

**323 – REGIONAL BEHAVIORAL HEALTH AUTHORITIES TITLE XIX/XXI
RECONCILIATION AND NON-TITLE XIX/XXI PROFIT LIMIT**

EFFECTIVE DATES: 10/01/15, 10/01/17, 10/01/19¹

APPROVAL DATES: 09/07/17, 10/18/18, 08/05/20²

I. PURPOSE

This Policy applies to RBHA Contractors.

The Title XIX/XXI Reconciliation applies to Contract Years Ending (CYE) 2016 and forward and is based upon ~~Prior Period Coverage (PPC) and prospective~~ Medical Expense and Net Capitation as ~~described~~ specified in this Policy. AHCCCS will recoup/reimburse a percentage of the Contractor's profit or loss as ~~described~~ specified below. All profit/loss sharing is based on adjudicated and approved encounter data and Subcapitated/Block Purchase Expense reports. This reconciliation is performed annually on a CYE-Contract year basis.

The Non-Title XIX/XXI Profit Limit applies to State Fiscal Year (SFY) 2018 and forward and is based on financial information as reported for the SFY ended June 30 on the Year-To-Date Non-Title XIX/XXI Statement of Activities or, if there is an audit adjustment, is based on the Contractor's final adjusted year-to-date June Financial Statements and final Non-Title XIX/XXI Profit Limit Template. The analysis is performed after the Contractor's annual audit is finalized and any audit adjustments applying to Non-Title XIX/XXI for the SFY ended June 30 have been incorporated. This reconciliation is performed annually on a SFY basis.

¹ Date changes are effective

² Date presented at APC Meeting or without APC review, the date Policy is approved by Assistant Director(s)/Designee

II. DEFINITIONS

ACCESS TO PROFESSIONAL SERVICES INITIATIVE (APSI)

APSI is a program to preserve and promote access to medical services through a uniform percentage increase to the Contractor's rates for professional services provided by qualified physicians and non-physician professionals affiliated with designated hospitals who meet the definition specified in ACOM Policy 325. APSI is applicable to this reconciliation for CYE 19 only.³ ~~Beginning CYE 2019: APSI is a program to preserve and promote access to medical services through a uniform percentage increase to the Contractor's rates for professional services provided by qualified physicians and non-physician professionals affiliated with designated hospitals who meet the definition outlined in ACOM Policy 325.~~

ADMINISTRATIVE COMPONENT

~~The administrative component is equal~~ An amount equal⁴ to the contracted administrative percentage for Non-Title XIX/XXI. For Title XIX/XXI, this is equal to the administrative Per Member Per Month (PMPM) built into the in the capitation rates multiplied by the actual member months for the contract year being reconciled. Beginning in CYE 2019, PPC member months for GMH/SU and Non-CMDP Child, in accordance with the provisions in III.B.2 of this Policy, will be deducted from the member months used in the calculation of the administrative component and will be included in a unique reconciliation as ~~outlined-specified~~ in ACOM Policy 308.

HEALTH INSURANCE PROVIDER FEE (HIPF) CAPITATION ADJUSTMENT

For Title XIX/XXI, an amount equal to the capitation adjustment for the year being reconciled that accounts for the Contractor's liability for the excise tax imposed by section 9010 of the Patient Protection and Affordable Care Act, and the premium tax, and any other state or federal taxes associated with that portion of the capitation rate.

³ Definition updated to align with ACOM Policy 311

⁴ Revised; definition is specific to RBHAs only

MEDICAL EXPENSE

For Title XIX/XXI, ~~Medical Expense is defined as~~⁵ PPC and Prospective expenses reported through **fully adjudicated and approved encounters** and Subcapitated/Block Purchase Expenses incurred by the Contractor for covered physical and behavioral services with dates of service during the ~~contract~~ Contract year.

Beginning CYE 2018: Covered service expenses incurred for members in a non-capped status (contract type N) are excluded from this reconciliation.

