

## Contract Action Fact Sheet

### Overview

This is a summary from the Division of Developmental Disabilities (DDD or Division) Contract Action Unit (CAU) to describe information about the DDD Contract Action process for a Qualified Vendor (QV). DDD wants QV's to have a clearer understanding of their contractual obligations and the DDD Contract Action process. Contract Action Unit assists the Division to ensure ongoing compliance with, and accountability for, the legal and contractual obligations under the Qualified Vendor Agreement (QVA or Agreement).

### Qualified Vendor Agreement

The Agreement between a QV and the Division can be found on the DDD website on the Qualified Vendor System page: [Qualified Vendor Agreement](#)

### Identification of Qualified Vendor Performance Concerns

Important information for all QVs is included within the QVA specific to applicable statutes, rules, or Division and Arizona Health Care Cost Containment System (AHCCCS) policies and/or procedures.

Performance concerns may include, but are not limited to, situations involving immediate jeopardy to the health, safety, or welfare of a Division member. DDD is committed to resolving performance concerns with the QV through clarification, communication, technical assistance, and other collaborative strategies when possible. These strategies are not always possible, and some performance violations can result in immediate contract action including an Enrollment Suspense, Payment Withhold, Stop Work Order or Termination.

The Division takes QV performance seriously. Performance concerns can happen in various ways; issues may come from complaints or concerns escalated by internal or external sources including but not limited to the following:

- Internal communication may come from Division Units including Contract Management, Program Monitoring, Quality Assurance, Network, and Office of Licensing, Certification, and Regulation (OLCR).
- External communication received by the Division may come from Adult Protective Services (APS), Department of Child Safety (DCS), Central Registry, Arizona Department of Public Safety (DPS), law enforcement, Arizona Department of Health Services (ADHS), and or the AHCCCS Office of Inspector General (OIG).

There is not a one-size fits all definition that will capture all the potential variations of QV performance concerns. The Division will always prioritize the health, safety, and welfare of a Division member.

## Contract Action

A contract action is a formal corrective measure taken by the CAU in response to concerns regarding the performance by a QV in reference to the QVA. A contract action can result from a QV not meeting performance expectations; some examples include, but are not limited to:

- Health, safety and welfare of members concerns
- Failure to adhere to federal, state, or local laws, rules or policies
- Failure to provide documentation requested by DDD
- Trends of non-compliance
- Lack of financial viability

The conditions of each situation vary and there are several actions that can occur based on given circumstances. The Division reserves the right to address each situation in the manner the Division considers to be in the best interest of its members.

If a QV is involved in a contract action, the CAU will take steps to better understand the performance concern and ensure the health, safety, and welfare of members. Some of these steps may include:

- An in-person inquiry meeting with the QV and DDD staff to discuss performance concerns
- A written summary documenting what was discussed in the inquiry meeting and whether CAU determines if a contract action will be issued to the QV.

It is important that the QV review the contract requirements included in the QVA to understand the implications and responsibilities of contract performance. The Division considers the quality of services provided to members as a priority and will take contract actions to rectify any performance concerns. A contract action taken by the Division will be the product of ongoing consultation with the Division's Administration, the Department's Office of Procurement, and the Attorney General's Office. Contract actions may include but are not limited to:

- Enrollment Suspense
- Payment Withhold
- Stop Work Order
- Contract Termination

## LINKS

[Qualified Vendor Agreement](#)

[AHCCCS Financial reporting guide for ALTCS Contractors](#)