

General Principles

Public Consulting Group, Inc. (PCG) and the Local Education Agency (LEA), hereby agree to the principles, terms and effective dates carried in this agreement. This agreement is set forth to define each party's responsibilities in order to effectively administer the provision of and reimbursement for Medicaid direct service and administrative claiming activities and is necessary to implement parts of the Medicaid state plan under Title XIX of the Social Security Act. Legal authority for this program is found in Title XIX of the Social Security Act. PCG (as a contractor of Arizona Health Care Cost Containment System) has entered into an agreement that authorizes PCG to administer the Medicaid School-Based Claiming (MSBC) program in Arizona. AHCCCS is the single state agency in Arizona under Title XIX of the Social Security Act. Additionally, specific federal governing policies and procedures are found in the Office of Management and Budget's (OMB) Circular A-87 and the Code of Federal Regulations (CFR), Title 45, Parts 74 and 95. The LEA has authority to enter into this agreement pursuant to A.R.S§15-341(A)(27).

This agreement is to be based on the following general principles:

- 1.01 The aforementioned parties have a common and concurrent interest in providing and reimbursing Medicaid school-based claiming activities, within parameters set by the federal Centers for Medicare & Medicaid Services (CMS) and only as approved by CMS. Any changes in the program required by CMS are to be implemented by both of the aforementioned parties.
- 1.02 This agreement is in no way intended to modify the responsibilities or authority delegated to the parties.
- 1.03 This agreement is not intended to override or obsolete any other agreements or memorandums of understanding, which may already exist between these parties.
- 1.04 Any LEA contractors involved with Medicaid school-based claiming activities are bound by this agreement with regard to administrative policies and procedures.
- 1.05 This agreement provides a mechanism for payment of federal funds from CMS and the parties agree that it in no way creates a requirement for AHCCCS to reimburse any LEA from AHCCCS state funds.
- 1.06 This Agreement is authorized by an intergovernmental agreement between AHCCCS and the Arizona Department of Education (ADOE) under which Medicaid-eligible special need students receive appropriate services.

Basic Rights, Responsibilities and Obligations of the LEA

- 2.01 Compliance with Laws, Rules, Regulations, Policies, Procedures and Program Requirements The LEA will comply with all applicable federal, state and local laws, rules and regulations, program requirements, AHCCCS policies and procedures governing performance of duties under this agreement. Including but not limited to an annual audit conducted in accordance with the Single Audit Act of 1984 and all applicable amendments.

- 2.02 Record Retention The LEA agrees to maintain and furnish records and documents from the date of payment, both medical and non-medical, as may be required by applicable federal and state laws, rules and regulations and AHCCCS Medical Records Standards. The LEA will allow PCG and AHCCCS or designees reasonable access during regular business hours to review, copy or obtain specific records or documents and will cooperate with PCG or designee to facilitate the information and record exchanges necessary for quality management, utilization management or other processes required for program operations.
- 2.03 Non-Federal Matching Dollars The LEA must provide the required funding to satisfy the local match requirement for federal Medicaid funding. Each LEA must sign and return to PCG the quarterly or annual certification form, and/or other documentation determined by AHCCCS to be necessary to verify that the match requirement has been met.
- 2.04 The LEA shall comply with Federal Regulations of the Occupational Safety and Health Administration including, without limitation, the regulations concerning Bloodborne Pathogens Standards at 29 CFR Part 1910.1030, which became effective January 1, 1992.

Basic Rights and Obligations of PCG

- 3.01 Compliance Reviews, Monitoring, and Evaluation Pursuant to this agreement, PCG will be entitled to review, monitor, and evaluate the LEA's operations related to relevant program costs and services provided pursuant to this agreement.
- 3.02 Communication Channels PCG's help desk will assist LEAs with all program components including but not limited to education and training, and technical assistance. The project website will provide resources such as training materials and program handbooks.
- 3.03 Visitation and Inspection The LEA will provide PCG with reasonable access to personnel and will gather provider documentation needed to inspect the operations and premises of the LEA to ensure that adequate provision of services meet the needs of qualified children.
- 3.04 Compensation PCG will compensate the LEA in the manner described in the contract between AHCCCS and PCG, attached hereto and incorporated herein by reference, subject to the terms and conditions of this agreement. PCG is obligated to reimburse funds to the extent that PCG receives funds from AHCCCS, excluding appropriate fees as agreed between AHCCCS and PCG.

