

POLICY GA 3.2 CONTRACTOR AND PROVIDER CLAIMS DISPUTES

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- A. PURPOSE: To establish a process to resolve contractor or claim disputes that is consistent with the requirements described by law.
- B. SCOPE: ADHS/DBHS, T/RBHAs, T/RBHA sub-contracted providers and to non-contracted providers of mental health and substance abuse services to eligible persons.
- C. POLICY: This policy is applicable as follows:
- A provider or T/RBHA may utilize the process described herein to resolve a claim dispute.
- This policy does not apply to:
- Contract claims asserted by a T/RBHA against ADHS pursuant to [Arizona Administrative Code Title 2, Chapter 7](#); or
- Disputes between a T/RBHA and a prospective service provider made in connection to the T/RBHA's contracting process.
- D. REFERENCES: [A.R.S. § 12-901 et seq.](#)  
[A.R.S. § 36-2903.01.B.4](#)  
[A.R.S. § 36-3413](#)  
[A.R.S. Title 41, Chapter 6, Article 1 and 10](#)  
[2 A.A.C. 19, Article 1](#)  
[9 A.A.C. 34, Article 4](#)  
[AHCCCS/ADHS Contract](#)  
[AHCCCS Contractor Operations Manual, Section 206](#)  
[ADHS/RBHA Contracts](#)  
[ADHS/TRBHA IGAs](#)  
[Section 5.6, Provider Claims Disputes](#)  
[Section 7.1, Fraud and Program Abuse Reporting](#)
- E. DEFINITIONS:  
[Claim Dispute](#)  
  
[Day](#)  
  
[Filed](#)
- F. GENERAL REQUIREMENTS:  
1. COMPUTATION OF TIME:  
Computation of time for calendar day begins the day after the act, event or decision

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and includes all calendar days and the final day of the period. If the final day of the period is a weekend or legal holiday, the period is extended until the end of the next day that is not a weekend or a legal holiday.

2. Claim Disputes relating to decisions made by ADHS/DBHS or relating to services provided to persons enrolled with a Tribal RBHA shall be addressed by ADHS/DBHS.
3. Claim Disputes of decisions made by a RBHA or a RBHA provider shall be addressed by the RBHA. The RBHA may not delegate this responsibility.
4. ADHS/DBHS or the RBHA shall establish a unique ADHS/DBHS Docket Number for each claim dispute filed. The Docket Number shall be established as follows:
  - a. The ADHS/DBHS or T/RBHA letter code (See [Attachment A](#) for codes);
  - b. The date of receipt of the claim dispute using the MMDDYY format;
  - c. The letter code "P" which designates the case as a claim dispute;
  - d. A four-digit sequential number, which begins on January 1 of each year as 0001.
5. All documentation received during the claim dispute resolution process must be date stamped upon receipt.
6. All claim dispute case records must be filed in secured locations and retained for five years after the most recent decision has been rendered.
7. Delivery of Claim Dispute resolution requests and Notice of Decisions
  - a. All decisions shall be personally delivered or mailed by certified mail to the party at their last known residence or place of business.
  - b. The RBHA shall establish and notify their providers of their delivery or mailing address for the receipt of claim disputes filed with the RBHA.
  - c. Claim disputes filed with ADHS/DBHS shall be delivered or mailed to the following address:

Manager, Office of Grievance and Appeals  
ADHS/DBHS  
150 North 18<sup>th</sup> Avenue, Suite 210  
Phoenix, Arizona 85007
8. Claim Dispute Log  
The ADHS/DBHS Office of Grievance and Appeals database shall maintain the log of all claim disputes initiated under this policy. The RBHA, and ADHS/DBHS on behalf

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of a Tribal RBHA, are responsible for entering all information related to the claim dispute resolution process necessary for the accurate and timely maintenance of the log. The log shall contain:

- a. A unique ADHS/DBHS Docket Number;
- b. A substantive but concise description of the claim dispute including whether the claim dispute is related to the provision of Title XIX or Title XXI covered services;
- c. The date of the underlying claim being disputed;
- d. The date the request for claim dispute resolution was received;
- e. The nature, date, and outcome of all subsequent decisions, appeals, or other relevant events; and
- f. A substantive but concise description of the final decision, the action taken to implement the decision and the date the action was taken.

