



**Section 5.6**

**Contractor and Provider Claims Disputes**

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**5.6.1 Introduction**

- a. The purpose of this policy is to establish a process to resolve contractor and provider claim disputes that is consistent with the requirements described by law.
- b. A provider or Tribal/Regional Behavioral Health Authority (T/RBHA) must utilize the process described herein to resolve a claim dispute. For purposes of this policy, a T/RBHA dispute regarding the non-payment or partial payment of any performance incentive under Arizona Department of Health Services /Division of Behavioral Health Services (ADHS/DBHS)' contract with the T/RBHA shall be considered a claims dispute, and shall be subject to the procedures described herein for resolution.
- c. This policy does not apply to:
  - i. Contract claims asserted by a T/RBHA against ADHS/DBHS pursuant to [Arizona Administrative Code Title 2, Chapter 7](#); or
  - ii. Disputes between a T/RBHA and a prospective service provider made in connection to the T/RBHA's contracting process.

**5.6.2 Terms**

Definitions for terms are located online at <http://www.azdhs.gov/bhs/definitions/index.php> or <http://www.narbha.org/for-providers/provider-resources/provider-policy-manual/definitions>. The following terms are referenced in this section:

[Claim Dispute](#)

[Clean Claim](#)

[Day](#)

[Filed](#)

**5.6.3 Procedures**

- a. General Requirements
  - i. Computation of Time
    - 1. Computation of time in calendar days begins the day after the act, event or decision and includes all calendar days and the final day of the period. If the final day of the period is a weekend or legal holiday, the period is extended until the end of the next day that is not a weekend or a legal holiday.



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- ii. Claim Disputes relating to decisions made by ADHS/DBHS or relating to services provided to persons enrolled with a Tribal RBHA shall be addressed by ADHS/DBHS.
  - iii. Claim Disputes relating to decisions made by a RBHA or a RBHA provider must be addressed by the RBHA. The RBHA may not delegate this responsibility.
  - iv. ADHS/DBHS and the RBHA must utilize a unique ADHS/DBHS Docket Number for each claim dispute filed. The Docket Number is established as follows:
    1. The ADHS/DBHS or T/RBHA letter code (See [NARBHA Policy 5.1](#) and [PM Attachment 5.1.1 for codes](#));
    2. The date of receipt of the claim dispute using the MMDDYY format;
    3. The letter code "P" which designates the case as a claim dispute;
    4. A four-digit sequential number, which begins on January 1 of each year as 0001.
  - v. All documentation received during the claim dispute resolution process must be date stamped upon receipt.
  - vi. All claim dispute case records must be filed in secured locations and retained for five years after the most recent decision has been rendered.
  - vii. Filing of Claim Disputes and delivery/ mailing of Notices of Decision
    1. The RBHA shall establish and notify their providers of their delivery or mailing address for the receipt of claim disputes filed with the RBHA.
    2. Claim disputes filed with ADHS/DBHS shall be delivered or mailed to the following address:

Office of Grievance and Appeals  
ADHS/DBHS  
150 North 18<sup>th</sup> Avenue, Suite 230  
Phoenix, Arizona 85007
    3. All decisions shall be personally delivered or mailed by certified mail to the party at their last known residence or place of business.
  - viii. Claim Dispute Log

The ADHS/DBHS Office of Grievance and Appeals database shall maintain the log of all claim disputes initiated under this policy. The RBHA, and ADHS/DBHS on behalf of a Tribal RBHA, are responsible for entering all information related to the claim dispute resolution process necessary for the accurate and timely maintenance of the log. The log shall contain:

    1. A unique ADHS/DBHS Docket Number;
    2. A substantive but concise description of the claim dispute including whether the claim dispute is related to the provision of Title XIX or Title XXI covered services;
    3. The date the claim dispute was received;
    4. The nature, date, and outcome of all subsequent decisions, appeals, or other relevant events; and
    5. A substantive but concise description of the final decision, the action taken to implement the decision and the date the action was taken.
- b. Notification of the Right to File a Claim Dispute
- i. ADHS/DBHS and the RBHA must provide an affected provider a remittance advice that includes provider's right to file a claim dispute and how to do so, upon the payment, denial or recoupment of payment of a claim. ADHS/DBHS and the



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RBHA must notify an affected provider or T/RBHA of the right to file a claim dispute and how to do so when a decision is made to impose a sanction.

