5000 REINSURANCE POLICY

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REFERENCES: 42 U.S.C. § 1396b (i); 42 U.S.C. § 1396d(r)(5); 42 C.F.R. § 441.35; 42 C.F.R. § 433.135 et seq.; A.R.S. § 36-2903; A.R.S. § 8-512; Title XIX/XXI; A.A.C. R9-22-1001; A.A.C. R9-22-720; AHCCCS Reinsurance Manual; AHCCCS Contract; ISA DD-THP; ACOM 414; AMPM 1620-I; AMPM 310-DD; AMPM 300-2A; AdSS Operations Manual, Policy 414; DDD Operations Policy Manual 414; AdSS Medical Policy Manual 310-DD; DDD Medical Policy Manual 310-DD

PURPOSE

The purpose of this policy is to outline the requirements the Division must meet to request Reinsurance reimbursement from the Arizona Health Care Cost Containment System (AHCCCS).

DEFINITIONS

1. "Adjudicated Claim" means a claim that has been received and processed by the AdSS which resulted in payment or denial of payment.
2. "Behavioral Health Services" or "BHS" means physician or practitioner services, nursing services, health-related services, or ancillary services provided to an individual to address the individual's behavioral health issue.

3. "Biologic Drugs" means products produced by biotechnology. These drugs are referred to as biologicals, biologic drugs, biological drugs, or biopharmaceuticals.
4. "Case" means a record for a Member that is composed of one or more Adjudicated Encounters.
5. "Case Type" means a description of the type of Reinsurance being paid to the Division based on the Member's medical condition and eligibility. Case Types include, but are not limited to DES, Hemophilia, von Willebrand Disease, Gaucher's Disease, Biologic or high cost specialty drugs, transplants, and High Cost Behavioral Health Services.
6. "Catastrophic Reinsurance" means reimbursement, full or partial, depending on the Case Type, from AHCCCS to the Division for the cost of care associated with certain medical conditions and specific drugs described in the Contract, AMPM, and DDD policy.
7. "Clean Claim Status" or "Clean Encounter" means a claim or Encounter that may be processed in the AHCCCS Prepaid Medical Management Information System (PMMIS) without obtaining additional information from the Contractor of service or from a third party; and has passed all of the Encounter and Reinsurance edits within the 15-month timely

filing deadline. This does not include claims under investigation for fraud or abuse or claims under review for medical necessity.

8. "Coinsurance" means the percentage rate, established each Contract Year by AHCCCS, at which AHCCCS will reimburse the Division for covered services incurred above the Deductible.
9. "Contract" means, for the purposes of this policy, the legal written agreement that the Division has with AHCCCS for providing health care coverage to Members who are eligible for ALTCS. This coverage includes physical health services and Behavioral Health Services.
10. "Contractor" or "Division" for the purposes of this policy, means an organization or entity that has a prepaid capitated Contract with AHCCCS to provide goods and services to Members, either directly or through subcontracts with providers, in conformance with contractual requirements, AHCCCS statutes and rules, and Federal law, and regulations.
11. "Contract Year" means the twelve-month period beginning on October 1st through and including September 30th for Reinsurance. The Contract Year may not correspond with the term of a Contract as specified in Section A of an entity's Contract with AHCCCS.

12. "Deductible" means the annual amount, established each Contract Year by AHCCCS, of Reinsurance covered services that must be paid and encountered by the Division for each individual Member before the Division receives Reinsurance payments from AHCCCS.
13. "DES Case Type" means certain covered inpatient facility services as described in the Contract, AMPM, and this policy that may qualify for Reinsurance reimbursement.
14. "Early and Periodic Screening, Diagnosis, and Treatment" or "EPSDT" means covered services for Members under 21 to correct or ameliorate physical and mental defects, conditions, and illnesses discovered by the screening process when those services fall within one of the 28 optional and mandatory categories of "Medical Assistance" as defined in the Medicaid Act (Federal Law Subsection 42 USC 1396d (a)). Services are covered under EPSDT even when they are not listed as covered services in the AHCCCS State Plan, AHCCCS statutes, rules, or policies as long as the services are medically necessary and cost effective.
15. "Encounter" means a record of health care related service that is a mirror image of a claim and is rendered by a provider or providers

registered with AHCCCS to a Member who is enrolled with the Division on the date of service.

16. "Gaucher's Disease" means an inherited metabolic disorder in which harmful quantities of a fatty substance called glucocerebroside accumulates in the spleen, liver, bone marrow and, in rare cases, the brain.
17. "Hemophilia" means a group of hereditary genetic disorders that impair the body's ability to control blood clotting or coagulation. There are three types of Hemophilia - A, B, and C. The severity of Hemophilia is related to the amount of clotting factor in the blood.
18. "High Cost Behavioral Health" or "BEH" means specialized mental health services for ALTCS Members that were discontinued under Catastrophic Reinsurance, unless the Member was approved prior to October 1, 2007 and was active on September 30, 2007.
19. "Member" means the same as "client" as defined in A.R.S. § 36-551.
20. "Prepaid Medical Management Information System" or "PMMIS" means the AHCCCS mainframe pricing system of record that the Division uses for accessing the Reinsurance System.

21. "Prior Period Coverage" or "PPC" means the period of time prior to the Member's enrollment, during which a Member is eligible for covered services. The timeframe is from the effective date of eligibility to the day a Member is enrolled with the Division.
22. "Prospective Coverage" means the period of time from when the AdSS receives notification the Member has been assigned to their plan and is expected to be capitated for the Member.
23. "Regular Reinsurance" means a partial reimbursement from AHCCCS to the Division for covered inpatient facility services (DES Case Type) as described in the Contract, AMPM, and DDD policy.
24. "Reinsurance" or "RI" means a stop-loss program provided by AHCCCS to the Division for the partial reimbursement of covered medical services incurred for a Member beyond an annual Deductible level.
25. "Reinsurance Payment Cycle" means the monthly updating of Reinsurance files in PMMIS for payment processing starting the first Wednesday of the month from 5:00 p.m. until the following Wednesday morning.
26. "Reinsurance System" means the PMMIS application for accessing Reinsurance Case data.

