

6003-K CLAIM DISPUTES

REVISION DATES: 5/27/2020, 10/1/2019, 8/28/2019, 5/29/2019, 6/10/16, 1/15/2016, 3/2/2015

EFFECTIVE DATE: July 31, 1993

REFERENCES: A.R.S. §§ 36-2903.01(B)(4) and 41-1092.01; A.A.C. R9-34-402 and R9-34-405

Definitions

- A. Administrative Services Subcontractors (AdSS) - means an organization or entity that has a capitated contract with the Division of Developmental Disabilities (Division) to provide goods and services to its members either directly or through subcontracts with providers, in conformance with contractual requirements, Arizona statutes, Arizona rules, federal law, and federal regulations.
- B. AHCCCS Administration - means the Arizona Health Care Cost Containment System (AHCCCS) Administration as defined in A.R.S. § 36-2901(1).
- C. Clean Claim - means the same as in A.R.S. § 20-3101(2).
- D. Claim Dispute - A dispute, filed by a provider or DDD Contractor, whichever is applicable, involving a payment of a claim, denial of a claim, imposition of a sanction or reinsurance.
- E. Contractor - means the following:
 - 1. A contractor or program contractor as defined in A.R.S. § 36-2901(1);
 - 2. The Comprehensive Medical Dental Program in the Department of Economic Security; and
 - 3. The Children's Rehabilitation Services and Behavioral Health Services in the Arizona Department of Health Services.
- F. Day - means calendar day unless otherwise specified.
- G. Director - means the Director of the AHCCCS Administration or the AHCCCS Administration designee.
- H. Director's Decision - means the final administrative decision under A.R.S. § 41-1092(5).
- I. FFS Member - means a Fee For Service Member eligible for AHCCCS coverage under Arizona Revised Statutes Title 36, Chapter 29, who is enrolled with AHCCCS on an FFS basis, and who is not enrolled with an AHCCCS contractor.
- J. Filed - means the date AHCCCS receives a request established by a date stamp on the request or other record of receipt.
- K. State Fair Hearing - means an administrative hearing under Arizona Revised Statutes, Title 41, Chapter 6, Article 10.

Applicability

This policy is applicable to:

- A. Fee for Service Providers who are filing claims and claim disputes to the Division for services rendered to the Division's AIHP members.
- B. Providers who are affiliated with an AdSS which processes claims and claim disputes from its providers for services rendered to its enrolled members.

Claim Dispute Process

A Division representative will provide written notice advising the service provider of a denial of claim payment and the reason for denial. The notice may be included in a remittance advice or other form of written communication that includes the service provider's right to file a claim dispute with the Division.

If the Division gives the service provider a notice that the service provider disagrees with, the service provider may file a claim dispute. The Division will accept a claim dispute only when the dispute involves a payment of a claim, a denial of a claim, an imposition of a sanction, or reinsurance.

The service provider must adhere to both of the following requirements when filing a claim dispute:

- A. Submit the claim dispute to the Division in writing; and
- B. Submit the claim dispute within the time period that will occur last out of the following, in accordance with A.R.S. § 36-2903.01(B)(4):
 - 1. Within the 12 consecutive months immediately following the date(s) of service;
 - 2. Within the 12 consecutive months immediately following the date that the member's eligibility is posted; or
 - 3. Within the 60 calendar days immediately following the date of denial for a timely claim submission.

The Division will date all claim disputes upon the Division's receipt. The Division will send the service provider a written notice acknowledging receipt of the claim dispute within the five business days immediately following the Division's date of receipt. If the service provider wishes to submit any additional information to the Division for consideration, the service provider must submit the additional information within the 10 calendar days immediately following the Division's date of receipt. The Division will advise the service provider about the 10-day deadline for the service provider to submit any additional information.

Division Business Operation staff may contact the service provider to obtain additional information. The Division will consider and review, relevant Arizona Revised Statutes, Arizona Administrative Code, AHCCCS policies, and Division policies. The Division staff will be consulted, as necessary.

The Division will investigate every claim dispute using applicable authorities and facts obtained from all parties. Both the Division and the service provider must mutually agree to any deadline

extension(s). If both parties mutually agree to extend the decision deadline either to allow additional time for the Division to make a decision or the service provider to submit supporting documentation, the Division will issue a letter to the service provider.

When the Division completes the fact-finding, the Division will render a written Notice of Decision to the service provider. The Division will send the Notice of Decision within the 30 calendar days immediately following the Division's date of receipt unless the parties mutually agree to a deadline extension.

The Notice of Decision must both comply with relevant regulatory and contractual requirements, as well as include all of the following:

- A. The date of the decision,
- B. The factual and legal basis for the decision,
- C. The service provider's right to request a fair hearing, and
- D. The instructions for requesting a fair hearing.