Beginning CYE 2019: This will exclude the Title XIX behavioral health PPC covered service Medical Expense for GMH/SU and non-CMDP child members.

~~Beginning~~ For CYE 2019 only: This will exclude APSI expenses.

For Non-Title XIX/XXI, ~~Medical Expense is defined as~~ expenses incurred by the Contractor for covered behavioral health services with dates of service during the state fiscal year.

MEDICAL REVENUE

For Non-Title XIX/XXI, ~~medical revenue represents an amount equal to~~⁶ 92% of funds paid by AHCCCS in the state fiscal year.

⁵ Revised to align with definition standard formatting

⁶ Revised to align with definition standard formatting

NET CAPITATION

Beginning CYE 2016: For Title XIX/XXI, ~~Net Capitation means~~ PPC and prospective capitation less the ~~administrative Administrative component~~ Component, the ~~health insurance provider fee~~ ~~HIPF capitation~~ ~~Capitation adjustment~~ Adjustment, and, effective July 1, 2016 the ~~premium~~ Premium tax Tax component.

Beginning CYE 2019: For Title XIX/XXI, ~~Net Capitation means~~ PPC and prospective capitation less the ~~administrative Administrative component~~ Component, the ~~health insurance provider fee~~ ~~HIPF capitation~~ ~~Capitation adjustment~~ Adjustment, APSI capitation (CYE 19 only), and the ~~premium~~ Premium tax ~~component~~ Tax component. Refer to ACOM 325 for the calculation of APSI capitation.

Beginning CYE 2020: For Title XIX/XXI, PPC and prospective capitation less the Administrative Component, the HIPF Capitation Adjustment, the Premium Tax component, and the PBM Component.⁷

PERFORMANCE BASED PAYMENT

For CYE 2017 Only: For Title XIX/XXI, a payment from a Contractor to a provider upon successful completion or expectation of successful completion of contracted goals/measures in accordance with the Value Based Purchasing (VBP) strategy selected for the contract. This is a non-encounterable payment and does not reflect payment for a direct medical service to a member. This payment will typically occur after the completion of the contract period, but could include quarterly or semiannual payments if contract terms specify such payments in recognition of successful performance measurement. ~~Refer to ACOM Policy 322 CYE 16 and CYE 17 for more information.~~⁸

PHARMACY BENEFIT MANAGER (PBM) COMPONENT⁹

Beginning CYE 2020: Equal to the amount of Pharmacy Benefit Manager (PBM) spread pricing and PBM administrative expenses moved from medical expense to administrative expense, as self-reported in the quarterly financials footnotes to line 81305-01, as specified in the AHCCCS Financial Reporting Guide.

⁷ Revised to align with definition standard formatting

⁸ ACOM 322 CYE 16 and CYE 17 is reserved

⁹ Included definition for PBM

PREMIUM TAX

The tax imposed pursuant to A.R.S. §36-2905 and §36-2944.01 for all payments made to Contractors for the Contract year.¹⁰
~~For Title XIX/XXI, the premium tax is equal to the tax imposed pursuant to A.R.S. §36-2905 and A.R.S. §36-2944.01 for all Title XIX/XXI payments made to Contractors for the contract year.~~

PRIOR PERIOD COVERAGE (PPC)

For Title XIX members¹¹, ~~a~~-the period of time prior to the member's enrollment, during which a member is eligible for covered services. The timeframe is from the first day of the month of application until the date the member is enrolled with the Contractor. Refer to 9 A.A.C. 22 Article 1. If a member made eligible via the Hospital Presumptive Eligibility (HPE) program is subsequently determined eligible for AHCCCS via the full application process, prior period coverage for the member will be covered by AHCCCS Fee- For-Service and the member will be enrolled with the Contractor only on a prospective basis.

RECONCILIATION RISK GROUPS (OR RISK GROUPS)

Populations subject to this reconciliation include all Title XIX/XXI risk groups.

Beginning CYE 2018: members in a non-capped status (contract type N) are excluded from this reconciliation.