27. "Skilled Nursing Facility" or "SNF" means a nursing facility for those Members who need nursing care 24 hours a day, but who do not require hospital care under the daily direction of a physician.
28. "Third Party Liability" or "TPL" means the resources available from a person or entity that is, or may be, by agreement, circumstance or otherwise, liable to pay all or part of the medical expenses incurred by a Member eligible for AHCCCS benefits.
29. "Von Willebrand Disease" means an inherited blood disorder characterized by prolonged bleeding time. It is the most common hereditary bleeding disorder in humans.

POLICY

A. GENERAL REINSURANCE REIMBURSEMENT REQUIREMENTS FOR ALL CASE TYPES

1. The Division shall comply with the terms and conditions of the Contract with AHCCCS.
2. The Division shall require the Administrative Services Subcontractors (AdSS) to be responsible for the annual Deductible levels as determined by AHCCCS for covered medical services for each Member for the Contract Year.

3. The Division shall submit Reinsurance reimbursement requests from the AdSS to AHCCCS for Reinsurance covered services incurred for a Member beyond the annual Deductible level.
4. The Division shall require Encounters from the AdSS to meet the following criteria to qualify for Reinsurance reimbursement:
    a. The Encounter is approved and adjudicated within required time frames per the AHCCCS Contract and this policy;
    b. The Encounter associates to a Reinsurance Case;
    c. The Encounter is medically necessary;
    d. The service is non-experimental;
    e. The service is cost effective; and
    f. The service does not exceed an established cost threshold.
5. Upon receiving the Reinsurance funds from AHCCCS, the Division shall reimburse the AdSS the established AdSS Contract Coinsurance rate for Encounters that associate to a Reinsurance Case.
6. The Division shall not reimburse the AdSS for final Reinsurance claims which cross over Contract Years.

7. The Division shall base reimbursement of all covered Reinsurance Encounters on the following, unless costs are paid under a sub-capitated arrangement as outlined in subsection (8):
    a. Costs paid by the AdSS;
    b. Net of interest;
    c. Penalties;
    d. Discounts;
    e. AHCCCS Coinsurance rates;
    f. Medicare payment; and
    h. Third Party Liability (TPL) payment.
8. The Division shall base reimbursement of Reinsurance Encounters for costs paid under a sub-capitated arrangement on the following:
    a. The lower of the AHCCCS allowed amount;
    b. Reported AdSS paid amount;
    c. Net of interest;
    d. Penalties;
    e. Discounts;

f. AHCCCS Coinsurance rates;

g. Medicare payment; and

h. TPL payment.

9. The Division shall refer to the Reinsurance page on the AHCCCS website for current:

a. Deductible levels;

b. Coinsurance rates;

c. Eligibility requirements;

d. Documentation requirements;

e. Covered high cost or Biologic drugs;

f. Required time frames for submitting documentation and requests;

g. Reinsurance forms;

h. AHCCCS Reinsurance policy;

i. Transplant rates and Contracts; and

j. Reinsurance processing training manual and instructions.

10. The Division and the AdSS shall coordinate benefits with first party, Medicare, and TPL payers as required by Division Operations Policy Chapter 4001 and by the AHCCCS Contract.

11. The Division shall submit requests for Reinsurance reimbursement to AHCCCS by 5:00 p.m. if the due date lands on a business day; or by 5:00 p.m. the next business day, if the due date lands on a weekend or State-recognized holiday.
12. The Division may perform medical audits on Reinsurance Cases with advance notice to the AdSS.

B. REGULAR REINSURANCE (DES CASE TYPE) REQUIREMENTS

1. The Division shall request from AHCCCS partial reimbursement for the following Regular Reinsurance covered inpatient hospital services provided to Members:
    a. Acute care hospitals (provider type 02);
    b. Specialty per diem hospitals (provider type C4);
    c. Accredited psychiatric hospitals (provider type 71);
    d. Per diem rates for Skilled Nursing Facility (SNF) services provided within 30 days following an acute inpatient hospital stay, including room and board, provided in lieu of hospitalization for up to 90 days in any Contract Year when:

i. The SNF stay is the first continuous SNF stay post inpatient discharge; or

ii. The second SNF admission follows an additional inpatient stay.

e. Services specified in the AHCCCS Reinsurance System RI325 screen entitled "RI Covered Services".

2. The Division shall not request Regular Reinsurance from AHCCCS for the following inpatient provider service types that are not covered by AHCCCS:

a. Same day admit-and-discharge services;

b. Mental health residential treatment centers;

c. Subacute facilities; and

d. Services that are not specified in the AHCCCS Reinsurance System RI325 screen entitled "RI Covered Services".

3. The Division shall pay Regular Reinsurance for the Member's Prospective Coverage and Prior Period Coverage (PPC) enrollment periods.

4. The Division shall reimburse the AdSS for Regular Reinsurance benefits once per month, subject to the availability of funds.

5. The Division shall follow the same requirements in this section for requesting Regular Reinsurance for Tribal Health Program (THP) claims.
6. The Division shall not pay Regular Reinsurance on the following types of claims:
    a. Final claims that cross over Contract Years; and
    b. Interim claims.
7. The Division shall request Regular Reinsurance consideration from AHCCCS for the final claim associated with the full length of a Member's hospital stay as long as the days of the hospital stay do not cross Contract Years.

