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Division of Developmental Disabilities
Operations Policy Manual
Chapter 6000
Administrative Operations
Grievance and Appeals

1	6003-K _CLAIM DISPUTES
2 3 4 5 6 7	REVISION DATE: XX/XX/2024, 10/1/2021, 5/24/2021, 5/27/2020, 10/1/2019, 8/28/2019, 5/29/2019, 6/10/2016, 1/15/2016, 3/2/2015 REVIEW DATE: 10/19/2023 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, ACOM 203
8	PURPOSE
9	This policy outlines the Division's responsibilities when Fee for Service
10	Providers file a claim dispute for billed services rendered to the Division's
11	Tribal Health Plan (THP) members.
12	<u>DEFINITIONS</u> Definitions
13	1. "Administrative Decision" means the same as defined in
14	<u>A.R.S. § 12-901(2).</u>
15	1.2. "Administrative Services Subcontractors" or ("AdSS)" means an
16	organization or entity that has a capitated contract with the
17	Division of Developmental Disabilities (Division) to provide
18	goods and services to its members either directly or through

subcontracts with **Provider**providers, in conformance with



20		contractual requirements, Arizona statutes, Arizona rules,
21		federal law, and federal regulations.
22	<u>3.</u>	"Arizona Health Care Cost Containment System" or "AHCCCS"
23		means Arizona's Medicaid Program, approved by the Centers for
24		Medicare and Medicaid Services (CMS) as a Section 1115
25		Waiver Demonstration Program and described in A.R.S. Title 36,
26		Chapter 29"AHCCCS Administration" - means the Arizona Health
27		Care Cost Containment System (AHCCCS) Administration as
28		defined in A.R.S. § 36-2901(1) .
29	4.	"Business Day" means 8:00 a.m. to 5:00 p.m., Monday through
30		Friday, excluding holidays listed in A.R.S. § 1-301.
31	2. 5.	"Calendar Day" means every day of the week including
32		weekends and holidays.
33	3. 6.	Clean Claim_— means the same as in A.R.S. § 20-3101(2).
34	4. <u>7.</u>	"Claim Dispute" means Aa dispute, filed by a Providerprovider
35	0	or DDD <u>service Providerprovider Contractor</u> , whichever is
36	~	applicable, involving a-payment of a claim, denial of a claim,
37		imposition of a sanction or reinsurance.



38	<u>8. "</u> Cor	tractor <u>"</u> — means the following:
39	a.	A contractor or program contractor as defined in A.R.S. §
40		36- 2901(1);
41	b.	The Comprehensive Health Plan (CHP) in the Department
42		of Economic Security; and
43	C.	The Children's Rehabilitation Services and Behavioral
44		Health Services in the Arizona Department of Health
45		Services. <u>Day</u> means calendar day unless otherwise
46		specified.
47	5. 9. <u>"</u> Dire	ector <u>"</u> means the Director of the AHCCCS Administration or
48	the A	AHCCCS Administration designee.
49	6. <u>10. "</u> Dire	ector's Decision <u>"</u> means the final administrative decision
50	unde	er A.R.S. § 41-1092(5).
51	7. "FFS Memb	per" means a Fee For Service Member eligible for AHCCCS
52	coverage under	Arizona Revised Statutes Title 36, Chapter 29, who is
53	enrolled with AH	CCCS on an FFS basis, and who is not enrolled with an
54	AHCCCS contrac	tor.



55	$\frac{8.11.}{10.00}$ "Filed" means the date the Division AHCCCS receives a request
56	established by a date stamp on the request or other record of
57	receipt.
58	9.12. "Provider" means any individual or entity contracted with the
59	Division that is engaged in the delivery of services, or ordering
60	or referring for those services, and is legally authorized to do so
61	by the State."
62	13. "State Fair Hearing"— means an administrative hearing under
63	Arizona Revised Statutes, Title 41, Chapter 6, Article 10.
64	10. POLICY
65	<u>Applicability</u>
66	This policy is applicable to:
67	Fee for Service Providers who are filing claims and claim disputes to the
68	Division forservices rendered to the Division's THP members.
69	Providers who are affiliated with an AdSS which processes claims and
70	claim disputes from its providers for services rendered to its enrolled