Beginning CYE 2019: State Only Transplants members are excluded.

REINSURANCE

Beginning CYE 2019: For purposes of this reconciliation, Reinsurance means the actual Reinsurance payments received by the Contractor as the result of Medical Expense incurred by the Contractor for covered services with dates of service during the contract year being reconciled.

STATE FISCAL YEAR (SFY)

The period from July 1 through June 30.

¹⁰ Revised to align with Contract Definition

¹¹ Revised to align with Contract definition

**SUBCAPITATED/BLOCK
PURCHASE EXPENSES**

Expenses incurred by the Contractor as payments to a provider under a subcapitated or block purchase arrangement. The Subcapitated/Block Purchase Expenses used in this reconciliation are for Title XIX/XXI funding sources only and are reported by the Contractor through quarterly financial reports in the format required by AHCCCS. The reported expenses are attested annually by an independent auditor and documented in the [Contractor's-Contractors' Audit Report](#).

III. POLICY

A. GENERAL

1. The reconciliation shall be performed as ~~described~~ specified below. The amount due from or due to the Contractor as the result of this reconciliation will be based on aggregated profits and losses across the Title XIX/XXI ~~populations~~ Risk Groups for Medicaid covered services provided with Title XIX/XXI capitation funding as ~~described~~ specified below.
2. APSI is included in Contractors' capitation rates for CYE 19 only; therefore, APSI expenses/capitation throughout this Policy is related to CYE 19 only.¹²
3. PBM Component will be removed for purposes of calculating Net Capitation in CYE 20. This PBM adjustment will no longer be necessary for encounters with dates of service on and after 04/01/20.¹³
4. The reconciliation will limit the ~~Contractor's-Contractors' Profit/Loss % to the percent of Net Capitation, as shown in section B.~~ Profit/Loss % per contract-Contract year is limited to the percent of Net Capitation according to the following schedule:¹⁴

PROFIT	CONTRACTOR SHARE	STATE SHARE	MAX CONTRACTOR PROFIT
MARICOPA COUNTY AND GREATER ARIZONA CONTRACTORS CYE 2016			
<= 4%	100%	0%	4%
> 4%	0%	100%	4%

¹² Added clarification for APSI

¹³ Added clarification for PBM

¹⁴ Revised for flow

LOSS	CONTRACTOR SHARE	STATE SHARE	MAX CONTRACTOR LOSS
MARICOPA COUNTY AND GREATER ARIZONA CONTRACTORS CYE 2016			
<= 4%	100%	0%	4%
> 4%	0%	100%	4%

PROFIT	CONTRACTOR SHARE	STATE SHARE	MAX CONTRACTOR PROFIT
MARICOPA COUNTY CONTRACTOR CYE 2017			
<= 1%	100%	0%	1%
> 1%	0%	100%	1%
GREATER ARIZONA CONTRACTORS CYE 2017			
<= 4%	100%	0%	4%
> 4%	0%	100%	4%

LOSS	CONTRACTOR SHARE	STATE SHARE	MAX CONTRACTOR LOSS
MARICOPA COUNTY CONTRACTOR CYE 2017			
<= 1%	100%	0%	1%
> 1%	0%	100%	1%
GREATER ARIZONA CONTRACTORS CYE 2017			
<= 4%	100%	0%	4%
> 4%	0%	100%	4%

PROFIT	CONTRACTOR SHARE	STATE SHARE	MAX CONTRACTOR PROFIT
MARICOPA COUNTY AND GREATER ARIZONA CONTRACTORS CYE 2018			
<= 4%	100%	0%	4%
> 4%	0%	100%	4%

LOSS	CONTRACTOR SHARE	STATE SHARE	MAX CONTRACTOR LOSS
MARICOPA COUNTY AND GREATER ARIZONA CONTRACTORS CYE 2018			
<= 0.5%	100%	0%	0.5%
> 0.5%	0%	100%	0.5%