- c. Initiating a Claim Dispute
  - i. A claim dispute is initiated by filing a written claim dispute with ADHS/DBHS or the RBHA, as indicated in 3.a.ii, 3.a.iii, and 3.a.vii. (1) and (2) of this policy.
  - ii. A notice of claim dispute must specify the factual and legal basis for the claim dispute and the relief requested. Claim disputes may be denied if the filing party has failed to provide a comprehensive factual or legal basis for the dispute.
  
- d. Time for Initiating a Claim Dispute
  - i. A claim dispute relating to the imposition of a sanction must be initiated within 60 days from the date of the notice advising that a sanction will be imposed.
  - ii. A claim dispute relating to the payment, denial or recoupment of payment of a claim must be initiated within 12 months of the date of delivery of the service; 12 months after the date of eligibility posting; or within 60 days after the payment or denial of a timely claim submission, or the recoupment of a payment, whichever is later.
  
- e. Claim Disputes of ADHS/DBHS or Tribal RBHA Decisions
  - i. Within five(5) days of receipt of a claim dispute, ADHS/DBHS shall send written acknowledgment that the claim dispute has been received, will be reviewed and that a decision will be issued within 30 days of receipt of the claim dispute, absent extension of the timeline pursuant to 3.g. of this policy.
  - ii. If ADHS/DBHS determines that the claim dispute arises out of a decision made by a RBHA or RBHA provider, ADHS/DBHS must immediately forward the claim dispute to the appropriate RBHA with an explanation of why the claim dispute is being forwarded.
    - 1. A copy of the transmittal shall also be sent by ADHS/DBHS to the party filing the claim dispute.
    - 2. The receiving RBHA shall ensure that a decision is rendered within 30 days of ADHS/DBHS' receipt of the notice of claim dispute unless an extension has been granted pursuant to 3.g. of this policy.
  - iii. ADHS/DBHS will issue a written, dated decision mailed by certified mail to all parties no later than 30 days after the provider files a claim dispute with ADHS/DBHS, unless the provider, and ADHS/DBHS, have agreed to a longer period pursuant to 3.g. of this policy. The Decision must include and describe in detail, the following:
    - 1. The nature of the claim dispute;
    - 2. The issues involved;
    - 3. The ADHS/DBHS decision and the reasons supporting ADHS/DBHS' decision, including references to applicable statute, rule, applicable contractual provisions, policy and procedures;
    - 4. The Provider's right to request a hearing by filing a written request for hearing to ADHS/DBHS no later than 30 days after the date the provider receives ADHS/DBHS' decision; and
    - 5. If the claim dispute is overturned, the requirement that ADHS/DBHS must reprocess and pay the claim(s), with interest, when applicable, in a manner



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consistent with the decision within 15 business days of the date of the decision; and,

6. A statement that the provider may request an administrative hearing by filing a request with the ADHS/DBHS Office of Grievance and Appeals, 150 North 18<sup>th</sup> Avenue, Suite 230, Phoenix, Arizona 85007, within 30 days of receipt of the decision. A statement advising the provider of the right to request an informal settlement conference must also be included.
- f. Claim Disputes of RBHA Decisions
- i. Within five (5) days of receipt of a claim dispute, the director of the RBHA shall send written acknowledgment that the claim dispute has been received, will be reviewed and that a decision will be issued within 30 days of receipt of the claim dispute, absent extension of the timeline pursuant to 3.g. of this policy.
  - ii. If the RBHA determines that it was not responsible for the claim dispute, the RBHA must immediately forward the claim dispute to the responsible RBHA or to ADHS/DBHS with an explanation of why the claim dispute is being forwarded.
    1. A copy of the transmittal shall be sent by the RBHA to the party filing the claim dispute.
    2. The receiving RBHA or ADHS/DBHS must ensure that a decision is rendered within 30 days of the original RBHA's receipt of the notice of claim dispute, unless an extension has been granted pursuant to 3.g. of this policy.
  - iii. The RBHA shall issue a written, dated decision that must be mailed by certified mail to all parties no later than 30 days after the provider files a claim dispute with the RBHA, unless the provider and the RBHA have agreed to a longer period pursuant to 3.g. of this policy. The Decision must include and describe in detail, the following:
    1. The nature of the claim dispute;
    2. The issues involved;
    3. The RBHA's decision and the reasons supporting the RBHA's decision, including references to applicable statute, rule, applicable contractual provisions, policy and procedures;
    4. The provider's right to request a hearing by filing a written request for hearing to ADHS/DBHS no later than 30 days after the date the provider receives the RBHA's decision;
    5. The provider's right to request an informal settlement conference prior to hearing; and
    6. If the claim dispute is overturned, the requirement that the RBHA must reprocess and pay the claim(s), with interest, when applicable, in a manner consistent with the Decision within 15 business days of the date of the decision.
- g. Extension of time
- i. The time to issue a decision under 3.e.iii. or 3.f.iii. of this policy may be extended upon agreement between the parties. Documentation of the agreement to the extension of time must be maintained in the claim dispute case record.
- h. Requests for Administrative Hearing
- i. In the event that the party filing a claim dispute is dissatisfied with the ADHS/DBHS Deputy Director's or RBHA director's decision, or if a written Notice



