

317 CHANGE IN ORGANIZATIONAL STRUCTURE

EFFECTIVE DATE: May 13, 2016

REFERENCES: AHCCCS ACOM Policy 438, AHCCCS ACOM Policy 103, AHCCCS Contract Attachment F3, Contractor Chart of Deliverables, AHCCCS Contract Section D, Corporate Compliance; 42 C.F.R. 101-106.

Purpose

This Policy identifies the requirements for submitting changes in the Division's organizational structure resulting from an act of the Governor of the State of Arizona or the Arizona State Legislature or resulting from a planned change in a Management Service Agreement (MSA) Subcontractor. This policy also identifies the Division's role in monitoring and evaluating changes in organizational structure, as defined below, for a Management Service Agreement subcontractor.

Change In Organizational Structure

A change in organizational structure includes any of the following:

- A. Acquisition,
- B. Change in Articles of Incorporation,
- C. Change in Ownership,
- D. Change of MSA Subcontractor,
- E. Joint Venture,
- F. Merger,
- G. Reorganization,
- H. Other applicable changes which may cause:
 - 1. A change in the Employer Identification Number/Tax Identification Number (EIN/TIN),
 - 2. Changes in critical member information, including the website, member or provider handbook, and member ID card, or
 - 3. A change in legal entity name.

Transition Plan

The Division submits a summary of all changes in organizational structure and a transition plan to AHCCCS 180 days prior to the effective date of the change.

Items in the transition plan, for which information is not yet available for submission, or is still considered draft, shall be noted and must be submitted, or resubmitted, to AHCCCS no later than 90 days prior to the effective date.

As part of the transition plan, the Division will complete an assessment of the following:

- A. Any potential interruption of services to members including steps to ensure there are no interruptions,
- B. The ability to maintain and support the contract requirements,
- C. Major functions of the Division, as well as Medicaid programs, are not adversely affected, and
- D. The integrity of a fair, competitive procurement process for MSA Subcontractors.

Notification to AHCCCS

When notifying AHCCCS, the considerations listed above, and the following information are included in the summary:

- A. Any material change to operations as specified in AHCCCS Contract, Section D.
- B. The state or federal legislation, rule, or action that necessitates a change in Organizational Structure.
- C. A description of the following:
 - 1. Any changes to the management and staffing of the organization currently overseeing services provided under the contract,
 - 2. Any changes to existing Management Services Subcontracts,
 - 3. Any changes to the administration of critical components of the organizations, information systems, prior authorization, claims processing, or grievances,
 - 4. The plan for communicating the change to members, including a draft notification to be distributed to affected members and providers,
 - 5. The planned changes to critical member information, including the website, member and provider handbook, and member ID card,
 - 6. Any anticipated changes to the network, and

7. Any changes in federal or state funding that directly impact the Medicaid line of business.

Upon AHCCCS approval of the transition plan, any additional information requested by AHCCCS will be submitted within 120 days of the change, as specified in Contract, Attachment F3, Contractor Chart of Deliverables.

The Division submits the following via secured FTP server to the Office of Inspector General no later than 45 days prior to the effective date of the change in organizational structure and commencement of operations under the new structure, as specified in Contract, Attachment F3, Contractor Chart of Deliverables:

- A. Information regarding the Disclosure of Ownership and Control,
- B. Disclosure of Information on Persons Convicted of a Crime in accordance with 42 C.F.R. 101-106,
- C. AHCCCS Contract Section D, Corporate Compliance, and AHCCCS ACOM Policy 103.

For a change of MSA Subcontractor, the Division follows the process for the review and approval of the new MSA Subcontractor as outlined in AHCCCS ACOM Policy 438.

Changes in Organizational Structure for a MSA Subcontractor

MSA Subcontractors that also have a contract with AHCCCS shall notify the Division at the same time notification is given to AHCCCS. As appropriate, the Division shall collaborate with AHCCCS in monitoring and evaluating the transition plan.

The Division evaluates and monitors the transition plan for MSA Subcontractors that do not have a contract with AHCCCS.