State wherein an agency is reimbursed for services provided to another agency or is advanced funds for services provided to another agency.

"Intergovernmental Agreement" means an agreement conforming to the requirements of A.R.S. Title 11, Chapter 7, Article 3 (A.R.S. § 11-951, *et. seq*.).

"KidsCare" means the Arizona version implementing the Title XXI of the Social Security Act, referred to in Federal legislation as the "State Children's Health Insurance Program" (SCHIP).

"LEP" means Limited English Proficiency.

"Level I Behavioral Health Facility" means a licensed behavioral health agency in accordance with A.A.C. Title 9, Chapter 20.

"Level II Behavioral Health Facility" means a licensed behavioral health agency in accordance with A.A.C. Title 9, Chapter 20.

"Level III Behavioral Health Facility" means a licensed behavioral health agency in accordance with A.A.C. Title 9, Chapter 20.

“Limited English Proficiency” (LEP) means difficulty communicating through spoken and written English.

“MAPDs” means Medicare Advantage Prescription Drug Plans.

“MCE” means Medical Care Evaluation.

“MIHS” means Maricopa Integrated Health Systems.

“MMA” means Medicare Modernization and Improvement Act.

“MPT” means Minimum Performance Threshold.

“Management Services Subcontractor” means a subcontractor that does not deliver covered services, but performs administrative services such as pharmacy benefits management, automated data processing or claims and/or encounter processing.

“Marketing” means any communication, from an MCO, PIHP, PAHP, or PCCM to a Medicaid recipient who is not enrolled in that entity, that can reasonable be interpreted as intended to influence the recipient to enroll in that particular MCO’s, PIHP’s, PAHP’s, or PCCM’s Medicaid program.

“Marketing Materials” means materials that are produced in any medium, by or on behalf of an MCO, PIHP, PAHP, or PCCM that can reasonably be interpreted as intended to market to potential enrollees.

“Material Change” means an alteration, modification or termination of a provider or a service within a provider network that may reasonably be foreseen to affect the quality or delivery of covered behavioral health services provided under this Contract.

“MCO” means managed care organization.

“Medically Necessary Covered Services” means those covered behavioral health services provided by qualified service providers within the scope of practice to prevent disease, disability and other adverse health conditions or their progression or to prolong life. Medically necessary services are aimed at achieving: The prevention, diagnosis,

and treatment of behavioral health impairments; the ability to achieve age-appropriate growth and development; and the ability to attain, maintain, or regain functional capacity.

“Medicare Modernization Improvement Act” means the Medicare Modernization Improvement Act of 2003 created a prescription Drug Benefit called Medicare Part D for individuals who are eligible for Medicare Part A and /or enrolled in Medicare Part B.

“Medicare Part D Excluded Drugs” means the Prescription Drug Coverage option available to Medicare beneficiaries, including those also eligible for Medicaid.

“Member” means a person that is eligible for and receiving behavioral health services in or funded by ADHS programs.

“Member Appeal” means a request for a review of an action in accordance with 42 CFR 438.400, and for a person with a serious mental illness an appeal of a serious mental illness. eligibility determination; decisions regarding eligibility for behavioral health services, including Title XIX and Title XXI services, fees and waivers; assessments and further evaluations; service and treatment plans and planning decisions; and the implementation of those decisions.

“NF” means Medicaid-Certified Nursing Facilities.

“NOMS” means National Outcome Measures.

“NPI” means National Provider Identification number.

“National Outcome Measures” means the set of ten (10) measurable outcomes for mental health services, substance abuse treatment and substance abuse preventions developed by SAMHSA.

“Non-Title XIX Encounter Relief” means approval by ADHS for the Contractor to reduce the value of encounters by the amount approved by ADHS and which is not included in the Contractor’s encounter withhold calculation.

“Non-Title XIX and Non-Title XXI Funding” means fixed, non-capitated payments from CMHS and SAPT Federal Block Grants, State appropriations (counties and other funds, except for State appropriations used in connection with FFP), to be used by the

Contractor to pay for services for Non-Title XIX/XXI eligible persons and for services delivered to Title XIX and Title XXI eligible persons that are not covered by Title XIX or Title XXI programs.

“Non-Title XIX and Title XXI Person” means an individual who needs or may be at risk of needing covered behavioral health services, but does not meet Federal and State requirements for Title XIX or Title XXI eligibility.

“Outreach” means activities to identify and encourage individuals that may be in need of behavioral health services to become enrolled and obtain services.

“PAHP” means Prepaid Ambulatory Health Plan.

“PAD” means persistently or acutely disabled.

“PASRR” means Pre-Admission Screening and Resident Review.