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- of Decision is not received within 30 days after the claim dispute is filed, absent an extension of time, a request for administrative hearing may be filed with the ADHS/DBHS Office of Grievance and Appeals.
1. The request must be filed in writing and received by ADHS/DBHS within 30 calendar days of the date of receipt of the ADHS/DBHS or RBHA's decision, or in the event no decision is rendered, within 30 days of the date of filing the claim dispute, absent an extension of time.
  - ii. A written request for administrative hearing filed with ADHS/DBHS must contain the following information:
    1. Provider name, address, AHCCCS Provider ID number, and the ADHS/DBHS docket number;
    2. Member's Name and AHCCCS Identification Number;
    3. Provider's Name, address, AHCCCS Identification Number, and phone number (if applicable);
    4. The date of receipt of the claim dispute;
    5. The issue to be determined at the administrative hearing; and
    6. A summary of the RBHA actions undertaken to resolve the claim dispute and basis of the determination.
  - iii. Pursuant to [A.R.S. § 41-1092.03](#), upon receipt of a request for an administrative hearing, the ADHS/DBHS Office of Grievance and Appeals must request that ADHS schedule an administrative hearing pursuant to [A.R.S. § 41-1092.05](#).
  - iv. ADHS/DBHS Office of Grievance and Appeals shall accept a written request for withdrawal from the filing party if the request is received prior to ADHS/DBHS scheduling and mailing the Notice of Hearing. Otherwise, a filing party who wishes to withdraw must send a written request (motion) for withdrawal to the Office of Administrative Hearings consistent with [A.A.C.R2-19-106\(A\)\(3\)](#).
  - v. If an ADHS/DBHS or RBHA decision regarding a claim dispute is reversed through the claim dispute or hearing process, ADHS/DBHS or the RBHA shall reprocess and pay the claim(s), with interest, when applicable, in a manner consistent with the decision within 15 business days of the date of the Decision unless a different timeframe is specified.
- i. Administrative Process
- i. The Administrative Hearing Process shall be conducted according to [A.R.S. Title 41, Chapter 6, Article 10](#).
  - ii. Appeal of ADHS/DBHS Director's decisions  
For Title XIX and Title XXI covered services, an appellant aggrieved by the Director's decision may appeal the decision to AHCCCSA by filing a written notice of appeal with AHCCCS, Office of Administrative Legal Services, 701 E. Jefferson St., MD-6200, Phoenix, AZ 85034. within 30 calendar days of receipt of the decision.
- j. Detecting Fraud and Program Abuse
- i. RBHAs are required to track, trend and analyze claim disputes for purposes of detecting fraud and program abuse. T/RBHAs are required to report all suspected fraud, waste and/or program abuse involving any Title XIX/XXI funds to the AHCCCS Office of the Inspector General (OIG) within ten (10) business days of discovery consistent with the requirements in [NARBHA Policy 7.9 Corporate Compliance](#).



**5.6.4 References**

The following citations can serve as additional resources for this content area:

- [A.R.S. § 12-901 et seq.](#)
- [A.R.S. § 36-2903.01.B.4](#)
- [A.R.S. § 36-3413](#)
- [A.R.S. Title 41, Chapter 6, Article 1 and 10](#)
- [2 A.A.C. 19, Article 1](#)
- [9 A.A.C. 34, Article 4](#)
- [Balanced Budget Act of 1997](#)
- [AHCCCS/ADHS Contract](#)
- [ADHS/RBHA Contracts](#)
- [ADHS/TRBHA IGAs](#)
- [AHCCCS Contractor Operations Manual, Section 206](#)
- [Policy 7.9, Corporate Compliance](#)

**5.6.5 PM Forms**

None

**5.6.6 PM Attachments**

None

Signature on file	04/01/15
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Mary Jo Gregory President and Chief Executive Officer	Date
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Signature on file	04/01/15
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Teresa Bertsch, MD Chief Medical Officer	Date
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Reference [ADHS/DBHS Policy 1805](#)