PROFIT	CONTRACTOR SHARE	STATE SHARE	MAX CONTRACTOR PROFIT
MARICOPA COUNTY AND GREATER ARIZONA CONTRACTORS CYE 2019 <u>AND LATER</u>			
<= 4%	100%	0%	4%
> 4%	0%	100%	4%

LOSS	CONTRACTOR SHARE	STATE SHARE	MAX CONTRACTOR LOSS
MARICOPA COUNTY AND GREATER ARIZONA CONTRACTORS CYE 2019 <u>AND LATER</u>			
<= 2%	100%	0%	2%
> 2%	0%	100%	2%

Profits in excess of the percentages set forth above will be recouped by AHCCCS including any applicable Premium Tax. Losses in excess of the percentages set forth above will be paid to the Contractor and will include a provision for Premium Tax.

B. AHCCCS RESPONSIBILITIES

1. No sooner than six months after the end of the period to be reconciled, AHCCCS shall perform an initial reconciliation of actual Medical Expense to Net Capitation and (beginning CYE 2019) Reinsurance as follows:

Profit/Loss to be Reconciled = Net Capitation ~~less~~— Medical Expense + (beginning CYE 2019) Reinsurance payments.

Profit/Loss % = Profit/Loss to be Reconciled divided by Net Capitation.

The following Attachments to this Policy provide examples of the calculation of the Title XIX/XXI reconciliation for the Maricopa County Contractor and the Greater Arizona Contractors annually:

ATTACHMENT	RBHA	YEAR
A	Maricopa County & Greater Arizona	CYE 2016
B	Maricopa County	CYE 2017
C	Greater Arizona	CYE 2017
D	Maricopa County & Greater Arizona	CYE 2018
E	Maricopa County & Greater Arizona	CYE 2019
<u>G¹⁵</u>	<u>Maricopa County & Greater Arizona</u>	<u>CYE 2020</u>

~~2.~~ AHCCCS will utilize only Title XIX/XXI Medical Expense supported by fully adjudicated and approved encounters and Subcapitated/Block Purchase Expenses reported by the Contractor to determine the expenses subject to reconciliation. ~~If applicable, the enhanced portion of a payment for PCP Parity that is subject to AHCCCS cost settlement will not be included in the reconciliation; the non-enhanced portion of the payment will be included in the reconciliation.~~¹⁶

3-2.

Beginning CYE 2019: Medical Expense excludes:

- Title XIX/XXI covered behavioral health services provided during the PPC timeframe to GMH/SU and non-CMDP child members,
- Who are initially eligible as Non-Title XIX/XXI and assigned to a RBHA,
- Who transition to Title XIX/XXI eligibility, which is subject to a unique reconciliation as outlined-specified in ACOM Policy 308, and
- The enhanced portion of a payment for covered physical and behavioral health services under APSI that is subject to a unique reconciliation as outlined-specified in ACOM Policy 325 (CYE 19 only). Subsequent to CYE 19, APSI will no longer be built into the capitation rates and has no impact on this reconciliation.¹⁷

4.3. Beginning CYE 2019: AHCCCS will utilize amounts paid to the Contractor for Reinsurance as of the date the reconciliation is processed to determine profit/loss to be reconciled.

4. AHCCCS will compare fully adjudicated and approved encounters and audited self-reported Subcapitated/Block Purchase Expense information to financial statements and other Contractor submitted files for reasonableness.