C. GENERAL CATASTROPHIC REINSURANCE REQUIREMENTS

1. The Division shall request from AHCCCS partial reimbursement of Catastrophic Reinsurance for medically necessary covered services provided to Members for the following Case Types:
    a. Hemophilia;
    b. Von Willebrand Disease;
    c. Gaucher’s Disease;
    d. Biologic or high-cost specialty drugs;

e. High Cost Behavioral Health; and

f. Case Types other than transplants exceeding $1 million.

2. The Division shall not require Deductibles for Catastrophic Reinsurance Cases.

3. The Division shall request a new Catastrophic Reinsurance Case by submitting the following documents received from the AdSS to the AHCCCS Division of Health Care Management (DHCM) Medical Management Department (MM) within 30 days of the Member's initial diagnosis or enrollment with the Division:

   a. The Request for Catastrophic Reinsurance form; and

   b. Supporting clinical documentation.

4. The Division Health Care Services (HCS) shall review medical documentation submitted by the AdSS to confirm the Member's medical condition meets the criteria in Sections D, E, and F of this policy prior to submitting a request for a new Catastrophic Reinsurance Case to the AHCCCS MM.

5. The Division shall submit the following documentation received from the AdSS to the AHCCCS MM within 30 days of the start of

the Contract Year for continuation of previously approved Catastrophic Reinsurance Cases:

a. The Request for Catastrophic Reinsurance form; and

b. The Non-Transplant Catastrophic Reinsurance Member List form.

6. The Division may require supporting clinical documentation from the AdSS for previously approved Catastrophic Reinsurance.

7. The Division shall submit approval or denial letters received from AHCCCS in response to Request for Catastrophic Reinsurance forms to the AdSS that submitted the request.

8. The Division shall utilize the AHCCCS Contract for Hemophilia factor and blood disorders as the authorizing payor.

9. The Division shall reimburse the AdSS for all medically necessary services provided during the Contract Year:

a. The current Coinsurance Rate for Catastrophic Cases; or

b. The AdSS’s paid amount, whichever is lower, depending on the subcap/CN1 code on the Encounter.

10. The Division shall reimburse the AdSS Catastrophic Reinsurance retroactively for a maximum of 30 days from the date the request is received by the AHCCCS MM.
11. The Division shall delegate prior authorization and care coordination to the AdSS for all components covered under the Contract for their Members.
12. The Division shall pay Reinsurance on catastrophic claims that contain any PPC and Prospective Coverage.

D. CATASTROPHIC REINSURANCE COVERAGE FOR BLOOD DISORDERS

1. The Division shall ensure Catastrophic Reinsurance coverage is available for all Members diagnosed with Hemophilia.
2. The Division shall base Catastrophic Reinsurance coverage for von Willebrand Disease on the following criteria:
    a. Type 1 and Type 2A that do not respond to desmopressin (DDAVP);
    b. Type 2B, Type 2M, and Type 2N based on diagnosis only; and
    c. Type 3 based on diagnosis only.

3. The Division shall base Catastrophic Reinsurance coverage for all Members diagnosed with Gaucher's Disease Type I.
4. The Division shall not request Catastrophic Reinsurance for Gaucher's Disease Type 2 and Type 3.

E. CATASTROPHIC REINSURANCE COVERAGE FOR BIOLOGIC OR HIGH-COST SPECIALTY DRUGS

1. The Division shall request Catastrophic Reinsurance from AHCCCS to cover the cost of medically necessary Biologic and high-cost specialty drugs for Members.
2. The Division shall request Catastrophic Reinsurance for the covered Biologic and high cost specialty drugs listed in the AHCCCS Reinsurance Processing Manual located on the AHCCCS website.
3. The Division shall reimburse Catastrophic Reinsurance to the AdSS as follows when a biosimilar or generic equivalent of a Biologic Drug is available, and is more cost effective than the brand-name product:
    a. The current Catastrophic Coinsurance rate of the lesser of the Biologic or high-cost or its biosimilar equivalent for

Reinsurance purposes unless the biosimilar equivalent is contraindicated for a specific Member.

b. The current Catastrophic Coinsurance rate of the paid amount of the branded Biologic Drug if the AHCCCS Pharmacy and Therapeutics Committee mandates the utilization of only the brand name Biologic or high-cost specialty drug rather than the biosimilar.

4. The Division shall, in the instances in which AHCCCS has specialty Contracts, or when legislation and policy limits the allowable reimbursement, shall reimburse the Catastrophic Coinsurance rate of the lesser of:
   a. The AHCCCS contracted or mandated amount; or
   b. The AdSS's paid amount.
5. The Division may submit requests for new biological drugs or high-cost specialty drugs to the AHCCCS Reinsurance Unit for consideration for Reinsurance purposes.
6. The Division shall require the AdSS to encounter all Biologic or high-cost specialty drugs on a Form C pharmacy claim to be eligible for Reinsurance.

F. CATASTROPHIC REINSURANCE COVERAGE FOR HIGH COST BEHAVIORAL HEALTH

1. The Division shall request Catastrophic Reinsurance reimbursement from AHCCCS for medically necessary covered services provided during the Contract Year for Members enrolled in the High Cost Behavioral Health (BEH) Program prior to October 1, 2007.
2. The Division shall submit the following to the AHCCCS MM no later than 10 business days prior to the expiration of the current approval to request continuation of BEH Reinsurance Reimbursement:
    a. The High Cost Behavioral Health Reinsurance form, located in the AHCCCS website reauthorization request; and
    b. Supporting medical documentation as required in AMPM 1620-I.
3. The Division shall use Adjudicated Encounters for covered services provided to enrolled BEH Members to determine Reinsurance reimbursement.