/1	men	nbers.	
72	<u>A.</u>	NOT]	ICE OF DECISION
73		1.	The Division shall provide a Notice of Decision that complies with
74			relevant regulatory and contractual requirements which includes
75			the following:
76			a. The date of the decision,
77			b. The factual and legal basis for the decision,
78			c. The Providerprovider's right to request a fair hearing, and
79			d. The instructions for requesting a fair hearing
80			e. Any other documentation that may be relevant and can
81			contribute to the administrative decision.
82	A.	REQ	UIREMENTS FOR FILING A CLAIM DISPUTE PROCESS
83		1.	The Division shall accept a claim dispute from a
84			Provider provider that specifies in detail:
85			a. The factual and legal basis for the claim dispute;
86		(0)	b. The relief requested is related to a claim for
87) `	payment of authorized-covered services; or
88			c. For the denial of a claim for reimbursement of



89	services that may contest the validity of any
90	adverse action, decision, policy implementation, or
91	rule resulting in the full or partial denial of the
92	claim.
93	2. The Division shall accept Claim Disputes from a
94	Provider provider that are filed with the Division, the
95	prepaid capitated Providerprovider, or program
96	contractor, within:
97	a. 12 months from the:
98	i. Ending date(s) of service;
99	ii. Date of the Member's eligibility posting;
00	iii. Date of discharge from a hospital.
01	b. 60 days after the date of the denial of a timely claim
02	submission, whichever is later.
03	3. The Division shall File all claim disputes upon receipt.
04	The A Division shall representative will provide a written notice
05	advising the service provider of a denial of a claim payment and the
06	reason for denial. The written notice shall include written notice may



107	outline: be included in
108	a <u>A</u> remittance advice; or oOther form of written
109	communication that states includes the service provider's right
110	to file a claim's dispute with the Division.
111	If the Division gives the service provider a notice that the
112	service provider disagrees with, the service provider may file a
113	claim dispute. The Division shallwill accept a claim dispute only
114	when the dispute is submitted in writing to the Division and the
115	dispute involves Medicaid services:
116	—— a <u>A payment of a claim;</u> , a
117	——— <u>A_denial of a claim;</u> ,
118	——a <u>An imposition of a sanction; or</u>
119	1.—, or r <u>R</u> einsurance.
120	The Division shall ensure Tthe service provider must adheres to both
121	of the following the requirements when filing a claim dispute with the
122	Division: The Claim Dispute shall be submitted to the Division Submit
123	the claim dispute to the Division in writing; and The Division shall only



24	accept Claim Disputes that are Ssubmitted the claim dispute within
25	the time period that will occur last out of the following, in accordance
26	with A.R.S. § 36-2903.01(B)(4):
27	i. Within the 12 consecutive months immediately
28	following the date(s) of service;
29	ii. Within the 12 consecutive months immediately
30	following the date that the member's eligibility is
31	posted; or
32	Within the 60 calendar days immediately following the date of denial
33	for a timely claim submission.
34	The Division shallwill Filedate stamp all claim disputes upon the
35	Division's receipt.
36	4. The Division shall will send the service Provider provider a
37	written notice acknowledging receipt of the $\frac{eC}{c}$ laim $\frac{dD}{c}$ ispute
38	within $\frac{\text{the}}{\text{tive}}$ five $\frac{\text{b}}{\text{b}}$ usiness $\frac{\text{d}}{\text{D}}$ ays immediately following the
39	Division's date of receipt.
40	5. The Division shall inform the service Provider provider that they



41	nave 10 Business days from the acknowledgment notice to
42	submit any additional information to the Division for
43	consideration regarding the Claim Dispute.
44	The Division shall accept If the service provider wishes to submit any
45	additional information for consideration from the service provider to the
46	Division for consideration, the service provider must submit the additional
47	information within the 10 Ccalendar Ddays immediately following the
48	Division's date of receipt.
49	The Division shallwill advise the service provider of about the 10-day
50	deadline for the service provider to submit any additional information.
51	6. The Division Division Business Operation staff may contact the
52	service-Providerprovider to obtain additional information when
53	the Division requires additional information to make an
54	Administrative Decision.
55	6.7. The Division shall consider and reviewwill consider and apply
56	review any, relevant Arizona Revised Statutes, Arizona
57	Administrative Codes, AHCCCS policies, and Division policies
58	when drafting the administrative decision. The Division staff will