Basic Rights and Obligations of PCG and LEA

- 4.01 Terms This agreement will commence on the effective date set forth on the signatory page and will automatically renew every 12 month period, for a total term of not more than five (5) years, until one of the following occurs:

1. Either party gives thirty days written notice prior to the next renewal date of intention not to renew.
 2. The agreement is terminated pursuant section 4.02 of this agreement.
- 4.02 Termination This agreement may be terminated with or without cause upon thirty days written notice of either party, or within five (5) years of the agreement's execution pursuant to ARS 38-511 regarding conflicts of interest. PCG retains the right to terminate this agreement immediately upon written notice when any of the following occur:
1. Cancellation, termination, or material modification of the applicable PCG contract with AHCCCSA.
 2. Cancellation, termination, or material modification of the qualifications, or certification, to provide health services to qualified children, of a health care provider contracted with or employed by the LEA.
 3. Failure by a health care provider either contracted or employed by the LEA to maintain appropriate license, certification or credentials required to perform covered services.
- 4.03 Disputes This agreement will be governed by and interpreted in accordance with the laws of Arizona applicable to contracts executed and wholly performed within Arizona and in accordance with applicable federal laws. If any provision of this Agreement is held by a court of competent jurisdictions to be invalid, void or unenforceable the remaining provisions shall nevertheless continue in full force without being impaired or invalidated in any manner.
- 4.04 Independent Relationship This agreement is not intended to create nor shall it be construed to create any relationship between PCG and the LEA other than that of independent contractors or entities subcontracting for the purpose of effecting the provisions of this agreement.
- 4.05 Indemnification To the extent allowed by law, each party shall indemnify and hold harmless the other party from and against any and all losses, damages, liabilities, costs, expenses (including attorneys' fees) and any other claims whatsoever which the party may suffer arising out of or relating to this agreement or the services provided hereunder if the claim against the party arises out of negligent or intentional acts or omissions of the other party. Indemnification shall include all employees, agents, officers, directors, shareholders and contractors of the party.
- 4.06 Severability If any provisions of this agreement are held invalid or unenforceable, the remaining provisions will continue valid and enforceable to the full extent permitted by law.
- 4.07 Waiver No provision of this agreement shall be waived unless in writing, signed by all parties hereto. Waiver of any provision of this Agreement shall not be deemed to be a continuing waiver of any other provision. This agreement may be modified or amended only by written agreement executed by all parties hereto. Failure to exercise any right, power, or privilege under this agreement will not operate as a waiver.

- 4.08 Notices All notices given pursuant to this agreement shall be in writing sent by certified mail, return receipt requested, and shall be addressed as follows:

Public Consulting Group
101 N. First Avenue, Suite 1800
Phoenix, AZ 85003

- 4.09 Exercise of Rights Failure to exercise any right, power, or privilege under this agreement will not operate as a waiver.
- 4.10 Amendments PCG may amend this agreement following thirty days prior written notice to and written approval by the LEA.
- 4.11 In the event that state or federal laws, rules or regulations change, are altered or modified such that the terms, benefits and conditions of this agreement must be changed accordingly, then PCG, agrees to provide prompt notice to the LEA. Upon such notice, PCG and the LEA may amend this agreement in accordance with section 4.07 of the agreement.

In the event that any updates or revisions to the most current HCPCS, CPT or ICD-9 or more current ICD codes should occur during the terms of this agreement, the LEA agrees to employ the most recent update or revision. PCG will use its best efforts to communicate with LEAs in advance about the substance and effective dates of updates and revisions however it is the LEAs responsibility to employ any updates and revisions without notice by PCG.