4. The Division shall base Reinsurance coverage on documentation substantiating the Member's treatment is provided in the least restrictive treatment setting.

G. HIGH DOLLAR CATASTROPHIC REINSURANCE COVERAGE - $1,000,000+

1. The Division shall reimburse the AdSS 100% for all medically necessary Reinsurance covered expenses provided in a Contract Year for Case Types other than transplants, after the Reinsurance Case total value meets or exceeds $1 million, which is comprised of:
   a. The total AdSS paid amount; and
   b. The Deductible.
2. The Division shall require the AdSS to notify the Division once a Reinsurance Case total value reaches $1 million.
3. The Division, upon notification from the AdSS that a Reinsurance Case total value has reached $1 million, shall submit to AHCCCS:
   a. A Reinsurance Action Request form via the SFTP;
   b. A Catastrophic Case CRN Transfer Request form via the SFTP;

c. A request via email to the AHCCCS Reinsurance Supervisor and Reinsurance Analyst to create Case for the specific Case Type.

4. The Division shall disqualify the AdSS from receiving 100% reimbursement for Catastrophic Cases and related Encounters exceeding $1 million when the AdSS fails to do the following within 15 months of the end date of service:

a. Notify the Division of a Reinsurance Case reaching $1 million; or

b. Notify the AHCCCS Reinsurance Unit of Encounters that should be transferred; or

c. Adjudicate related Encounters.

H. CATASTROPHIC REINSURANCE COVERAGE FOR THP MEMBERS

1. The Division shall request Catastrophic Reinsurance reimbursement from AHCCCS for THP Members for the following Case Types:

a. Hemophilia;

b. Von Willebrand Disease;

c. Gaucher’s Disease;

d. Biologic or high-cost specialty drugs;

e. High Cost Behavioral Health; and

f. Case Types other than transplants exceeding $1 million.

2. The Division shall identify THP Cases eligible for Catastrophic Reinsurance reimbursement by data mining Encounters and claims information received weekly from AHCCCS and the AHCCCS pharmacy benefit manager.

3. The Division shall adhere to the general Catastrophic Reinsurance requirements listed in Section C of this policy for THP Members.

4. The Division shall use the same Case Type criteria for coverage of the medical conditions in Sections D, E, F, and G of this policy for THP Members.

J. TRANSPLANT REINSURANCE OVERVIEW

1. The Division shall request transplant Reinsurance from AHCCCS to partially reimburse the AdSS for the cost of care for enrolled Members:

a. Age 21 years and older who meet transplant Reinsurance coverage criteria for the specific transplant types listed AMPM 310-DD and the AHCCCS State Plan.

b. Under age 21, who under the EPSDT Program, are covered for all non-experimental transplants necessary to correct or ameliorate defects, illnesses, and physical conditions whether or not the particular non-experimental transplant is covered by the AHCCCS State Plan or listed in AMPM 310-DD.

2. The Division shall comply with the terms and conditions of the AHCCCS transplant specialty Contract.

3. The Division shall not require Deductibles for Transplant Reinsurance Cases.

4. The Division shall reimburse the AdSS the AHCCCS contracted Coinsurance rate for transplant services that qualify for Reinsurance.

5. The Division shall reimburse the AdSS the current AHCCCS contracted rates for the following transplant components:

a. Outpatient transplant evaluation;

b. Donor search and harvesting of the donor cells for stem cell transplants;

c. Preparation and transplant; and

d. Post-transplant care (Days 1 – 30 and Days 31 – 60).

6. The Division shall require the AdSS to notify the Division and AHCCCS when a Member is referred to a transplant facility for evaluation for an AHCCCS-covered organ transplant.

7. The Division shall oversee the following responsibilities of the AdSS when the AHCCCS transplant specialty Contract is used:

a. Prior authorization; and

b. Care coordination.

K. TRANSPLANT CASE CREATION REQUIREMENTS

1. The Division shall require the AdSS to submit the Request for Transplant Reinsurance form to the Division within 30 days of the Member's first component of the transplant.

2. The Division HCS shall review all Requests for Transplant Reinsurance forms, supporting clinical documentation, and relevant AdSS policy received from the AdSS to confirm whether the transplant is:

a. Medically necessary;

b. Covered by AHCCCS;

c. Considered the standard of care; and

d. Not considered experimental.

3. The Division, upon determining the criteria are met in item 2 of this section, shall submit the Request for Transplant Reinsurance form received from the AdSS to the AHCCCS MM within 30 days of the Member's first component of the transplant to request approval and activation of the transplant Case in the PMMIS system for Reinsurance reimbursement.

4. If the Division receives a request for transplant Reinsurance that is outside the criteria in J(1)(a) of this policy, the Division may consult an independent review organization regarding whether a request for transplant Reinsurance is considered the standard of care and medically necessary.

5. If the Division determines the transplant should be authorized after receiving consultation from an independent review organization, the Division shall notify the AHCCCS MM of the

pending decision and submit the Request for Transplant Reinsurance form as required in item 1 of this section.

6. The Division shall submit to AHCCCS MM the Transplant Reinsurance Crossover Member List received from the AdSS for Members requiring continuation of previously approved transplant Reinsurance.
7. The Division shall refer to the Reinsurance Transplant Case Key Entry Instructions Manual on the AHCCCS website for transplant case management in the PMMIS system.
8. The Division may deny Reinsurance reimbursement to the AdSS for:
    a. Failure to timely submit clean Reinsurance claims; or
    b. Failure to submit the Request for Transplant Reinsurance form to the Division within 30 days of the first component of the transplant.
9. The Division shall submit approval or denial letters received from AHCCCS in response to Request for Transplant Reinsurance forms to the AdSS that submitted the request.