“PCCM” means Primary Care Case Management.

“PCP” means Primary Care Physician/Practitioner.

“PDCA Cycle” is a quality improvement process. PDCA stands for Plan, Do, Check, and Act.

“PGs” means Practice Guidelines.

“PIHP” means Prepaid Inpatient Health Plan.

“PIP” means Performance Improvement Project.

“PNO” means Provider Network Organization.

“PMMIS” means Prepaid Medical Management Information System.

“Performance Improvement Project” (PIP) is an initiative designed to improve the quality of significant aspects of clinical care or non-clinical services.

"Post stabilization services" means covered behavioral health or medical services, related to an emergency medical condition, that are delivered to stabilize a behavioral health recipient to maintain stabilization, or under the circumstances described in 42 CFR 438.114(e) to improve or resolve the behavioral health recipient's condition.

"Potential Enrollee" means a person that may be eligible for Medicaid benefits or is subject to mandatory enrollment or may voluntarily enroll in a managed care program, but is not yet enrolled in a specific MCO, PIHP, PAHP, and PCCM.

"Practice Guidelines" means practice guidelines for providers or care managers developed from science-based evidence; the skill and judgment of health professionals; and the unique needs, concerns, and preferences of the persons receiving services.

"Primary Care Physician/Practitioner" is an individual that meets the requirements of A.R.S. 36-2901, and is responsible for the management of a behavioral health recipient's health care.

"Prior Authorization" means an action taken by ADHS/DBHS, the Contractor, or a subcontracted provider to approve the delivery of a covered behavioral health service prior to delivery of the service.

"Privileging" means the process to determine if credentialed clinicians are competent to perform assigned responsibilities, based on training, supervised practice and/or competency testing.

"Profit" means the excess of revenues over expenditures, in accordance with Generally Accepted Accounting Principles, regardless of whether the Contractor is a for-profit or a not-for-profit entity.

"Promising Practices" means clinical or administrative practices for which there is considerable evidence or expert consensus and that shows promise in improving client outcomes, but are not yet proven by the highest or strongest scientific evidence.

"Provider" means an agency, individual, or organization that delivers covered behavioral health services to behavioral health recipients.

“Provider Network” means the agencies, facilities, professional groups or professionals under subcontract to the Contractor to provide covered behavioral health services to behavioral health recipients and includes the Contractor, to the extent the Contractor directly provides covered behavioral health services to behavioral health recipients, the Crisis Response Network and its subcontractors, the PNOs and their subcontractors and other qualified service providers. The direct service sites and CSPs are included in the Provider Network on an interim basis.

“Provider Network Organization” means an entity comprised of providers that enroll behavioral health recipients and collectively deliver a continuum of covered behavioral health services throughout Maricopa County to either a specific population (e.g., child/adolescent) or to all adults, children, and families pursuant to an individualized, comprehensive service plan.

“Psychiatrist” means a person that is a licensed physician as defined in A.R.S. Title 32, Chapter 13 or Chapter 17 and holds psychiatric board certification from the American Board of Psychiatry and Neurology, the American College of Osteopathic Neurologist and Psychiatrist; or the American Osteopathic Board of Neurology and Psychiatry; or is board eligible.

“QM” means Quality Management.

“QOC” means Quality of Care.

“Qualified Service Provider” means a licensed/certified and credentialed behavioral health facility, professional, or provider that delivers covered behavioral health services as described in the ADHS/DBHS Covered Behavioral Health Services Guide.

“RBHA” means a Regional Behavioral Health Authority.

“RSA” means the Rehabilitation Services Administration within the ADES.

“RTC” means Level 1 Residential Treatment Center.

“Referral” means any oral, written, faxed, or electronic request for behavioral health services made by any person, or person’s legal guardian, family member, an AHCCCSA health plan, Primary Care Physician/Practitioner, hospital, jail, court, probation and parole officer, tribal government, Indian Health Services, school, or other

State or community agency to the Contractor and to or between the PNOs or qualified services providers.

“Regional Behavioral Health Authority” means the organization under contract with the ADHS to coordinate the delivery of covered behavioral health services to eligible behavioral health recipients in Maricopa County.

“Related Party” means a party that has, or may have, the ability to control or significantly influence a Contractor, or a party that is, or may be, controlled or significantly influenced by a Contractor. “Related parties” include, at a minimum, agents, managing employees or persons with an ownership or controlling interest in the disclosing entity, and their immediate families, subcontractors, wholly-owned subsidiaries or suppliers, parent companies, sister companies, holding companies, and other entities controlled or managed by any such entities or persons.

“SA” means substance abuse and is used to designate an adult funding type.

