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**CHAPTER 60 REQUIRED NOTIFICATIONS TO QUALIFIED VENDORS**

REVISION DATE: (XX/XX/XXXX), 11/24/2021

REVIEW DATE: 11/13/2023

EFFECTIVE DATE: May 13, 2016

REFERENCES: ACOM 416, ACOM 439

**PURPOSE** ~~To outline processes used to distribute information to Division's Qualified Vendor Network.~~

This policy sets forth guidance for required notifications communicated between Providers and the Division of Developmental Disabilities (Division).

**DEFINITIONS**

1. "Material Change to Business Operations" means any change in overall operations that affects, or can reasonably be foreseen to affect, the Division's ability to meet the performance standards as required in its contract with AHCCCS including, but not limited to, any change that would impact or is likely to impact more than 5% of total membership and/or its Provider network in a specific Geographic Service Area

21  
22 (GSA). Changes to business operations may include, but are not  
23 limited to, policy, process, and protocol, such as prior authorization or  
24 retrospective review.

25 2. “Material Change to Provider Network” means any change in  
26 composition of or payments to the Division’s Provider network that  
27 affects, or can reasonably be foreseen to affect, the Division’s capacity  
28 and adequacy of services necessary to meet the performance ~~and/or~~  
29 Provider network standards as required by AHCCCS. Changes to  
30 Provider network may include, but are not limited to:

31 a. A change that would cause or is likely to cause more than 5%  
32 of the Members in a GSA to change the location where services  
33 are received or rendered.

34 b. A change impacting 5% or less of the membership but  
35 involving a Provider or Provider group who is the sole Provider  
36 of a service in a service area or operates in an area with limited  
37 alternate sources of the service.

38 ~~**B. Material Change to Business Operations**~~ Any change in overall

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40 ~~operations that affects, or can reasonably be foreseen to affect, the~~  
41 ~~Division's ability to meet the performance standards as required in~~  
42 ~~its contract with AHCCCS including, but not limited to, any change~~  
43 ~~that would impact or is likely to impact more than 5% of total~~  
44 ~~membership and/or its provider network in a specific Geographic~~  
45 ~~Service Area (GSA). Changes to business operations may include,~~  
46 ~~but are not limited to, policy, process, and protocol, such as prior~~  
47 ~~authorization or retrospective review.~~

48 3. "Material Event" means an event that could prevent or impede the  
49 vendor's ability or legal authority to perform its duties under this  
50 Agreement, including but not limited to the duty to render services in  
51 a manner that protects the health and safety of DDD members.

52 3. "Material Event" – means any circumstance, or threatened  
53 circumstance, that could prevent or impede the Provider's Qualified  
54 Vendor's, or its subcontractors or agents, ability or authority to  
55 perform its obligations under this QVA, or circumstances that have  
56 significant fiscal impact to QVA financial stability, including but not

57  
58 limited to the duty to render services in a manner that protects the  
59 health and safety of Division Members.

60 4. "Member" means the same as "Client" as defined in A.R.S. § 36-551.

61  
62 5. "Provider" means any individual or entity that is engaged in the  
63 delivery of services, or ordering or referring for those services, and is  
64 legally authorized to do so by the State in which it delivers the  
65 services as specified in 42 CFR 457.10 and 42 CFR 438.2. This  
66 includes Service Providers as defined at ARS 36-551 also called  
67 Qualified Vendors.

68 6. "Qualified Vendor" means a provider of community developmental  
69 disability services that has applied for Qualified Vendor status, meets  
70 the criteria for Qualified Vendor status, and has entered into a  
71 Qualified Vendor Agreement with the Department.

72 **POLICY**

73  
74 1. ~~The Division shall provide information to the Qualified~~  
75 ~~Vendor network on its webpage and through various~~  
76 ~~electronic communications including email and newsletters,~~

77  
78 and through ~~scheduled provider meetings.~~

79  
80 2. ~~Qualified Vendors shall are responsible to ensure the~~  
81 ~~Division's contracting system has updated contact~~  
82 ~~information in order to receive the Division's notifications.~~

83 **REQUIRED NOTIFICATIONS TO THE DIVISION MATERIAL**

84 **CHANGES/MATERIAL EVENTS** ~~aterial Changes/Material Events~~

85  
86 1. The Provider Service Provider shall are responsible to shall  
87 ensure the Division's contracting system has updated contact  
88 information in order to receive the Division's notifications.