- 4.12 Entire Agreement This agreement constitutes the entire, complete, and final agreement between the parties and supersedes any prior written or oral agreements with respect to the subject matter of this Agreement.
- 4.13 Limitation of Liability In no event shall either party be liable for indirect, special, consequential or punitive damages. The LEA shall be solely responsible for disallowances or refunds of funds claimed or received.

Definitions

- 5.01 Administrative Claiming Program is the quarterly claim which provides reimbursement for a percentage of time LEAs spend providing administrative support for direct services, as well as efforts by LEAs to assure the Title XIX eligible children and their families are informed about the Title XIX EPSDT program, are helped to understand its importance, and are encouraged to seek EPSDT services.
- 5.02 AHCCCS Medical Policy Manual (AMPM) provides information to Contractors and Providers regarding services covered within the AHCCCS program.
- 5.03 AHCCCSA is the Arizona Health Care Cost Containment System Administration and is defined by Arizona Revised Statutes, Title 36, Chapter 29.
- 5.04 ADOE is the Arizona Department of Education.
- 5.05 Claim refers to provider services documented on a CMS1500 form or transmitted to PCG electronically, either directly or through use of a PCG-approved clearinghouse.
- 5.06 Clean Claim refers to a claim that may be processed without obtaining additional information from the LEA or other provider of service. This is defined in Arizona Revised Statutes 36-2904.G.1, and rules within Title 9 of the Arizona Administrative Code governing AHCCCS programs and programs administered by AHCCCS.
- 5.07 Centers for Medicare & Medicaid Services (CMS) Federal governing entity that oversees the Medicare and Medicaid programs in the United States of America.
- 5.08 Contract refers to the present and future agreements between PCG and AHCCCS that authorize PCG to provide administrative services for payment of claims for qualified children under the Medicaid school-based claiming programs through contracts/agreements between PCG and LEAs.
- 5.09 Cost Report is the report that is submitted by each LEA which contains all costs such as salaries and benefits for the use of the MAC claim and cost settlement.
- 5.10 Cost Settlement is the process by which actual costs of providing Medicaid-covered health related services will be compared to Medicaid reimbursements received.
- 5.11 Covered Services are all services available to qualified children pursuant to AHCCCS policies, the contract and PCG policies and procedures.
- 5.12 Direct Service Claiming Payment is the amount paid by PCG to the LEA for providing covered services, calculated according to the formula detailed in the Method of Compensation section of the Medicaid Direct Service Contract Document.
- 5.13 Direct Service Claiming Program is the program implemented by AHCCCS and ADOE to allow reimbursement for services AHCCCSA identified as being covered, are provided by the LEAs to Title XIX, Medicaid eligible children, and are part of the child's IEP.

- 5.14 Federal Funding a classification (originating source) of funding used to reimburse school district personnel.
- 5.15 Individuals with Disabilities Education Act (IDEA) was established in Federal statute and ensures children with special educational needs receive a free and appropriate public education.
- 5.16 Individualized Education Plan (IEP) is the written plan developed and implemented to provide special education and other related services to a child with a disability that is determined eligible for such services under IDEA, Part B.
- 5.17 The Local Education Agency (LEA) recorded within the General Provisions of this agreement is a public school district, non-affiliated charter school or the Arizona School for the Deaf and the Blind (ASDB) that desires to participate in the PCG contract network and employs or contracts with health care providers who registered with AHCCCS to provide covered services to qualified children and hereinafter shall be referred to as the Participating Healthcare Provider.
- 5.18 Medicaid Administrative Claiming (MAC) Program provides a means for school districts/charter schools to receive federal reimbursement for Medicaid outreach and administrative activities that support students receiving health services, such as referrals made for health services, and the coordination of health services.
- 5.19 Medically Necessary generally refers to covered services that prevent disease, disability or other adverse health conditions or progression of such, or prolong life. They must be provided by a qualified provider within the scope of his/her practice under state law. AHCCCS rules, requirements, and policies determine if a particular service is medically necessary for the purposes of Direct Service Claiming compensation.
- 5.20 Participating Provider refers to independent providers under contract with or employed by the LEA to provide specific covered services to qualified children.
- 5.21 Participating LEA is a LEA that signed a participation agreement with PCG for the purpose of billing AHCCCSA for covered services provided to qualified children.
- 5.22 Participating Healthcare Provider (PHP) is a health care provider duly licensed/certified in the State of Arizona, if applicable.
- 5.23 Qualified Child is a child at least three years old and under age 22, and who has been determined by AHCCCSA to be eligible under Title XIX of the Social Security Act, and who has been determined by the LEA to be eligible for special education services provided under IDEA and A.R.S §36-2907.
- 5.24 Qualified Provider is an individual who is eligible to provide services under the Direct Service Claiming Program. Such provider must be a registered AHCCCS provider either employed or under contract with a LEA, or an employee or contractor of the LEA providing services for which the LEA is a registered provider.