“SAMHSA” means the Substance Abuse and Mental Health Services Administration.

“SAPT” means Substance Abuse Prevention and Treatment. Performance Partnership Program pursuant to Division B. Title XXXIII, Section 3303 of The Children’s Health Act of 2000 pursuant to Section 1921 – 1954 of the Public Health Service Act and 45 CFR Part 96 Interim Final Rules.

“SCHIP” means State Children’s Health Insurance Program.

“SED” means serious emotional disturbance.

“SMI” means Serious Mental Illness.

“SSA” means Social Security Act.

“Serious Mental Illness” means a determination of a person eighteen (18) years of age or older that, as a result of a mental disorder as defined in A.R.S § 36-501, exhibits emotional or behavioral functioning which is so impaired that it interferes substantially with their capacity to remain in the community without supportive treatment or services of a long term or indefinite duration. Persons determined to be serious mental illness

exhibit behavior that is severe and persistent, resulting in long term limitation of functional capacities for primary activities of daily living, such as interpersonal relationships, homemaking, self-care, employment, and recreation.

“Seriously Emotionally Disturbed (SED)” means those children from birth up to age eighteen (18) that meet ADHS’ diagnostic requirements.

“State Plan” means the written agreements between the State of Arizona and CMS that describes how the AHCCCSA programs meet all CMS requirements for participation in the Medicaid program and the Children’s Health Insurance Program.

“Statistical Significance” means a mathematical measure of change within a sample population, when the sample population is large enough to be considered representative of the overall population. The change is said to be statistically significant if it is greater than what might be expected to happen by chance alone.

“Subcontractor” means any third party under contract with the Contractor to perform obligations in this Contract in a manner conforming to ADHS requirements.

“Substance Abuse Adults” means a population of adults age eighteen (18) and older diagnosed with a substance use disorder and not determined to have a serious mental illness.

“Support Services” means Unskilled Respite Care; Home Care Training to Client (formerly known as Therapeutic Foster Care); Personal Care Services; Family Support; Peer Support; Skills Training and Development; Psychosocial Rehabilitation Living Skills Training and Health Promotion as defined in the ADHS Covered Behavioral Health Services Guide.

“Team” means a clinical team or child and family team.

“Third-Party Liability” means the obligation of a person, entity, or program by agreement, circumstance, or otherwise, to pay all or part of the expenses incurred by an applicant or member.

“Title XIX” means Title XIX of the Social Security Act, an entitlement program under which the Federal government makes matching funds available for states for health and long term care.

"Title XIX Covered Services" means the covered behavioral health services identified in the ADHS/DBHS Covered Behavioral Health Services Guide as being reimbursable under Title XIX.

"Title XIX Eligible Person" means an individual who meets Federal and State requirements for Title XIX eligibility.

"Title XIX Member" means an individual eligible for Federally-funded Medicaid programs under Title XIX of the Social Security Act, including those eligible under Section 1931 provisions of the Social Security Act (previously AFDC), Sixth Omnibus Budget Reconciliation Act (SOBRA), Supplemental Security Income (SSI), SSI-related groups, and Title XIX Waiver Groups through AHCCCSA.

"Title XXI" means Title XXI of the SSA, known as the SCHIP Program or Kids Care Plan of Arizona. Title XXI provides funds to states to enable them to initiate and expand the provision of child health assistance to uninsured, low-income children.

"Title XXI Covered Services" means those covered behavioral health services identified in the ADHS/DBHS Covered Behavioral Health Services Guide as being Title XXI reimbursable.

"Title XXI Eligible Person" means an individual who meets Federal and State requirements for Title XXI services.

"Title XXI Member" means a person eligible for acute care services under Title XXI of the SSA, referred to in Federal legislation as the SCHIP. The Arizona version of the SCHIP is referred to as KidsCare.

"Transition Period" means the period beginning from the date of the Notice of Award and ending on the Contract Start Date.

"Treatment" means the range of behavioral health care received by a behavioral health recipient.

“Treatment Services” means covered behavioral health services provided to identify, prevent, eliminate, ameliorate, improve, or stabilize specific symptoms, signs, and behaviors related to, caused by, or associated with a behavioral health disorder.

“Tribal RBHA” means a Native American Indian tribe under the IGA with ADHS to coordinate the delivery of behavioral health services to eligible and enrolled persons who are residents of the Federally-recognized Tribal Nation that is the party to the IGA.

“UPC” means Urgent Psychiatric Center.

“UM” means Utilization Management.

“Utilization Management (UM))” means a methodology used by professional health personnel to assess the medical indications, appropriateness, and efficiency of care provided.