State Fair Hearings for Claim Disputes

If a service provider disagrees with the Division's Notice of Decision on the service provider's claim dispute, then the service provider may file a request for a fair hearing with the Department of Economic Security (DES) Appellate Services Administration/Arizona Long Term Care System (ALTCS). The service provider must make the fair hearing request in writing to the Office of Administrative Review (OAR) within the 30 calendar days immediately following the Division's dated receipt of the Notice of Decision.

The service provider must send the fair hearing request to:

DES/DDD Office of Administrative Review (OAR)
4000 N. Central Ave, 3rd Floor Suite 301
Phoenix, Arizona 85012

Once the fair hearing request is made, OAR staff will prepare a duplicate file and submit the duplicate file with the hearing request to both the DES Appellate Services Administration/ALTCS and the Attorney General's Office. The OAR staff will prepare the duplicate file to include all of the following:

- A. Copies of the claim dispute,
- B. Investigative materials, and
- C. The Notice of Decision.

OAR staff will submit the documents to the DES Appellate Services Administration/ALTCS within the five business days immediately following the Division's dated receipt of the request for hearing.

A DES Appellate Services Administration/ALTCS representative will schedule the fair hearing. The service provider will receive written notification of the fair hearing's scheduled date and time. The DES Appellate Services Administration/ALTCS representative will notify both the

Attorney General's Office and the OAR about the scheduled hearing.

At the fair hearing, the service provider, a DES/Division of Developmental Disabilities (DDD) representative, and an Assistant Attorney General will meet with a DES Appellate Services Administration/ALTCS Hearing Officer. The rules of evidence will not apply to the fair hearing.

The Hearing Officer will prepare written findings of fact, written conclusions of law, and render a decision. The Hearing Officer will render the decision based on the following:

- A. Information the Hearing Officer gathers through testimony,
- B. Any presentation of evidence, and
- C. Any other records supplied by OAR.

A DES Appellate Services Administration/ALTCS representative will forward a copy of the decision to all of the following:

- A. The AHCCCS Office of Administrative Legal Services,
- B. The service provider,
- C. DES/DDD, and
- D. The Attorney General's Office.

If the service provider wants to petition for rehearing or review, then the service provider must submit the request to the AHCCCS Office of Administrative Legal Services within the 30 calendar days immediately following the date of the DES Appellate Services Administration/ALTCS Administrative Law Judge's decision. The petition must completely explain the grounds for a rehearing or review.

Petitions for rehearing or review must be sent to:

AHCCCS Office of Administrative Legal Services
701 East Jefferson Street
Phoenix, Arizona 85034

The AHCCCS Director will issue a final written decision on the matter. If the AHCCCS Director overturns the Division's decision, the Division will confer with the Attorney General's Office to determine if a request for review will be petitioned to the AHCCCS Director. If the Division and the Attorney General's Office decide a review will not be petitioned, the OAR will arrange with the appropriate Division staff to both authorize payment and pay for the services as reasonably expeditious as possible.

If the Division or the service provider is still dissatisfied with the AHCCCS decision, the Division or service provider may seek judicial review of the AHCCCS decision through the court system. All administrative remedies must be exhausted before the court will consider the case.

Overtured or Reversed Claim Disputes

The Division shall reprocess and pay both overturned and reversed claim disputes within the 15 business days immediately following the date of the decision. The Division will make payments

in a manner consistent with the decision.

IMPORTANT TO NOTE: The Division will adhere to the same claim dispute process described herein for FFS claims on behalf of AIHP members.

THE DIVISION HAS DELEGATED ACUTE CARE CLAIM DISPUTES TO THE ADSS FOR ADJUDICATION FOR ALL THE FOLLOWING SERVICES:

- Physical Health Care (i.e., hospitalizations, prescription medications, DME, dental services, etc.)
- Behavioral Health Services
- Seriously Mentally Ill (SMI) Services
- Nursing Facility (NF) Services
- Habilitative Physical Therapy for Members 21 Years of Age or Older
- Emergency Alert System (EAS)

Claim Dispute Process

The AdSS representative will provide written notice advising the service provider of both a denial of claim payment and the reason for denial. The AdSS representative may include the notice either in a remittance advice or other form of written communication that includes the service provider's right to file a claim dispute with the AdSS.

If the service provider disagrees with a notice given by the AdSS, the service provider may file a claim dispute. The AdSS will accept a claim dispute only if the dispute involves one of the following:

- A. A payment of a claim,
- B. A denial of a claim,
- C. An imposition of a sanction, or
- D. Reinsurance.