- 5.25 Related Services are the services defined by 34 CFR 300.34 that are provided to children who qualify for special education services in order to benefit from special education services under IDEA.
- 5.26 Record is the health or medical record of a qualified child that documents the covered services that were received by a qualified child. These records include but are not limited to the student's IEP, treatment plans, billing records, evaluations, summary of progress, treatment dates and descriptions, and signatures of the providers of service.
- 5.27 Random Moment Time Study (RMTS) is a federally accepted method for documenting the time school district personnel spend on direct service and Medicaid outreach and administrative activities.
- 5.28 Special Education Services are services defined under 34 CFR 300.39 that are provided to a qualified child in order that the child may benefit from the free and appropriate education guaranteed under IDEA.
- 5.29 Third Party is a person, entity, or program that is or may be liable to pay all or part of the medical cost of injury, disability, or disease for an AHCCCS applicant, eligible person, or qualified child, as defined by Arizona Administrative Code R9-22-1001.
- 5.30 Third Party Liability refers to, as defined by Arizona Administrative Code R9-22-1001, the obligation of a person, entity or program by agreement, circumstances or otherwise to pay all or part of the medical expenses incurred by the applicant, eligible person or qualified child.
- 5.31 Title XIX of the Social Security Act means Medicaid as defined in 42 U.S.C. 7.19.

[End of Definitions]

**(1) MEDICAID DIRECT SERVICE CLAIMING
CONTRACT DOCUMENTS**

Direct Service Provisions

Basic Rights, Responsibilities and Obligations of the LEA

- 1.01 Covered Services The LEA will provide or arrange for the provision of specific covered services to qualified children in accordance with the terms of this agreement, as set forth in A.R.S. §36-2907 and pursuant to the child's Individualized Education Plan (IEP) and the AHCCCS Medical Policy Manual (AMPM). Failure to comply with the above mentioned regulations may result in claim denial.
- 1.02 Requesting Fees The LEA will not request fees from qualified children, qualified children's legal representatives, parents or guardians for covered services.
- 1.03 Notice of Credential or License Change The LEA agrees to notify PCG within one week of any legal or administrative proceeding or investigation that applies to the LEA, or health care providers contracted with or employed by the LEA to provide covered services, that may result in revision, revocation, censure, dismissal, suspension or limitation of any of the following:
1. Transportation provider driver's license
 2. License to provide health care service
 3. Narcotics license
 4. Certification or authority to treat patients covered by Medicare or Medicaid
- 1.04 Professional Standards The LEA will provide covered services in a manner consistent with the professional standards of care generally accepted by the medical or other relevant community of the LEA.
- 1.05 Confidentiality The LEA will treat records of qualified children as confidential and will comply with all applicable federal and state laws, rules and regulations, regarding release of a qualified child's records to PCG or AHCCCSA without written permission from the qualified child or his/her representative.
- 1.06 Grievances Actions by PCG may be grieved or appealed by the LEA. The LEA agrees to adhere to grievance policies and procedures. The LEA also agrees to assist PCG in investigating or resolving any grievance.
- 1.07 Claims Reporting and Reimbursement The LEA will file claims and receive interim reimbursements on approved claims from PCG in accordance with applicable provisions included in this agreement. The billed amount of each claim or claim line must be greater than \$1.00.
- 1.08 LEA Registration The LEA must register with AHCCCS as a group biller and ensure that all providers must also register with AHCCCS are in fact registered and that they have authorized the LEA to serve as a billing agent.