L. REQUIRED TRANSPLANT CASE COMMUNICATION

1. The Division shall communicate the Division's transplant activity by submitting Quarterly Transplant Log form located on the AHCCCS website to the AHCCCS MM no later than 15 days after the end of each quarter as instructed in the AHCCCS Reinsurance Processing Manual.
2. The Division shall not alter or password protect the Quarterly Transplant Log format prior to submission to AHCCCS.
3. The Division shall submit the Quarterly Transplant Log with all the transplant activity from the previous Contract Year on or before October 15th of each year.
4. The Division shall remove all non-active Members from the Quarterly Transplant Log that is submitted for the new Contract Year on or prior to January 15th.
5. The Division shall only include transplant components that are reinsurable by AHCCCS on the Quarterly Transplant Log for the new Contract Year.

M. TRANSPLANT CLAIM REINSURANCE REIMBURSEMENT

1. The Division shall not reimburse the AdSS Regular Reinsurance if AHCCCS determines that a transplant is not eligible for transplant Reinsurance coverage.
2. The Division shall not reimburse the AdSS for the following transplants that are not eligible for transplant Reinsurance coverage:
    a. Bone graft transplants;
    b. Corneal transplants; and
    c. Kidney transplants.
3. The Division may submit to AHCCCS for consideration a request for Regular Reinsurance for transplants that do not qualify for transplant Reinsurance.
4. The Division shall not reimburse transplant Reinsurance for Members who have TPL including:
    a. Medicare Part A; or
    b. Medicare Parts A and B.

5. The Division may reimburse transplant Reinsurance, less any payments received from Medicare, for Members with Medicare coverage under the below circumstances:
    a. If the Member has Medicare Part A and has exhausted their Medicare Part A benefit including lifetime reserve days during a transplant stage, only that stage and subsequent stages may qualify for Reinsurance.
        i. If the Member chooses not to use their available lifetime reserve days, the transplant stages will not qualify for transplant Reinsurance.
    b. If the Member has Medicare Part B only.
    c. If the Member qualifies for partial transplant coverage, an explanation of benefits (EOB) with Medicare payments must:
        i. Balance with the Medicare payments in PMMIS; and
        ii. State that the Member has exhausted Medicare Part A.
6. The Division shall pay transplant Reinsurance reimbursement if Medicare does not cover a transplant type based on the

Member's diagnoses and the transplant type is an AHCCCS covered benefit.

7. The Division shall not apply quick pay discounts or interest to transplant Reinsurance reimbursements.
8. The Division shall retroactively reimburse transplant Reinsurance to the AdSS a maximum of 30 days from the date the Request for Transplant Reinsurance form was received and approved by AHCCCS.
9. The Division shall require the AdSS to submit clean Reinsurance claims to AHCCCS no later than 15 months from the end date of service for each transplant component in order to receive transplant Reinsurance reimbursement.
10. The Division shall recognize the submission date of Reinsurance claims to AHCCCS as the date of receipt by the AHCCCS Administration, DHCM Reinsurance Unit.
11. The Division may deny transplant Reinsurance reimbursement to the AdSS for:
    a. Failure to timely submit clean transplant Reinsurance claims; or

b. Failure to submit the Request for Request for Transplant Reinsurance form to the Division within 30 days of the first component of the transplant.

12. The Division shall require the AdSS to file transplant Encounters with a CN1 code of 09 in order for the Encounter to associate to the transplant Case.

13. The Division shall require the AdSS to void and replace an incorrectly coded transplant Encounter with the correct CN1 code if there is more than 45 days before the 15-month timely filing deadline.

14. If there is less than 45 days before the 15-month timely transplant claim filing deadline, the Division may require the AdSS to:

    a. Submit a request to the AHCCCS Reinsurance analyst to manually associate transplant Encounters to the transplant Case; and

    b. Submit a list of the CRNs by form type and in numerical order that must be transferred on a Reinsurance Action Request Form, prior to the 15-month timely filing deadline.

15. The Division shall only reimburse transplant Reinsurance for adjudicated Encounters that are associated with the transplant Case.
16. The Division shall reimburse Reinsurance for transplant stages when billed amounts and health plan paid amounts for adjudicated Encounters agree with supporting transplant claim and invoice amounts on the PMMIS RI115 screen.
17. The Division shall apply prorated calculations based on the number of days used in the stage only when:
    a. Tandem transplants occur; or
    b. A Member changes Health Plans, in the middle of a transplant stage.
18. The Division shall submit the following documentation received from the AdSS to the AHCCCS Reinsurance SFTP folder to request Reinsurance reimbursement for transplant stages:
    a. The Transplant Stage Invoice Cover Sheet; and
    b. The transplant checklist documentation requirements from the AHCCCS Reinsurance Processing Manual.

19. The Division shall calculate timeliness for each transplant stage payment based on the latest adjudication date for the complete set of Encounters related to the stage.
20. The Division shall notify AHCCCS by email that the information in item 18 a. - b. has been posted to the AHCCCS Reinsurance SFTP folder.

N. REQUIREMENTS FOR TRANSPLANTS THAT SPAN CONTRACT YEARS

1. The Division shall base the transplant stage Reimbursement rate on the end date of the stage.
2. The Division shall require the AdSS to split a transplant stage spanning two Contract Years based on the actual dates within the two Contract Years.
3. The Division shall not require the AdSS to split transplant Encounters spanning two Contract Years unless a transplant component exceeding 60 days exists.
4. The Division shall submit the Reinsurance Action Request Form received from the AdSS to the AHCCCS DHCM Reinsurance Unit

to request the transfer of transplant Encounter(s) spanning Contract Years to the Case based on the end date of the stage.