5. Beginning CYE 2020: AHCCCS will use data from the attested, audited financial reports to obtain PBM spread pricing and administrative fees that were moved from medical expense to administrative expense as reported in the footnotes of line 81305-01, as described in the AHCCCS Financial Reporting Guide.¹⁸

¹⁵ Added language for Attachment G

¹⁶ Removed language; no longer applicable

¹⁷ Added to clarify language for APSI

¹⁸ Added for clarity

6. AHCCCS will provide the Contractor the data used for the initial reconciliation and provide written notice of the deadlines for review and comment by the Contractor. Upon completion of the review period, AHCCCS will evaluate Contractor comments and make any adjustments to the data or reconciliation as warranted. AHCCCS may include adjustments to the reconciliations and may also identify any adjustments for completion factors. AHCCCS may process partial distributions/recoupments through future monthly capitation payments.
7. A final reconciliation will be performed no sooner than 15 months after the end of the period to be reconciled. This will allow for completion of the claims lag, encounter reporting and (beginning CYE 2019) Reinsurance payments. AHCCCS will provide the Contractor the data used for the final reconciliation and written notice of the deadline for review and comment by the Contractor. Upon completion of the review period, AHCCCS will evaluate Contractor comments and make any adjustments to the data or reconciliation as warranted in order to pay or recoup within two years of the end of the contract year.
8. Any amount due to or due from the Contractor as a result of the final reconciliation that was not distributed or recouped as part of the initial reconciliation will be paid or recouped through a future monthly capitation payment.
9. For CYE 2017 Only: AHCCCS will add the total of all Performance Based Payments ~~pursuant to ACOM Policy 322 CYE 2016 and CYE 2017~~¹⁹ to the total of the reconciliation receivable or payable, or as an added payable if the Contractor is within the risk corridor/band. This will only be added to the final reconciliation.

C. CONTRACTOR RESPONSIBILITIES

1. The Contractor shall submit encounters for Medical Expenses and those encounters shall reach fully adjudicated and approved status by the required due dates. AHCCCS will only utilize fully adjudicated and approved encounters reported by the Contractor to determine the Medical Expense used in the reconciliation.
2. The Contractor shall maintain financial statements that separately identify all revenue and Medical Expenses for each Title XIX/XXI populations (~~prior to CYE 2019 the populations are Non-CMDP Child, CMDP Child, DD Child, DD Adult, GMH/SUU Non-Dual, SMI Integrated and SMI Non-Integrated~~). Beginning CYE 2019 the Title XIX/XXI populations are CMDP Child, DD Child, DD Adult, SMI, Other Child (Crisis), Other Adult (Crisis) which are shown in the appropriate Contract year attachments²⁰. The Contractor shall submit such statements as required by Contract and in the format specified in the AHCCCS Financial Reporting Guide ~~for RBHA Contractors~~.

¹⁹ ACOM 322 CYE 16 and CYE 17 is reserved

²⁰ Removed risk groups and instead refer to appropriate Contract year attachments

3. The Contractor shall monitor the estimated Title XIX/XXI reconciliation receivable/payable and record appropriate accruals by Title XIX/XXI funding source on all financial statements submitted to AHCCCS on a quarterly basis as specified in the AHCCCS Financial Reporting Guide ~~for RBHA Contractors~~ as specified in Contract²¹.
4. It is the Contractor's responsibility to identify to AHCCCS any encounter data issues or necessary adjustments associated with the initial reconciliation by the deadlines for review and comment. It is also the responsibility of the Contractor to have any identified encounter data issues corrected, ~~and adjudicated~~ and approved no later than 15 months from the end of the period being reconciled. AHCCCS will not consider any data submitted for reconciliations by the Contractor after these timeframes. Any encounter data issues identified that are the result of an error by AHCCCS will be corrected prior to the final reconciliation.
5. The Contractor shall submit any additional data as requested by AHCCCS for reconciliation purposes (e.g. encounter detail file, revised Subcapitated/Block Purchase Expense report, Reinsurance payments).
 - The Contractor shall report all Subcapitated/Block Purchase Expenses in a format requested by AHCCCS. Subcapitated/Block Purchase encounters should have a CN 1 code of 05 and a paid amount of \$0 for all ~~non-PCP rate parity~~ encounters. All subcapitated encounters that have a health plan paid amount greater than \$0 will be excluded from the reconciliation expenditures. ~~This includes all subcapitated amounts greater than \$0 for PCP Rate Parity that are subject to AHCCCS cost settlement.~~²²
6. The Contractor shall report all PBM spread pricing and administrative fees in a format requested by AHCCCS. Effective 4/1/2020, PBM spread pricing and administrative fees should not be included in medical encounters, nor should they be reported as medical expense in quarterly financial reports.²³
7. If the Contractor performs recoupments/refunds/recoveries on the related Subcapitated/Block Purchase Expenses, the related Subcapitated/Block Purchase Expense report shall be adjusted or revised. AHCCCS reserves the right to adjust any previously issued reconciliation results for the impact of the revised Subcapitated/Block Purchase Expense report and recoup any amounts due AHCCCS. If the Contractor does not submit the revised Subcapitated/Block Purchase Expense report within the required timeframe, AHCCCS may recoup the estimated impact on the reconciliation and may impose Administrative Action on the Contractor for failure to meet the requirements of this Policy.