- 1.09 NPI Number The LEA must obtain a National Provider ID (NPI), notify AHCCCS of the number and ensure that all providers requiring an NPI (all except Health Aides and Transportation) obtain one and notify AHCCCS of the number.
- 1.10 The LEA shall ensure that the student meets the definition of a qualified child prior to billing PCG for the medically necessary claim. Failure to verify eligibility may result in a claim denial.
- 1.11 The LEA agrees to render services to qualified children who are diagnosed as having Acquired Immune Deficiency Syndrome (AIDS) or AIDS-related Complex (ARC) in the same manner and to the extent as other qualified children and under the compensation terms set forth herein.
- 1.12 The LEA agrees to utilize current CPT, HCPCS and ICD-9 or more current ICD coding guidelines or any alternative coding authorized by AHCCCS.
- 1.13 The LEA and all PHPs contracted with or employed by it shall maintain in full force and effect and be covered at all times during the term of this agreement by liability insurance including both nose and tail coverage as well as the other insurance requirements contained within Section 4.05 of the General Provisions of this agreement.
- 1.14 The LEA shall provide covered services on-site except in cases when the IEP requires that an eligible student be educated or treated in an alternative setting (e.g., at home, private special education program) other than at the school. In these cases, covered services provided to qualified children in these alternative settings may be reimbursed. Covered services provided to students at other locations (e.g., clinics, hospitals, etc.) are not reimbursable to the LEA.
- 1.15 The LEA must participate in the quarterly Random Moment Time Study (RMTS). All direct service billing providers must be included in the quarterly staff pool list.
- 1.16 If this Agreement is terminated by either party, the LEA will be required to complete all RMTS moments assigned, submit costs and information for the relevant quarters of participation and the annual cost report at the end of the year.
- 1.17 Staff 100% Federally Funded should be excluded from the quarterly staff pool list and LEA must not bill for direct services rendered by provider.
- 1.18 The LEA shall monitor staff participation to ensure that every RMTS form is completed. The LEA must meet the minimum compliance rate of 85% of moments assigned each quarter. After the first quarter of RMTS non-compliance, the LEA is required to submit a corrective action plan (CAP) outlining a plan to meet compliance. After two consecutive quarters of RMTS non-compliance, the LEA is required to document why the strategy in the CAP was not effective and submit a revised CAP. After three consecutive quarters of RMTS non-compliance, the LEA may be removed from participating in the MSBC program.
- 1.19 By law, AHCCCS is the payer of last resort. It is the LEA's responsibility to determine the extent of third party coverage and bill all third party payers prior to billing PCG. Any payments received from a third party payer for a covered service must be reported on the claim form submitted to PCG.