G. PROCEDURES:

1. Notification of the Right to File a Claim Dispute  
ADHS/DBHS and the RBHA shall ensure that when a claim for payment is denied in whole or in part, or a decision is made to impose a sanction, the affected provider (or T/RBHA in the case of a sanction) is advised in writing of the right to file a claim dispute and how to do so.
2. Initiating a Claim Dispute
  - a. A claim dispute is initiated by filing a written claim dispute with ADHS/DBHS or the RBHA, as indicated in [\(F\)\(2\)](#) and [\(F\)\(3\)](#) of this policy.
  - b. A notice of claim dispute shall specify the factual and legal basis for the claim dispute and the relief requested. Claim disputes will be denied if the filing party has failed to provide a comprehensive factual or legal basis for the dispute.
3. Time for Initiating a Claim Dispute
  - a. A claim dispute relating to the imposition of a sanction must be initiated within 60 days from the date of the notice advising that a sanction will be imposed.
  - b. A claim dispute relating to the denial of a claim for payment in whole or part, or of the non-payment of a claim, must be initiated within 12 months of the date of delivery of the service; 12 months after the date of eligibility posting; or within 60 days after the denial of a timely claim submission, whichever is later.
4. Claim Disputes of ADHS/DBHS or Tribal RBHA Decisions

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- a. Within 5 days of receipt of a claim dispute, ADHS/DBHS shall send written acknowledgment that the claim dispute has been received, will be reviewed and that a decision will be issued within 30 days of receipt of the claim dispute.
- b. If ADHS/DBHS determines that the claim dispute arises out of a decision made by a RBHA or RBHA provider, ADHS/DBHS shall immediately forward the claim dispute to the appropriate RBHA with an explanation of why the claim dispute is being forwarded.
  - (1) A copy of the transmittal shall also be sent by ADHS/DBHS to the party filing the claim dispute.
  - (2) The receiving RBHA shall ensure that a decision is rendered within 30 days of receipt of the notice of claim dispute unless an extension has been granted pursuant to [Section G.6.](#) of this policy.
- c. Within 30 days of receipt of the claim dispute the Deputy Director of ADHS/DBHS shall issue a written, dated decision which shall either be mailed by certified mail or be hand delivered to the party filing a claim dispute. The Notice of Decision shall include a statement of the nature of the claim dispute and the issues involved and shall:
  - (1) Approve or deny the claim for payment; or
  - (2) Affirm or reverse the denial of the claim for payment, in whole or in part; or
  - (3) Affirm or reverse the sanction in whole or in part; and
  - (4) Include the date of the decision; and
  - (5) Include a statement of the reasons for the decision and the statutes, rules and policies involved; and
  - (6) Include a statement of the right to request an administrative hearing by filing a request with the ADHS/DBHS Office of Grievance and Appeals ADHS/DBHS, 150 North 18<sup>th</sup> Avenue, Suite 210, Phoenix, Arizona 85007, within 30 days of receipt of the decision. Included with the statement is a description of the provider's right to request an informal settlement conference.
- d. In the event the claim that is the subject of the claim dispute is overturned, that the Contractor shall reprocess and pay the claim(s) in a manner consistent with the Decision within 15 business days of the date of the Decision. Documentation must be maintained in the claim dispute case file of the timely reprocessing and payment.

5. Claim Disputes of RBHA Decisions

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- a. Within 5 days of receipt of a claim dispute, the director of the RBHA shall send written acknowledgment that the claim dispute has been received, will be reviewed and that a decision will be issued within 30 days of receipt of the claim dispute.
- b. If the RBHA determines that it was not responsible for the claim dispute, the RBHA shall immediately forward the claim dispute to the responsible RBHA or to ADHS/DBHS with an explanation of why the claim dispute is being forwarded.
  - (1) A copy of the transmittal shall be sent by the RBHA to the party filing the claim dispute.
  - (2) The receiving RBHA or ADHS/DBHS shall ensure that a decision is rendered within 30 days of receipt of the notice of claim dispute, unless an extension has been granted pursuant to [Section G. 6](#) of this policy.
- c. Within 30 days of a RBHA's receipt of the claim dispute, the director of the RBHA shall issue a written, dated decision which shall either be mailed by certified mail or be hand delivered to the party filing a claim dispute. The Notice of Decision shall include a statement of the nature of the claim dispute and the issues involved and shall:
  - (1) Approve or deny the claim for payment; or
  - (2) Affirm or reverse the denial of the claim for payment, in whole or in part; or
  - (3) Affirm or reverse the sanction, in whole or in part; and
  - (4) Include the date of the decision; and
  - (5) Include a statement of the reasons for the decision and the statutes, rules and policies involved; and
  - (6) Include a statement of the right to request an administrative hearing by filing a request with the ADHS/DBHS Office of Grievance and Appeals ADHS/DBHS, 150 North 18<sup>th</sup> Avenue, Suite 210, Phoenix, Arizona 85007, within 30 days of receipt of the decision. Included with the statement is a description of the provider's right to request an informal settlement conference.
- d. In the event that the claim that is the subject of the claim dispute is overturned, that the Contractor shall reprocess and pay the claim(s) in a manner consistent with the Decision within 15 business days of the date of the Decision. Documentation must be maintained in the claim dispute case file of the timely reprocessing and payment.