159 be consulted, as necessary. The Division shallwill investigate every claim dispute using 160 applicable authorities and facts obtained from all parties. 161 The Division shall render a written Notice of Decision to the 162 service Providerprovider when the Division completes the fact-163 finding portion of the investigation. 164 The Division shall inform the service Provider provider that they 165 8. may request a fair hearing by submitting a written request to 166 the Office of Administrative Review (OAR) within the 30 167 Calendar Days following the Division's dated receipt of the Notice 168 169 of Decision. **EXTENSIONS** 170 The Division shall be in agreement with Both the Division and 171 the service Provider provider regarding must mutually agree to 172 any deadline extension(s). If both parties mutually agree to 173 extend the decision deadline either to allow additional time for 174 the Division to make a decision or the service provider to submit 175 supporting documentation, t 176



77	1.2. The Division willshall issue a letter to the service
78	Provider when both parties mutually agree to extend the
79	decision deadline either to allow additional time for the Division
80	to make a decision or the Providerprovider to submit supporting
81	documentation.
82	When the Division completes the fact-finding, tThe Division_shall will render
83	a written Notice of Decision to the service provider when the Division
84	completes the fact-finding portion of the investigation.
85	The Division shallwill send the Notice of Decision within the 30 calendar days
86	immediately following the Division's date of receipt unless the parties
87	mutually agree to a deadline extension.
88	The Notice of Decision must both comply with relevant regulatory and
89	contractual requirements, as well as include all of the following:
90	A. The date of the decision,
91	B. The factual and legal basis for the decision,
92	C. The service provider's right to request a fair hearing, and



193	D. The in	estructions for requesting a fair hearing.
194	B. NO	TICE OF DECISION
195	<u>1.</u>	The Division shall send a Notice of Decision to the
196		Provider provider within 30 Calendar Days from the Division's
197		date of receipt unless the parties mutually agree to a deadline
198		extension.
199	B. 2	2. The Division shall issue a letter to the Providerprovider when
200		both parties mutually agree to extend the decision deadline
201		either to allow additional time for the Division to make a decision
202		or to allow the Providerprovider to submit supporting
203		documentation.
204	C. NO	TICE OF DECISION
205	<u>1.</u>	The Division shall send a Notice of Decision to the
206		Providerprovider within 30 Calendar Days from the Division's
207		date of receipt unless the parties mutually agree to a deadline
208		extension.
209	<u>2.</u>	The Division shall provide a Notice of Decision that complies with
210		relevant regulatory and contractual requirements which include:



211		a. The date of the decision;
212		b. The factual and legal basis for the decision;
213		c. The Providerprovider's right to request a fair hearing;
214		d. The instructions for requesting a fair hearing; and
215		e. Any other documentation that may be relevant and can
216		contribute to the Administrative Decision.
217	<u>D.</u>	OVERTURNED OR REVERSED CLAIM DISPUTES
218		1. The Division shall reprocess and pay both overturned and
219		reversed claim disputes within the 15 Business Days following
220		the date of the decision as stated in ACOM 203.
221		2. The Division shall pay interest on late payments as outlined in
222		Division Operations Policy 203.
223	<u>E.</u>	STATE FAIR HEARINGS FOR CLAIM DISPUTES State Fair Hearings for
224		Claim Disputes
225		The Division shall inform the If athe service provider disagrees with
223		The prosion shall inform the it athe service provider disagrees with
226		the Division's Notice of Decision on the service provider's claim
227		dispute, then the service provider may file a request for a fair hearing
228		with the Department of Economic Security (DES) Appellate Services



229	Administration/Arizona Long Term Care System (ALTCS). The service
230	provider must make the fair hearing request in writing to the Office of
231	Administrative Review (OAR) within the 30 calendar days immediately
232	following the Division's dated receipt of the Notice of Decision.
233	 The Division shall accept requests for a Fair HearingHeraing in writing by:
235	a. Email - dddofficeofcompliance@azdes.gov
236	b. Mail - 1789 W Jefferson St.
237	Mail Drop 2HE5
238	Phoenix, AZ 85007
239	The service provider must send the fair hearing request to:
240	DES/DDD Office of Administrative Review (OAR)
241	4000 N. Central Ave, 3rd Floor Suite 301
242	Phoenix, Arizona 85012
243	2. The Division shall provide a copy of the request for a Fair
244	Hearing to DES Appellate Services Administration and the



245		Attorney's General's Office within the five business days
246		immediately following the Division's dated receipt of the request
247		for a Fair Hearing.
248	3.	The Division shall authorize payment and pay for the services as
249		expeditious as possible when the Division receives an adverse
250		decision and decides a review will not be petitioned.
251	F. PETI	TION FOR A REHEARING OR A REVIEW
252	1.	The Division may seek judicial review of the AHCCCS decision
253		through the court system when the Division receives an adverse
254		Administrative Decision.
255	2.	The Division shall seek legal advice from the Attorney General's
256		Office to determine if a petition for review should be filed.
257	<u>3.</u>	The Division may file a petition for a rehearing or a review with
258		the AHCCCS Office of Administrative Legal Services (OALS).
259	4.	The Division shall submit the petitions for a rehearing or a
260	10	review in writing to OALS:
261	O,	AHCCCS Office of Administrative Legal Services
262		801 East Jefferson Street