O. OUTLIER THRESHOLD COVERAGE FOR TRANSPLANTS

1. The Division shall pay the AdSS transplant outlier coverage upon AHCCCS approval of the AdSS's request for outlier coverage of a transplant Case.
2. The Division shall submit the following documentation received from the AdSS to the AHCCCS DHCM Reinsurance Unit to request consideration for transplant outlier coverage:
    a. Transplant Outlier Template form located on the AHCCCS website; and
    b. The documentation listed in the outlier checklist from the AHCCCS Reinsurance Processing Manual.

P. CLAIM ENCOUNTER DOCUMENTATION AND TIMEFRAMES FOR TRANSPLANT CONTRACTS

1. The Division shall submit adjudicated transplant claims for each stage of the solid organ transplantation or hematopoietic cellular therapy received from the AdSS to the AHCCCS DHCM

Reinsurance Unit no later than 15 months from the end date of service.

2. The Division shall consider adjudicated and payable transplant Encounters for the particular transplant stage completed on or before the 15-month timeframe, as a Clean Claim.
3. The Division shall require the AdSS to submit outlier claim components to the Division no later than 15 months from the end date of the last completed stage.
4. The Division shall submit the transplant Encounter file received from the AdSS to the AHCCCS DHCM Reinsurance Unit at least 45 days prior to the 15-month deadline to ensure that the adjudication meets the 15-month timeframe.
5. If the Division submits the Encounter file to AHCCCS less than 45 days before the 15-month timeframe and the adjudication has not been completed by the 15-month deadline, then the claim will be denied for not having achieved Clean Claim status within the required timeframe.

6. The Division shall base timeliness of the claim submission for each stage of the transplant on the submission date for the complete set of Encounters related to the stage.
7. The Division shall base timeliness for each transplant stage payment on the latest adjudication date for the complete set of Encounters related to the transplant stage.

Q. POST TRANSPLANT INPATIENT STAYS EXCEEDING 11 OR 61 DAYS

1. The Division shall apply the following requirements for continuous post-transplant inpatient care from the date of the prep and transplant component from day 11+ and for kidney transplants from day 61+ for all other Case Types:
   a. The Division shall reimburse the claim or Encounter for the continuous inpatient stay for day 11+ for kidney and day 61+ for all other Case types for all Members at 75% of the transplant per diem rate less the Deductible.
   b. The Division shall pay outlier reimbursement when the cost threshold of the claim or Encounter for the continuous

inpatient stay for day 11+ for kidney transplants and day 61+ for all other Case Types is met or exceeded.

c. The Division shall ensure all day 11+ and day 61+ Encounters are received by AHCCCS prior to adjudication.

d. The Division shall split Encounters submitted for a day 11+ and day 61+ stage that spans Contract Years.

e. The Division shall refer to the AHCCCS website to access the Day 11+ or 61+ Transplant Component Worksheet and Instructions form.

2. The Division, using the Day 11+ or 61+ Outlier Worksheet and Instructions from the AHCCCS website, shall request from AHCCCS outlier reimbursement for transplant days 11+ and 61+ paid at the per diem rate pursuant to the AHCCCS transplant specialty Contract at an established cost threshold.

R. TRANSPLANT TRANSPORTATION AND LODGING REINSURANCE REIMBURSEMENT REQUIREMENTS

1. The Division shall reimburse Reinsurance for transportation, room, and board to the AdSS at the AHCCCS allowable rates for

the transplant candidate or recipient, potential donor or donor and, if needed, one adult caregiver.

2. The Division shall require the AdSS to submit a request to AHCCCS Reinsurance Finance using the Transplant Transportation Lodging form found on the AHCCCS website.

S. MULTI-ORGAN TRANSPLANTS THAT ARE NOT COVERED IN THE AHCCCS SPECIALTY CONTRACTS

1. The Division may request authorization from AHCCCS MM for transplant Cases that overlap when a second transplant component is started within the timeframe of an established component.
2. If a Member requires a multi-organ transplant, the Division shall request Reinsurance for the following:
   a. The preparation and transplant components for each organ when performed separately; and
   b. The post-transplant component that provides the AdSS with the highest reimbursement and covers the longest period of time.

c. The surgical component of the second transplant, if a second covered organ transplant is performed during the post-transplant periods of the first transplant.

3. If approved by AHCCCS, the Division shall reimburse prorated Reinsurance for the first transplant component and provide Reinsurance reimbursement for the surgical component of the second transplant. This component is followed by the initial day 1-30 post-transplant component and the day 31- 60 post-transplant component.

4. The Division shall follow all applicable notification and claims filing requirements when requesting authorization for Reinsurance reimbursement for multi-organ transplants that are not covered by AHCCCS.

T. MULTI-SEQUENCE TRANSPLANTS

1. The Division shall request authorization from AHCCCS MM for a transplant Case that requires an additional transplant for the same transplant type and an additional transplant sequence is started within the timeframe of an established component.

2. If a Member requires a second sequence transplant, the Division shall request Reinsurance for the initial transplant until the prep and transplant of the additional sequence occurs.
3. If an additional sequence is performed during the post-transplant periods of the previous transplant, the Division, upon approval from AHCCCS, shall reimburse the AdSS the prorated transplant component that coincides with the prep and transplant of the following sequence.
4. The Division shall follow all applicable AHCCCS notification and claims filing requirements when requesting Reinsurance reimbursement for multi-sequence transplants.