89 ~~The Division shall communicates to Providers, Qualified Vendors, any~~  
90 ~~Material Change that may reasonably be foreseen to affect the~~  
91 ~~quality or delivery of services provided to affected providers at~~  
92 ~~least 30 days prior to the change.~~

93 2. The Provider shall are required to report to the Division any  
94 Material Event as required in the DES/DDD Standard Terms  
95 and Conditions. for Providers. Qualified Vendors.

- 96
- 97
- 98       3.    The Provider shall ~~must~~ notify the Division's Contract
- 99            Administrator at [DDDContractsmanager@azdes.gov](mailto:DDDContractsmanager@azdes.gov) within 24
- 100            hours of a Material Event.
- 101       4.    The Provider may elect to shall ~~are responsible to~~ review
- 102            proposed new policies, or changes to existing policies, posted
- 103            to the Division's website for public comment.
- 104       5.    The Provider shall utilize the Public Comment period if they
- 105            elect to to provide comments, regarding proposed new policies
- 106            or existing policy revisions.
- 107       6.    The Provider shall ~~are responsible to~~ update their policies and
- 108            procedures within six months of the final publication of the
- 109            Division's policy change or sooner if outlined in a specific
- 110            policy.
- 111       7.    The Provider shall provide other notifications to the Division as
- 112            required by the Division's Standard Terms and Conditions.

113    ~~**POLICY CHANGES**~~ ~~olicy~~ Changes

114  
115  
116       2. ~~The Division notifyies Providers Qualified Vendors of Policy~~  
117               changes in advance of the change by posting all proposed new  
118               policies and major policy changes to its website for public  
119               comment.

120       Qualified Vendors are responsible to review potential changes  
121       and provide comments.

122       ~~final changes are communicated to Providers Qualified Vendors~~  
123               through the Division's electronic notification and in Provider  
124               meetings. Additionally, ~~Qualified Vendors and their employees~~  
125               or subcontractors may sign up for automatic policy notification  
126               on the Division's website.

127       3. ~~The Qualified Vendors are responsible to update their policies~~  
128               and procedures within 6 months of the final publication of the  
129               Division's policy change or sooner if outlined in a specific policy.

130       4. ~~The Division notifyies Qualified Vendors of AHCCCS~~  
131               Guidelines, Policy, and Manual Changes through electronic

132 notification Providers Qualified Vendors Providers are also  
133  
134 encouraged to sign up for notification directly on the  
135 AHCCCS website.

136 ~~C. CONTRACT NOTIFICATIONS~~ ontract Notifications

137  
138 ~~5. The Division provides contract notifications for the following~~

139  
140 ~~a. Contract Actions~~ The Division shall provide written  
141 documentation of A any progressive contract action,  
142 including termination actions

143 ~~b. Exclusions from the Network~~: The Division shall  
144 provides applicants for Qualified Vendor Agreements  
145 notification in writing of with the reason for declining  
146 any written request for inclusion in the network.

147 ~~c. Material Changes, providing notification to Providers in~~  
148 ~~advance of any Material Change to the Provider Network or~~  
149 ~~business operations as specified in ACOM Policy 439.~~

150 ~~d. AHCCCS Guidelines, Policy, and Manual Changes~~ The



151 ~~Contractor is responsible for ensuring that its subcontractors~~  
152 ~~are notified when modifications are made to AHCCCS~~  
153 ~~guidelines, policies, and manuals. In the event of a~~  
154 ~~modification to AHCCCS Policy, guidelines, and manuals, the~~  
155 ~~Contractor shall issue a notification of the change to its~~  
156 ~~affected subcontractors within 30 days of the published~~  
157 ~~change and ensure amendment of any affected subcontracts.~~  
158 ~~Effectuated subcontracts shall be amended on their regular~~  
159 ~~renewal schedule or within six months of the update,~~  
160 ~~whichever comes first.~~