²¹ Removed 'for RBHA Contractors'; replaced with as specified in Contract

²² Removed language on PCP Rate parity

²³ Added language for clarity on PBM spread pricing and administrative fees

8. If the Contractor performs recoupments/refunds/recoveries on the related claims, the related encounters shall be adjusted (voided or void/replaced) pursuant to ACOM Policy 412. AHCCCS reserves the right to adjust any previously issued reconciliation results for the impact of the revised encounters and recoup any amounts due AHCCCS. If the Contractor does not submit the revised encounters within the required timeframe, AHCCCS may recoup the estimated impact on the reconciliation and may impose Administrative Action on the Contractor for failure to meet the requirements of this Policy.

IV. NON-TITLE XIX/XXI PROFIT LIMIT POLICY SFY 17 AND FORWARD

A. AHCCCS RESPONSIBILITIES

1. In accordance with Maricopa County and Greater Arizona Non-Title XIX/XXI Contracts, AHCCCS shall, on a Sstate Ffiscal Yyear (SFY)²⁴ basis, not allow the Contractor to earn a profit from allocated funds for Non-Title XIX/XXI General Funds (SMI, Crisis, and Supported Housing), the Housing Trust Fund (formerly known as Senate Bill (SB) 1616 Housing) and Bridge Subsidy.

AHCCCS shall, on a state fiscal year SFY²⁵ basis, allow the Contractor to earn a profit from allocated funds for Substance Abuse Block Grant (SABG), Mental Health Block Grant (MHBG), and County Funds. Various funding sources are combined and reported as “Non-Title XIX/XXI Other.” Some of these sources are eligible for profit, other sources are not eligible for profit. The Contractor will be notified via an Allocation Letter as to which funding sources may earn a profit and the profit percentage will be specified accordingly. Profits earned in the aforementioned funding sources are limited to 4% of Medical Revenue as follows:

Profit to be Limited = Medical Revenue ~~less~~ — Medical Expense

Profits in excess of the established limit shall be returned to AHCCCS. There is no maximum loss for Non-Title XIX/XXI funding sources as losses are not reimbursable.

Profit/Loss % = Profit to be Limited divided by Medical Revenue

Profit/Loss will be assessed as follows:

- a. Profit/Loss associated with the SABG funding source will be assessed separately from the MHBG funding source,
- b. Profit/Loss associated with the MHBG funding source will be assessed separately as:
 - i) MHBG Serious Emotional Disturbance (SED),

²⁴ Included acronym to align with Definitions

²⁵ Replaced with acronym throughout Policy

- ii) MHBG SMI, and
- iii) MHBG First Episode Psychosis (FEP) funding sources.
- c. Profit/Loss associated with Other Non-Title XIX/XXI will be assessed on:
 - i. ~~A~~pplicable Non-Title XIX/XXI Other,
 - 1) In instances where the revenue reported in Non-Title XIX/XXI Other is not subject to any profit, the revenue and expenses will be excluded from the Profit Limit accordingly.
 - ii. ~~H~~if applicable, County funding sources combined.