- 1.20 The LEA must follow all applicable regulations regarding obtaining permission to bill any third party payer from a qualified child's parent or legal guardian.
- 1.21 The LEA must maintain a medical record for each qualified child who receives covered services through the Medicaid School-Based Claiming Program. Medical records should be well organized and comprehensive, with sufficient detail to promote effective patient care and quality review. Medical records shall be retained by the LEA for a period not less than five (5) years from the date of payment. Records under review by a state or federal agency must be maintained until review has been finalized even if time period of records exceed 5 years.
- 1.22 As defined by the AHCCCS Office of Medical Policy & Programs, each medical record must include:
- A copy of the qualified child's IEP.
 - Applicable diagnostic or evaluation documentation.
 - A plan of treatment with outcomes oriented goals.
 - An IEP is considered current and valid when the date of service falls within the date-span reflected on the IEP, and the IEP has been signed and dated by the appropriate qualified medical providers for each claimable service.
 - The IEP must contain a "prescription" or recommendation for each medical service including details regarding the scope, frequency and duration. The appropriate qualified provider for each particular service identified in the IEP must determine and include in the IEP the scope, frequency and duration for the medical service under his/her direction. The IEP must be signed and dated by the appropriate qualified medical provider(s).
 - Periodic summary reports of the qualified child's progress toward treatment goals. Periodic summary reports must be completed by the appropriate qualified medical provider and are signed and dated.
 - Provider-signed and dated service logs, including the date and description of services and/or modalities (also known as clinical notes) provided by the signing provider.
- 1.23 A LEA receiving DSC funds will be subject to a compliance review conducted no less than once every three years. LEAs not meeting compliance standards will be subject to consequences for failure to comply as defined in the program handbook.
- 1.24 The LEA will supply a dual certified CAP certified by two LEA representatives, the Special Education Director and Business Manager for all standards identified as non compliant during a DSC compliance review. The LEA will cooperate with periodic DSC compliance reviews conducted by PCG and will comply with recommendations that result from those compliance reviews.
- 1.25 Any recoupment or disallowance of funds due to an audit exception or compliance review, deferral or denial deemed appropriate by CMS or AHCCCS will be the

responsibility of the LEA, even after withdrawal from the program. PCG shall have no liability in such circumstances.

- 1.26 The LEA will designate an employee(s) to act as liaison with PCG for issues concerning this agreement, administration of the program and financial information. The LEA may choose to designate more than one person based on roles and responsibilities. If the designated employee(s) changes roles or leaves the district the LEA must provide notice to PCG within twenty (20) business days.

Covered Services

- 2.01 Covered services are those services as defined in the AHCCCS Medical Policy Manual AMPM.
- 2.02 The LEA shall provide or arrange for the provision of AHCCCS covered services to qualified children in accordance with the AMPM, program procedures and applicable statutes and regulations.
- 2.03 The LEA shall authorize the issuance of the claim in accordance with the Billing and Reporting Requirements section.

Billing and Reporting Requirements

- 3.01 In accordance with A.R.S. 36-2904 and Title 9 of the Arizona Administrative Code, the LEA must submit to PCG claims for covered services provided to a qualified child by the LEA within six months from date of service or the notification by AHCCCS of the retro enrollment of the qualified child, whichever date is later. Denied claims that were initially timely may be re-submitted within twelve months from the date of service or the notification of AHCCCS of the retro enrollment of the qualified child, whichever date is later.
- 3.02 LEA will submit claims on a consistent and routine basis for all covered services. LEA may be subject to claiming thresholds established by AHCCCS and/or PCG. In instances where the claiming threshold is not met, additional documentation from the LEA may be required. Certain LEA costs may be subject to exclusion from the annual cost report and settlement for failure to submit direct service claims routinely as defined by PCG and AHCCCS.
- 3.03 LEA will receive interim Medicaid payments for approved direct service claims for dates of service beginning July 1, 2011.
- 3.04 At a minimum, all claims shall provide the following information and data:
 1. Qualified child's name, sex and date of birth
 2. Qualified child's AHCCCS ID number
 3. Diagnosis Code(s) (ICD-9 or more current ICD Codes)
 4. Procedure Code(s) (Current CPT Codes and/or HCPCS Codes),
 5. Place of service

6. Date of service
7. The LEA's name, address and authorized signature
8. The LEA's group biller AHCCCS ID number
9. The LEA's National Provider ID (NPI) number
10. The provider's AHCCCS ID number
11. The provider's NPI number, if required
12. Explanation of Benefits, if applicable
13. Applicable costs to provide the service

Failure to submit any of the above information and data within the prescribed time period may result in payment delay and/or claim denial.