162 2. ~~Contract Action: The Division provides written documentation~~  
163 ~~of any progressive contract action, including termination~~  
164 ~~actions. Qualified Vendors must develop plans and implement~~  
165 ~~actions to come into compliance with contract requirements.~~

166 ~~**D. GENERAL NOTIFICATIONS**~~ ~~eneral Notifications~~

167 6. ~~The Division shall notify Providers with provides notification~~  
168 ~~and a schedule of Provider meetings and documentation~~  
169

170  
171 ~~from past meetings on the Division's its website to provide~~  
172 ~~updates and technical assistance regarding service delivery.~~

173 ~~2. The Providers are expected to attend Provider meetings to~~  
174 ~~receive updates and technical assistance regarding service~~  
175 ~~delivery to Division members.~~

176 ~~7. The Division provides information about Disease/Chronic Care~~  
177 ~~Management on its website.~~

178 ~~The Providers Qualified Vendors shall review and distribute~~  
179 ~~information if when the information is pertinent to authorized~~  
180 ~~members.~~

181 **SUPPLEMENTAL INFORMATION**

182  
183 1. Providers are encouraged to sign up for policy notifications directly  
184 on the AHCCCS website as changes to AHCCCS Guidelines, Policy,  
185 and Manual Changes are communicated through electronic  
186 notification.

187 2. Providers and their employees or subcontractors may sign up for

- 188  
189       automatic policy notifications on the Division’s website.
- 190    3.   Providers are encouraged to review and distribute Disease/Chronic  
191       Care Management information when the information is pertinent to the  
192       Members they serve.
- 193    4.   The Division provides information to the Provider network on its  
194       webpage and various electronic communications including email and  
195       newsletters, and through scheduled Provider meetings.
- 196    5.   Material Event examples include:  
197       A regulatory enforcement action, or threatened action, or criminal  
198       prosecution brought against the Provider, any officer, director, Key  
199       Personnel, or other management official of the Provider, or any Person  
200       owning or controlling over five percent (5%) of any class of securities  
201       issued by the Provider, (e.g., issues with credentials, licenses, permits,  
202       or certifications held by the Provider), bankruptcy or insolvency of the  
203       Provider or bankruptcy or insolvency of any Person owning or  
204       controlling over five percent (5%) of any class of securities issued by  
205       the Provider, litigation or other legal action where damages or other  
206       remedies are sought from the Provider (e.g., default on payment of

207 wages, indebtedness, or tax penalties), the Provider's assets are  
208 subject to a court-ordered restriction on transfer (e.g., garnishment  
209 affecting Provider assets), or an action alleging dishonesty or fraud, or  
210 that the Provider or Key Personnel have engaged in acts of  
211 misconduct, loss of Key Personnel, default on contracts or subcontracts  
212 necessary to the performance of the contract.  
213

214 6. Required Division Notifications to the Provider:

215 a. Any Material Change that has the potential to affect the quality  
216 or delivery of services provided to affected Providers at least 30  
217 days prior to the change as specified in ACOM 439.  
218

219 b. Policy changes in advance of the change by posting all  
220 proposed new policies and major policy changes to its website  
221 for public comment.

222 c. Final changes are communicated to the Providers through the  
223 Division's electronic notification and in Provider meetings.

224 d. The Division shall provides contract notifications for the following  
225 occurrences:

- 226
- 227
- 228           i.     Contract Actions, providing written documentation of any
- 229                     progressive contract action, including termination actions;
- 230                     or \_\_\_\_\_
- 231           ii.    Exclusions from the Network, providing written
- 232                     notification the reason for declining any written request
- 233                     for inclusion in the network.
- 234           e.     The Division shall notify Providers with a schedule of
- 235                     Provider meetings and documentation from past meetings on
- 236                     the Division's ~~its~~ website to provide updates and technical
- 237                     assistance regarding service delivery.
- 238           f.     The Division shall provide information about Disease/Chronic
- 239                     Care Management on its website.