February 26, 2024

First Class Mail, Certified Receipt Requested

Arizona Rehab Campus B8
6944 E Tanque Verde Rd
Tucson, AZ 85715

Re: Notice of Suspension – Credible Allegation of Fraud
AHCCCS Provider ID: [redacted]
NPI: 1245767052

Dear Provider,

In accordance with 42 C.F.R. § 455.23 and the terms of your Provider Participation Agreement, the Arizona Health Care Cost Containment System ("AHCCCS") hereby notifies you that AHCCCS will impose a temporary, system-wide suspension of payments to you pending an investigation into a credible allegation of fraud leveled against you effective March 26, 2024. Violations include but are not limited to: 42 C.F.R. §431.107; 42 CFR Part 455 Subpart B; A.R.S. 13-1003; A.R.S. 13-2312; A.R.S. 13-1802; ARS 13-2002; A.R.S. 13-2310; A.R.S. 13-2311; A.R.S. 36-2918.01; 18 U.S. Code § 1035; A.A.C. R9-22-714(B)(1); and AHCCCS Provider Participation Agreement. Please read the following allegations and rights closely.

Specifically, it is alleged you engaged in fraud involving the Medicaid program that includes, but is not limited to:

- Billing for services you knew, or should have known, could not have been provided as claimed:
  - Overlapping claims for patients while they were receiving services at an inpatient hospital, behavioral health outpatient clinic, and integrated clinic;
  - Unbundled and duplicative claims between Arizona Rehab Campus B8 (ID 253563) and Arizona Rehab Campus 77 (ID 332482);
  - Billing diagnoses F10.2 et. seq., F11.2 et. seq, or F15.2 et. seq. for almost all members; and
  - Admitting members repeatedly for multiple stays, which indicates ineffective or unnecessary services that results in excessive billing.
- Deficient medical records, including lack of support for services billed:
  - Assessment signed late after completion;
  - BHPs signing assessments, treatment plans, and group session notes are not registered with AHCCCS;
  - Missing treatment plans;
  - Missing group session notes;
  - Diagnosis not stated on the treatment plan;

- Group sessions notes unsigned by a BHP;
- Cloned group session notes;
- Services described in group session notes are inconsistent with the diagnosis billed, not specific to the members' needs, not appropriate, unrelated to the treatment plan, or not covered by AHCCCS; and
- Individual therapy notes do not show services specific to members' needs.

After carefully reviewing the allegation, facts, and existing evidence, AHCCCS has determined that the allegation has sufficient indicia of reliability to justify this suspension of payment. This suspension of payment shall take effect on the date listed in this Notice of Suspension. Further, AHCCCS has determined there is no good cause to not suspend payments or to suspend payment only in part.

All suspension of payment actions under 42 C.F.R. § 455.23 are temporary in nature and will not continue after either of the following: (i) AHCCCS or prosecuting authorities determine that there is insufficient evidence of fraud by the provider, or (ii) legal proceedings related to the provider's alleged fraud are completed.

Your Rights

At any time during the pendency of the investigation into the credible allegation of fraud, you have the right to submit written evidence to AHCCCS demonstrating that good cause exists to remove the suspension in whole or in part. This includes written evidence or documents that would refute any evidence of fraud. If you choose to exercise this right, you must submit these documents or reasons in writing, via mail, to:

Arizona Health Care Cost Containment System
Office of the Inspector General
Vanessa Templeman
801 East Jefferson Street, MD 4500
Phoenix, AZ 85034

Request for a State Fair Hearing

Pursuant to A.R.S. § 41-1092, et seq. and 42 C.F.R. § 455.23(a)(3), you have the right to request a state fair hearing if you disagree with the action specified in this Notice of Suspension. Your Request for Hearing must be **in writing** and must be received by AHCCCS, at the following address, no later than **thirty (30) days** from the receipt of this Notice of Suspension. Failure to request a state fair hearing within the deadline described above will forfeit your right to a state fair hearing to challenge this payment suspension. Mail your Request for Hearing to:

Arizona Health Care Cost Containment System
Office of the General Counsel
801 East Jefferson Street, MD 6200
Phoenix, AZ 85034

Informal Settlement Conference

If you request a state fair hearing, you may request an informal settlement conference pursuant to A.R.S. § 41-1092.06. Any request for an informal settlement conference must be **in writing, with a list of the documents or questions you plan to submit to AHCCCS at the informal settlement conference,** and must be filed with the agency at the address above no later than **twenty (20) days** before any hearing in this matter. Statements, either written or oral, made by you at the informal settlement conference, including a written document, created or expressed solely for the purpose of settlement negotiations are inadmissible in any subsequent administrative hearing.

Care Coordination

The terms of the PPA are clear – when a Provider operating under the agreement stops providing services to AHCCCS Members, they are required to transition the care of their patients to other Providers. Whether the Provider wants to do so or not is irrelevant, transition of care is mandatory.

If you fail to meet this requirement, AHCCCS will take all applicable legal action, including filing a suit for breach of contract and requesting monetary damages, including attorneys' fees and costs.

Sincerely,

Vanessa Templeman/dc

Vanessa Templeman
Inspector General

cc: AHCCCS Managed Care Plans
Tribal Regional Behavioral Health Agencies
Samantha Williams
Ewaryst Jedrasik
Nicole Fries
Jakenna Lebsock