63	Phoenix, AZ 85034
64	5. The Division shall submit the petition to OALS and completely
65	explain the grounds for a rehearing or a review, within the 30
:66	Calendar Days following the date of the AHCCCS Director's
:67	Decision.
:68	Once the fair hearing request is made, OAR staff will prepare a duplicate file
69	and submit the duplicate file with the hearing request to both the DES
70	Appellate Services.
71	Administration/ALTCS and the Attorney General's Office. The OAR staff will
72	prepare the duplicate file to include all of the following:
73	A. Copies of the claim dispute,
74	B. Investigative materials, and
75	C. The Notice of Decision.
76	OAR staff will submit the documents to the DES Appellate Services
277	Administration/ALTCS within the five business days immediately following
78	the Division's dated receipt of the request for hearing.



A DES Appellate Services Administration/ALTCS representative will 279 280 schedule the fair hearing. The service provider will receive written notification of the fair hearing's scheduled date and time. The DES 281 Appellate Services Administration/ALTCS representative will notify both 282 the Attorney General's Office and the OAR about the scheduled hearing. 283 At the fair hearing, the service provider, a DES/Division of Developmental 284 Disabilities (DDD) representative, and an Assistant Attorney General will 285 meet with a DES Appellate Services Administration/ALTCS Hearing 286 Officer. The rules of evidence will not apply to the fair hearing. 287 The Hearing Officer will prepare written findings of fact, written 288 conclusions of law, and render a decision. The Hearing Officer will 289 render the decision based on the following: 290 A. Information the Hearing Officer gathers through testimony, 291 B. Any presentation of evidence, and 292 Any other records supplied by OAR. 293 294 A DES Appellate Services Administration/ALTCS representative will forward a copy of the decision to all of the following: 295



296	A. The AHCCCS Office of Administrative Legal Services,
297	B. The service provider,
298	C. DES/DDD, and
299	D. The Attorney General's Office.
300	If the service provider wants to petition for rehearing or review, then the
301	service provider must submit the request to the AHCCCS Office of
302	Administrative Legal Services within the 30 calendar days immediately
303	following the date of the DES Appellate Services Administration/ALTCS
304	Administrative Law Judge's decision. The petition must completely explain
305	the grounds for a rehearing or review.
306	Petitions for rehearing or review must be sent to:
307	AHCCCS Office of Administrative Legal Services
308	701 East Jefferson Street
309	Phoenix, Arizona 85034
310	The AHCCCS Director will issue a final written decision on the matter. If the
311	AHCCCS Director overturns the Division's decision, the Division will confer



312 with the Attorney General's Office to determine if a request for review will 313 be petitioned to the AHCCCS Director. If the Division and the Attorney 314 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 315 the services as reasonably expeditious as possible. 316 If the Division or the service provider is still dissatisfied with the AHCCCS 317 decision, the Division or service provider may seek judicial review of the 318 AHCCCS decision through the court system. All administrative remedies 319 must be exhausted before the court will consider the case. 320 321 OVERTURNED OR REVERSED CLAIM DISPUTES Overturned or Reversed 322 **Claim Disputes** 323 The Division shall reprocess and pay both overturned and reversed claim disputes within the 15 bBusiness dDays 324 immediately following the date of the decision as stated in 325 326 ACOM 203. The Division will make payments. The Division shall pay interest on late payments as outlined in 327 Division Operations Policy 203. 328 F.G. MONITORING AND OVERSIGHT 329



330	1. The Division shall ensure the Administrative Service
331	Subcontractors (AdSS) develop and maintain claims processes
332	and systems that ensure the accurate collection and processing
333	of claims, analysis, integration, and reporting of data.
34	2. The Division shall require the AdSS to comply with the Claims
35	Disputes process as identified by AHCCCS.
336	
337	
338	will submit the duplicate file to the DDD Office of Administrative
339	Review (OAR) within the three business days immediately following
340	AdSS's receipt of the request for fair hearing.
341	IMPORTANT TO NOTE: The Division will adhere to the same claim
342	dispute process described herein for FFS claims on behalf of THP
343	members.
344	THE DIVISION HAS DELEGATED ACUTE CARE CLAIM DISPUTES TO
845	THE ADSS FOR ADJUDICATION FOR ALL THE FOLLOWING SERVICES:
346	• Physical Health Care (i.e., hospitalizations,