- 3.05 Claims for reimbursement of eligible services may be subject to a pre-payment review of the appropriate documentation necessary to support the claim. If the supporting information is not submitted, claims will be denied reimbursement.
- 3.06 Claims may be submitted to PCG directly through the web-based claiming system, CMS1500 form or other method later identified by PCG. Original CMS 1500 forms must be mailed to:
Public Consulting Group
101 N. First Avenue, Suite 1800
Phoenix, AZ 85003
Attn: DSC Claims

Faxes or copies of CMS1500 forms will not be accepted.

- 3.07 LEA will report quarterly salary and benefit, and contracted personnel costs for staff that are included on the RMTS staff pool list quarterly. Quarterly cost must be certified by an authorized financial representative of the LEA.
- 3.08 LEA will report special education student and transportation data annually for the purposes of the cost settlement process.
- 3.09 LEA will report annual costs as the close of the fiscal year. Costs must be certified by an authorized financial representative of the LEA.

Method of Compensation

- 4.01 PCG shall pay the LEA for the delivery of covered services to qualified children during the terms of this agreement on a fee-for-service payment basis. PCG will pay the LEA for covered services in accordance with the AHCCCS fee schedule or the actual cost to the LEA to provide the services, whichever is less, times the appropriate FMAP rate, less any applicable administration fees. The LEA shall not charge qualified children, their legal representatives, parents or guardians for services for which AHCCCS has denied payment as not a medically necessary service or not a covered service. The LEA shall not seek any additional reimbursement from qualified children. All payments shall be sent from PCG to the LEA directly or to a designee of the LEA. The LEA is responsible for payment

(2) MEDICAID ADMINISTRATIVE CLAIMING CONTRACT DOCUMENTS

Medicaid Administrative Claim Provisions

Basic Rights, Responsibilities and Obligations of the LEA

- 1.01 The LEA agrees to participate in the Administrative Claiming Program.
- 1.02 The time accounting system used by the LEA or its contractor must comply with the requirements contained in OMB Circular A-87 and 45 CFR.
- 1.03 The LEA must follow the policies and procedures contained in the AHCCCS "Guide to Cost Reporting for the School Based Services Direct Service Claiming Program" as submitted to CMS for approval.
- 1.04 Any recoupment or disallowance of funds due to an audit exception or compliance review, deferral or denial deemed appropriate by CMS or AHCCCS will be the responsibility of the LEA, even after withdrawal from the program. PCG shall have no liability in such circumstances.
- 1.05 The LEA will maintain or coordinate a contractor's assistance in maintaining an AHCCCS/CMS approved administrative claiming program to include training, the use of standardized sample forms, sampling, the development and maintenance of clearly identifiable cost accounting pools and the application of sample percentages to accounting pools in a manner which will document the process for audits.
- 1.06 The LEA will submit costs to PCG via the cost reporting system for administrative activities on a quarterly basis. Each quarter's costs must be certified by an authorized financial representative of the LEA. The Certification of Public Expenditures form must be signed and dated by an authorized financial representative on behalf of the LEA. The non-federal share must be funds other than federal dollars.
- 1.07 The LEA will maintain and be able to produce within specified time frames requested records and material for CMS, AHCCCS audits, and/or PCG compliance reviews.
- 1.08 The LEA will designate an employee to act as liaison with PCG for issues concerning this agreement, administration of the program and financial information. The LEA may choose to designate more than one person based on roles and responsibilities. If the designated employee (s) changes roles or leaves the district the LEA must provide notice to PCG within twenty (20) business days.
- 1.09 The authorized financial LEA representative is required to certify the funds reported for the quarterly Medicaid Administrative claim and the Certification of Public Expenditures form.
- 1.10 The LEA will participate in the Medicaid Direct Service Program.