6. Extension of time

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- a. The time to issue a decision under [G.4.c.](#) or [G.5.c.](#) of this policy may be extended for a period that does not exceed a total of 60 days from the original date of receipt with the consent of the parties. Documentation of the extension of time must be maintained in the claim dispute case record.
7. Requests for Administrative Hearing
    - a. In the event that the party filing a claim dispute is dissatisfied with the ADHS/DBHS Deputy Director's or RBHA director's decision, or if a written Notice of Decision is not received within 30 days after the claim dispute is filed, a request for administrative hearing may be filed with the ADHS/DBHS Office of Grievance and Appeals. The request must be filed in writing and received by ADHS/DBHS within 30 calendar days of the date of receipt of the ADHS/DBHS or RBHA's decision, or in the event no decision is rendered, within 30 days of the date of filing the claim dispute.
    - b. A written request for administrative hearing filed with ADHS/DBHS must contain the following information:
      - (1) Provider name, address, AHCCCS Provider ID number, and the ADHS/DBHS docket number;
      - (2) The issue to be determined at the administrative hearing; and
      - (3) The factual and legal basis for the request for administrative hearing.
    - c. Pursuant to [A.R.S. § 41-1092.03](#), upon receipt of a request for an administrative hearing, the ADHS/DBHS Office of Grievance and Appeals shall request that ADHS schedule an administrative hearing pursuant to [A.R.S. § 41-1092.05](#).
    - d. ADHS/DBHS Office of Grievance and Appeals shall accept a written request for withdrawal from the filing party if the request is received prior to ADHS scheduling and mailing the Notice of Hearing. Otherwise, a filing party who wishes to withdraw must send a written request (motion) for withdrawal to the Office of Administrative Hearings consistent with [A.A.C.R2-19-106\(A\)\(3\)](#).
  8. Administrative Process
    - a. The Administrative Hearing Process shall be conducted according to [A.R.S. Title 41, Chapter 6, Article 10](#).
    - b. Rehearing or review of ADHS/DBHS decisions.

For Title XIX and Title XXI covered services, an appellant aggrieved by the Director's decision may appeal the decision to AHCCCSA by filing a written notice of appeal with ADHS, Office of the Director, Arizona Department of Health

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Services, 150 North 18<sup>th</sup> Avenue, Phoenix, Arizona 85007 within 30 calendar days of the decision.

9. Detecting Fraud and Program Abuse
  - a. RBHAs are required to track, trend and analyze claim disputes for purposes of detecting fraud and program abuse. Any suspected fraud and program abuse detected must be reported consistent with the requirements in [ADHS/DBHS Provider Manual Section 7.1, Fraud and Abuse Reporting](#).

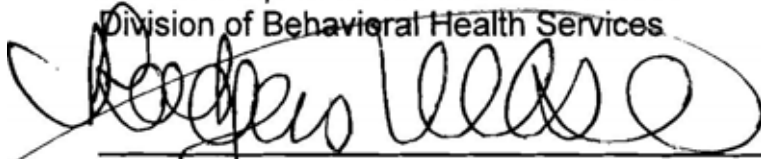
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H. APPROVED BY:

 8/13/09  
\_\_\_\_\_  
Date

Laura K. Nelson, M.D.  
Acting Deputy Director  
Arizona Department of Health Services  
Division of Behavioral Health Services

 8/17/09  
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Date

Rodgers Wilson, M.D.  
Acting Chief Medical Officer  
Arizona Department of Health Services  
Division of Behavioral Health Services

## **ATTACHMENT A**

### **RBHA Codes for Docket Numbers**

M - Magellan

Z – CPSA GSA 3

X – CPSA GSA 5

N - NARBHA

J – Cenpatico GSA 2

K – Cenpatico GSA 4

T - Tribal RBHA

B - ADHS/DBHS