U. OUT OF STATE OR NON-CONTRACTED FACILITIES AND NON-CONTRACTED TRANSPLANTS

1. The Division shall, prior to the Member receiving out of state transplant services, require the AdSS to request approval for Reinsurance from AHCCCS if the transplant services are:
   a. At non-contracted transplant facilities; or
   b. At out-of-state contracted facilities for non-contracted transplant types.

2. The Division shall require the AdSS to obtain prior approval from the AHCCCS Medical Director for using an out of state non-contracted facility for an AHCCCS covered and contracted transplant service.
3. The AdSS shall, if prior approval is not obtained for using an out of state non-contracted facility for an AHCCCS covered and contracted transplant service:
    a. Incur costs for transplant services at the out of state facility;
    b. Be ineligible for either transplant or Regular Reinsurance; and
    c. Be ineligible for costs to be excluded from any applicable reconciliation calculations.
4. The Division shall, for an AHCCCS approved transplant performed out of state at a non-contracted facility, reimburse at 85% of the lesser of:
    a. The AHCCCS transplant contracted rate for the same organ or tissue, if available; or
    b. The AdSS paid amount.

5. The Division shall reimburse transplant Reinsurance depending on the unique circumstances of each AHCCCS approved non-contracted transplant, at 85% of the AdSS's paid amount for comparable Case or component rates.

V. SPLIT STAGES WHEN CONTRACTOR ENROLLMENT CHANGES

1. The Division shall require the AdSS to notify the Division when a Member changes AdSS during a transplant stage.
2. The Division shall edit the transplant stages in PMMIS for the dates of service each AdSS provided to the Member, when transplant stages are split between two AdSSs.

W. TRANSPLANT REINSURANCE REQUIREMENTS FOR THP MEMBERS

1. The Division shall submit the Request for Transplant Reinsurance form to the AHCCCS MM to create the transplant Case.
2. If the Request for Transplant Reinsurance is made by any entity other than the Division, the DDD Transplant Coordinator and DDD Reinsurance shall receive notification from AHCCCS MM.
3. The Division shall coordinate Transplant Reinsurance payment of claims and reimbursement with AHCCCS.

X. ENCOUNTER SUBMISSION REQUIREMENTS

1. The Division shall reimburse the AdSS for Reinsurance claims that correspond to Encounters that associate to a Reinsurance Case.
2. The Division shall require the following Reinsurance-associated Encounters except as provided for claim disputes, to reach an adjudicated status within 15 months from the end date of service, or date of eligibility posting, whichever is later to be considered as timely filed:
    a. Replacements;
    b. Voids; and
    c. New day Encounters
3. The AdSS shall not manually replace or void Encounters during the Reinsurance Payment Cycle.
4. The Division shall require the AdSS to void Encounters that are recouped in full.

Y. TIME LIMITS FOR FILING REINSURANCE CLAIMS

1. The Division shall pay the AdSS's Reinsurance claims for Regular Reinsurance Cases that are created automatically by PMMIS once

the Encounter reaches an adjudicated status through the Encounter System.

2. The Division shall require the AdSS to submit written requests for Reinsurance consideration for all other Reinsurance claims to the Division, except for Regular Reinsurance, using the required forms as described in this policy.
3. The Division shall require the AdSS to submit Encounters for Reinsurance that have attained a clean status no later than 15 months from the end date of service.
4. The Division shall require the AdSS to submit retro-eligibility Encounters that have attained a Clean Claim status no later than 15 months from the date of eligibility posting.
5. For Encounters undergoing Member appeal, provider claim dispute, grievance or other legal action, including an informal resolution originating from a request for a formal claim dispute or Member appeal, the Division shall consider the claim timely if:
    a. The decision letter is received by AHCCCS no later than 90 days from the date of the final decision in that action; and

b. The Encounters reach adjudicated status no later than 90 calendar days from the date of the final decision in that action, even if the 15-month deadline for attaining Clean Claim status has expired.

6. The Division shall not reimburse the AdSS Reinsurance if the AdSS fails to submit the adjudicated Encounter and the decision documentation within 90 calendar days of the date of the final claim dispute decision or hearing decision, or Director's decision, or other legal action, whichever is applicable.

Z. ADMINISTRATIVE DISPUTE REQUIREMENTS

The Division shall require the AdSS to follow the administrative dispute process as instructed in the AHCCCS Reinsurance Processing Manual located on the AHCCCS website, if the AdSS has exhausted Reinsurance refiling or reconsideration processes and still disagrees with an action taken regarding a Reinsurance claim.

AA. DIVISION OVERSIGHT

1. The Division shall oversee the AdSS utilizing the following methods to ensure compliance with policy:

a. Annual Operational Review of each AdSS,

b. Review and analyze deliverable reports submitted by the AdSS, and

c. Conduct oversight meetings with the AdSS for the purpose of:

i. Reviewing compliance,

ii. Addressing concerns with access to care or other quality of care concerns,

iii. Discussing systemic issues, and

iv. Providing direction or support to the AdSS as necessary.

SUPPLEMENTAL INFORMATION

A. ENCOUNTER VOIDS AND REPLACEMENTS

1. When a void Encounter is submitted for a previously paid associated Reinsurance Encounter, the Reinsurance payment related to the voided Encounter will be recouped by AHCCCS.
2. When a replacement Encounter is submitted timely for a previously paid associated Reinsurance Encounter and the replaced AdSS paid amount is less than the original AdSS paid amount, the difference will be recouped by AHCCCS.