- 1.11 The LEA will meet all deadlines to submit required information to PCG for the purposes of the program.
- 1.12 The LEA shall monitor employee participation to ensure that every RMTS form is completed. The LEA must meet the minimum compliance rate of 85% of moments assigned each quarter. After the first quarter of RMTS non-compliance, the LEA is required to submit a corrective action plan (CAP) outlining a plan to meet compliance. After two consecutive quarters of RMTS non-compliance, the LEA is required to document why the strategy in the CAP was not effective and submit a revised CAP. After three consecutive quarters of RMTS non-compliance, the LEA may be removed from participating in the MSMC program.
- 1.13 A LEA receiving MAC funds will be subject to a compliance review conducted no less than once every three years.
- 1.14 The LEA will cooperate with periodic MAC compliance reviews conducted by PCG and will comply with recommendations that result from those compliance reviews.

Basic Rights and Obligations of PCG

- 2.01 PCG has developed a description of Medicaid reimbursable administrative claiming activities performed by LEA contract or salaried staff. This list is in accordance with Center for Medicare and Medicaid Services (CMS) guidelines. A description of the Administrative claiming activities can be found in the AHCCCS "Guide to Cost Reporting for the School Based Services Direct Service Claiming Program"
- 2.02 PCG will review LEA administrative claims for Medicaid reimbursement on a quarterly basis.
- 2.03 PCG will complete all required documentation as set forth by CMS guidelines and reimburse the LEA based on federally established rates of 50 percent of the cost of allowable administrative activities performed by designated personnel.
- 2.04 PCG will complete all required documentation as set forth by CMS guidelines and reimburse the LEA 100 percent of the federal share of actual and reasonable costs less AHCCCS and PCG's fee for Medicaid administrative activities provided by LEAs, as determined by CMS approved cost allocation methodologies and time study formulas.
- 2.05 PCG will prepare claims for AHCCCS to forward for funding to CMS for Title XIX participation.
- 2.06 PCG will produce any Medicaid specific reports deemed necessary for the LEA.
- 2.07 PCG will notify the LEA in the event of any changes made by CMS to federal matching percentages or costs eligible for match.
- 2.08 PCG will reimburse the LEA for administrative claiming where allowed under CMS's policies and procedures for the program.

- 2.09 PCG will periodically monitor the LEA files pertaining to administrative claiming for compliance with record keeping requirements for reporting reimbursable activities and capturing time, as well as the sampling process and results.
- 2.10 PCG will develop procedures for recoupment from the LEA, if warranted by appropriate state or federal monitoring authorities.
- 2.11 PCG will conduct a compliance review for LEAs that receive DSC and/or MAC funds no less than once every three years. PCG will make appropriate recommendations to the LEA that does not meet compliance standards consistent with the Medicaid School Based Claiming Program.

Confidentiality

- 3.01 The LEA agrees to safeguard the use and disclosure of information pertaining to current or former Medicaid beneficiaries and agrees to comply with all state and federal laws pertaining to confidentiality of patient and student information.

Effective Date, Changes, Life of this Agreement

- 4.01 The effective date of this agreement will be the first day of the first quarter during which valid time studies were conducted where the LEA participated and are subject to CMS approval.
- 4.02 Changes may be made to the agreement in the form of amendments and must be signed by all parties.
- 4.03 Changes in the CMS matching percentage or costs eligible for match will not be made via this agreement but will be applied pursuant to changes in applicable Medicaid federal regulations and effective the date specified by CMS.
- 4.04 This agreement will commence on the effective date set forth on the signatory page and will automatically renew for every 12 month period until one of the following occurs:
 - 1. Either party gives thirty days written notice prior to the next renewal date of intention not to renew.
 - 2. The agreement is terminated pursuant to section 4.05 or 4.06 of this agreement.
- 4.05 This agreement may be terminated with or without cause upon thirty days written notice of either party.
- 4.06 This agreement may be terminated pursuant to ARS 38-511.

Compensation

- 5.01 PCG will compensate the LEA in the manner described by AHCCCS in the scope of work in the RFP or subsequent methodology documents. PCG is obligated to

reimburse funds to the extent that PCG receives funds from AHCCCS, excluding appropriate fees as agreed between AHCCCS and PCG.

[End of Document]