347	prescriptionmedications, DME, dental services, etc.)
348	Behavioral Health Services
349	• Seriously Mentally III (SMI) Services
350	• Nursing Facility (NF) Services
351	• Habilitative Physical Therapy for Members 21 Years of
352	Age or Older • Emergency Alert System (EAS)
353	Claim Dispute Process
354	The AdSS representative will provide written notice advising the service
355	provider of both a denial of claim payment and the reason for denial. The
356	AdSS representative may include the notice either in a remittance advice
357	or other form of written communication that includes the service
358	provider's right to file a claim dispute with the AdSS.
359	If the service provider disagrees with a notice given by the AdSS, the service
360	provider may file a claim dispute. The AdSS will accept a claim dispute only
361	if the dispute involves one of the following:
362	A. A payment of a claim,



363	B. A denial of a claim,
364	C. An imposition of a sanction, or
865	D. Reinsurance.
866	The service provider must file the claim dispute in writing with the AdSS. In
867	accordance with A.R.S. § 36-2903.01(B)(4), the service provider must
868	submit the claim dispute within the time period that will occur last out of
869	the following:
370	A. Within the 12 consecutive months immediately following the date(s) of
371	service,
372	B. Within the 12 consecutive months immediately following the date
373	that the member's eligibility is posted, or
374	C. Within the 60 calendar days immediately following the denial date of
375	a timely claim submission.
376	The AdSS will date all claim disputes upon AdSS's receipt. The AdSS will
377	send the service
378	provider a written notice acknowledging receipt of the claim dispute



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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



397 requirements. The Notice of Decision must include all of the 398 following: A. The date of the decision, 399 B. The factual basis for the decision, 400 C. The legal basis for the decision, 401 D. The service provider's right to request a fair hearing, and 402 E. The instructions for requesting a fair hearing. 403 **State Fair Hearings for Claim Disputes** 404 If a service provider disagrees with the AdSS's Notice of Decision on a 405 406 claim dispute, the service provider may file a request for a fair hearing with the Office of Administrative Hearings (OAH). The service provider 407 must make the request for fair hearing in writing to the AdSS within the 408 30 calendar days immediately following AdSS's receipt of the Notice of 409 410 Decision. In accordance with DDD Operations Manual Policy 445, the AdSS will 411 forward the service provider's fair hearing request file to the Division's 412



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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. Grievance and Appeals At the hearing, the service provider, an AdSS representative, and the AdSS General Counsel, if appropriate, will meet with an Office of



431 Administrative Hearings (OAH) Hearing Officer. The rules of evidence 432 will not apply to the fair hearing. The Hearing Officer will prepare written findings of fact, conclusions of 433 law, and render a decision. The Hearing Officer will render a decision 434 based on the following: 435 A. Information gathered through testimony, 436 437 B. Any presentations of evidence, and C. Any other records from the AdSS or service provider. 438 An Office of Administrative Hearings (OAH) representative will 439 forward a copy of the decision to the Arizona Health Care Cost 440 Containment Service (AHCCCS) Director. 441 The AHCCCS Director will issue a final written decision on the matter. If the 442 443 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 444 decides that a review will not be petitioned, the AdSS will arrange with the 445 446 appropriate AdSS staff to both authorize and pay for the services as expeditiously as reasonably possible. 447



Parties may file a petition for rehearing or review with the AHCCCS Office 448 of Administrative Legal Services (OALS) by the AdSS or service provider. 449 The petition must be submitted within the 30 calendar days immediately 450 following the date of the AHCCCS Director's decision. The petition must 451 completely explain the grounds for rehearing or review. 452 Petitions for rehearing or review must be sent to: 453 **AHCCCS Office of Administrative Legal Services** 454 701 East Jefferson Street 455 Phoenix, Arizona 85034 456 If the AdSS or the service provider is still dissatisfied with the decision, 457 the AdSS or service provider may seek judicial review of the AHCCCS 458 459 decision through the court system. All administrative remedies must be exhausted before the court will consider the case. 460 Overturned or Reverse Claim Disputes 461 The AdSS must reprocess and pay overturned or reversed claim disputes 462 within the 15 business days immediately following the date of the decision. 463



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The AdSS will make payments in a manner consistent with the decision.

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