The service provider must file the claim dispute in writing with the AdSS. In accordance with A.R.S. § 36-2903.01(B)(4), the service provider must submit the claim dispute within the time period that will occur last out of the following:

- A. Within the 12 consecutive months immediately following the date(s) of service,
- B. Within the 12 consecutive months immediately following the date that the member's eligibility is posted, or
- C. Within the 60 calendar days immediately following the denial date of a timely claim submission.

The AdSS will date all claim disputes upon AdSS's receipt. The AdSS will send the service

provider a written notice acknowledging receipt of the claim dispute within the five business days following the date the claim dispute is received. The AdSS will advise the service provider that any additional information the service provider wishes to submit to the AdSS for consideration must be done so in 10 calendar days.

The AdSS staff may contact the service provider to obtain additional information. Relevant Arizona Revised Statutes, Arizona Administrative Codes, and AHCCCS and Division policies will be reviewed, and the AdSS staff will be consulted as necessary.

AdSS will investigate all claim disputes using applicable authorities and facts obtained from all parties. Both parties must mutually agree on any deadline extensions. If there is a mutual agreement to extend the decision due date either to allow the AdSS to make a decision or allow the service provider additional time to submit supporting documentation, the AdSS will issue a letter to the service provider. Once the fact-finding is complete, a written Notice of Decision will be rendered to the service provider within 30 calendar days of receipt of the services provider's claim dispute unless the provider and the AdSS agree to a longer period.

The Notice of Decision must comply with regulatory and contractual requirements. The Notice of Decision must include all of the following:

- A. The date of the decision,
- B. The factual basis for the decision,
- C. The legal basis for the decision,
- D. The service provider's right to request a fair hearing, and
- E. The instructions for requesting a fair hearing.

State Fair Hearings for Claim Disputes

If a service provider disagrees with the AdSS's Notice of Decision on a claim dispute, the service provider may file a request for a fair hearing with the Office of Administrative Hearings (OAH). The service provider must make the request for fair hearing in writing to the AdSS within the 30 calendar days immediately following AdSS's receipt of the Notice of Decision.

In accordance with DDD Operations Manual Policy 445, the AdSS will forward the service provider's fair hearing request file to the Division's Office of Administrative Review (OAR) to be submitted to the AHCCCS Office of Administrative Legal Services (OALS). The AdSS staff will prepare a duplicate file along with the hearing request, copies of the claim dispute, investigative materials, and the Notice of Decision for submission to the DDD Office of Administrative Review (OAR). The AdSS will submit the duplicate file to the DDD Office of Administrative Review (OAR) within the three business days immediately following AdSS's receipt of the request for fair hearing. OAR staff will submit the documents to the AHCCCS Office of Administrative Legal Services (OALS) within the two business days immediately following OAR's receipt of the file from the AdSS.

The fair hearing will be scheduled by the AHCCCS Office of Administrative Legal Services (OALS). The service provider will receive written notification of the date and time. The AHCCCS Office of Administrative Legal Services (OALS) will notify both the AdSS and the Division of the scheduled hearing.

At the hearing, the service provider, an AdSS representative, and the AdSS General Counsel, if appropriate, will meet with an Office of Administrative Hearings (OAH) Hearing Officer. The rules of evidence will not apply to the fair hearing.

The Hearing Officer will prepare written findings of fact, conclusions of law, and render a decision. The Hearing Officer will render a decision based on the following:

- A. Information gathered through testimony,
- B. Any presentations of evidence, and
- C. Any other records from the AdSS or service provider.

An Office of Administrative Hearings (OAH) representative will forward a copy of the decision to the Arizona Health Care Cost Containment Service (AHCCCS) Director.

The AHCCCS Director will issue a final written decision on the matter. If the AHCCCS Director overturns the AdSS decision, the AdSS will determine if a request for review will be petitioned to the AHCCCS Director. If the AdSS decides that a review will not be petitioned, the AdSS will arrange with the appropriate AdSS staff to both authorize and pay for the services as expeditiously as reasonably possible.

Parties may file a petition for rehearing or review with the AHCCCS Office of Administrative Legal Services (OALS) by the AdSS or service provider. The petition must be submitted within the 30 calendar days immediately following the date of the AHCCCS Director's decision. The petition must completely explain the grounds for rehearing or review.

Petitions for rehearing or review must be sent to:

AHCCCS Office of Administrative Legal Services
701 East Jefferson Street
Phoenix, Arizona 85034

If the AdSS or the service provider is still dissatisfied with the decision, the AdSS or service provider may seek judicial review of the AHCCCS decision through the court system. All administrative remedies must be exhausted before the court will consider the case.

Overtuned or Reverse Claim Disputes

The AdSS must reprocess and pay overturned or reversed claim disputes within the 15 business days immediately following the date of the decision. The AdSS will make payments in a manner consistent with the decision.