3. When a replacement Encounter is submitted timely for a previously paid associated Reinsurance Encounter and the replaced AdSS paid amount is greater than the original AdSS paid amount, the additional amount will be paid if the replacement Encounter was adjudicated and reached approved status (CLM STAT 31) within 15 months from end date of service, or date of eligibility posting, whichever is later.
4. When a replacement Encounter is submitted timely for a previously paid associated Reinsurance Encounter and the replaced AdSS paid amount is greater than the original AdSS paid amount, but the replacement Encounter was not adjudicated and did not reach approved status (CLM STAT 31) within 15 months from end date of service, or date of eligibility posting, whichever is later within the same Encounter cycle, then the original AdSS paid amount will be recouped AHCCCS.
5. When a replacement Encounter is not submitted timely, and does not adjudicate to Encounter approved status (CLM STAT 31) within 15 months from the end date of service, or date of

eligibility posting, whichever is later, within the same Encounter cycle it was submitted, and any of the following scenarios occur:

a. The original Encounter was never associated to a Reinsurance Case; or

b. The original Encounter was never associated to a Reinsurance Case; or

c. The original Encounter associated with a Reinsurance Case but never reached pay status (PY); or

d. The original Encounter has a previous Reinsurance paid amount of zero ($0.00):

i. The replacement Encounter is then subject to the Reinsurance timely filing limit edits:

1) H583 Reinsurance claim received more than 15 months after end date of service; or

2) H584 Reinsurance claim received more than 15 months after eligibility posting.

6. When a Replacement Encounter is subject to the following scenarios:

a. Not submitted timely; and

b. Replacement Encounter did not adjudicate; and

c. Replacement Encounter did not reach approved status (CLM STAT 31); and

d. Within the same Encounter Cycle same Encounter cycle; and

e. Original Encounter (Encounter identified on the 837 & NCPDP) Reinsurance paid amount > $0:

i. The original AdSS paid amount will be recouped by AHCCCS.

7. The replacement Encounter consists of a two-step process:

a. The original AdSS paid amount will be recouped by AHCCCS.

b. The replacement Encounter transaction or process.

B. THIRD PARTY LIABILITY

1. Failure to comply with the TPL notification requirements may result in those sanctions specified in the AHCCCS Contract.

2. Should AHCCCS or its authorized representative identify TPL recovery payments received by the Contractors that do not

comply with the notification requirements in this section the following actions shall occur:

a. For open cases, AHCCCS shall reimburse itself 100% percent of any duplicate payments by adjusting the Reinsurance case. An administrative fee of 15 percent of the duplicate payments may be added to the adjustment.

b. For closed cases, AHCCCS or its authorized representative shall bill the Contractor directly for 100% percent of the duplicate payments. An administrative fee equal to the current TPL Contractor's contingency fee schedule shall be added to the billing.

3. In addition, the Medicare Allowed, Medicare Paid, TPL Payments and Value Code fields, as applicable, must be completed when the Encounter is submitted for Reinsurance consideration.

C. MEDICARE

1. Medicare Calculations

a. The Reinsurance system does not calculate the Medicare fields on the Encounter or 837. The data on the 837 is translated in the Encounter system. The Reinsurance data

is populated and mapped from the fields in the Encounter system.

b. If there are issues regarding how the Contractor submits Medicare amounts on the 837 and its translation to the Encounter, then the Contractor must address these issues with the AHCCCS Encounter Unit.

2. PMMIS' view of Medicare

a. The Encounter System categorizes Medicare as the type of Medicare appropriate for the stay. Meaning, if the Encounter is Form type I then the Encounter System reads the Medicare Field as Medicare Part A dollars.

b. If the Encounter is Form type A then the Encounter System reads the Medicare Field as Medicare Part B dollars.

c. Scenario Examples:

i. If the Member has only Medicare Part B and the Encounter is for an inpatient stay, then on the Encounter the Medicare Part B dollars should be placed under Other Coverage.

ii. If the Member has only Medicare Part B and the Encounter is for a doctor visit, then on the Encounter the Medicare Part B dollars should be placed under Medicare Coverage.

Form Type	Type of Medicare	Field on Encounter
I	Medicare Part A	Medicare
	Medicare Part B	Other Insurance
A	Medicare Part A	Does Not Apply
	Medicare Part B	Medicare
O	Medicare Part A	Other Insurance
	Medicare Part B	Does Not Apply

3. Medicare Lesser of Logic

   a. The Medicare copay, Coinsurance, or Deductible; or

   b. The difference between the Contractor's contracted rate and the Medicare paid amount.

4. Edit A510

   a. Medicare Deductible and Coinsurance Exceeds Allowed Amount

      i. Reinsurance Internal Pend

b. Approval/Denial of CRN is the decision of the Reinsurance Compliance Auditor.

Summary of Reinsurance Coverage

Case Type	Deductible	Co-Ins
RAC-Acute Contractors	$75,000	75%
RAC-DCS/CHP Contractor	$75,000	75%
Catastrophic–Biologics/High Cost Specialty Drug	n/a	85%
Transplant	n/a	85%
Other-High$	n/a	100%
Hemophilia	n/a	85%
Von-Willebrand's	n/a	85%
Gaucher's	n/a	85%
State Only Termination	n/a	100%
High Cost Behavioral Health	n/a	75%
DES-DDD	$75,000	75%
RAC-ALTCS – EPD MC PT.A 0-1,999	$75,000	75%
RAC-ALTCS – EPD MC PT.A 2,000+	$75,000	75%
RAC-ALTCS – EPD No PT.A	$75,000	75%

0-1,999		
RAC-ALTCS – EPD No PT.A 2,000+	$75,000	75%

Reinsurance Contract Year	Contract Year Ending
YR 38	10/1/19 – 9/30/20
YR 39	10/1/20 – 9/30/21
YR 40	10/1/21 – 9/30/22
YR 41	10/1/22 – 9/30/23
YR 42	10/1/23 – 9/30/24
YR 43	10/1/24 – 9/30/25
YR 44	10/1/25 – 9/30/26