Attachment F to this Policy provides an example of the Non-Title XIX/XXI Profit Limit Template.

2. When applicable, AHCCCS shall calculate profit limits for other Federal Grant funds, if appropriate, as identified in the AHCCCS Allocation Schedule and/or allocation letters.
3. AHCCCS shall exclude imposed sanctions and taxes as expenses for the purpose of calculating profit or loss.
4. AHCCCS shall calculate the initial determination of the Contractor's Profit Limit based on the information provided by the Contractor in Section IV.B.1. AHCCCS will provide the Contractor with an initial determination letter including the Contractor's Profit Limit and notice of the deadline for review and comment by the Contractor. Upon completion of the review period, AHCCCS will evaluate Contractor comments and make any adjustments, as warranted. AHCCCS shall calculate the final determination of the Contractor's Profit Limit and issue a final determination letter.
5. AHCCCS shall review the estimated profit limit payable and reported accruals for Non-Title XIX/XXI funding sources on the financial statements submitted to AHCCCS on a quarterly basis as specified in the AHCCCS Financial Reporting Guide for RBHA Contractors.
6. If the Contractor fails to meet the required encounter percentage of Non-Title XIX/XXI revenue as calculated in the final Encounter Evaluation Report for the applicable period (refer to the AHCCCS Financial Reporting Guide for RBHA Contractors for additional information), AHCCCS may adjust the profit limit calculation to account for the under-reported expenses.
7. AHCCCS reserves the right to compute the profit limit prior to the receipt of the final audit using the most current financial reporting and process partial profit limit recoupments. Any amount due to or from the Contractor as a result of computing the profit limit after receipt of the final audit will be paid or recouped through future Non-Title XIX/XXI payments.

B. CONTRACTOR RESPONSIBILITIES

1. The Contractor shall submit financial information as reported for the SFY ended June 30 on the Year-to-Date Non-Title XIX/XXI ~~State Fiscal Year~~SFY Statement of Activities and Schedule A Disclosure by Funding Source or, if there is an audit adjustment, the Contractor's final adjusted year-to-date June Financial Statements for the SFY ended June 30. The submission shall also include the Final Non-Title XIX/XXI Profit Limit Template and be submitted to AHCCCS/DHCM, Finance as specified in Contract. AHCCCS may request additional revised financial statements, as needed.
2. The Contractor shall not earn a profit from allocated funds for Non-Title XIX/XXI General Funds (SMI, Crisis, and Supported Housing), the Housing Trust Fund (~~formerly known as SB1616 Housing~~)²⁶ and Bridge Subsidy. Unexpended funds in these funding sources shall be returned to AHCCCS upon request. Losses in these funding sources will not be reimbursed. The Contractor is under no obligation to deliver or pay for services beyond the amount funded by AHCCCS. The Contractor shall manage these allocated funds for services to eligible persons in a manner to enable the Contractor to deliver services throughout the ~~state fiscal year~~SFY.
3. The Contractor shall expend a minimum of 92% of Non-Title XIX/XXI funds on Medical Expenses and is limited to 8% on administrative expenses for Non-Title XIX/XXI General Funds (SMI, Crisis and Supported Housing) and the Housing Trust Fund (~~formerly known as SB1616 Housing~~). Non-Title XIX/XXI funds not expended on medical and administration, including amounts under the required 92% for medical and the 8% limit on administration, shall be returned to AHCCCS. There is no maximum loss for Non-Title XIX/XXI funding sources. The Contractor shall accrue a Payable to AHCCCS on a quarterly basis as specified in the AHCCCS Financial Reporting Guide for RBHA Contractors and return unspent medical or administration funds as ~~described~~specified below.
4. The Contractor shall not exceed the 4% profit limit as established by AHCCCS for SABG, MHBG SED, MHBG SMI, MHBG FEP, County, and Non-Title XIX/XXI Other Funds, when appropriate, and shall return excess profits to AHCCCS as ~~described~~—specified below. There is no maximum loss for Non-Title XIX/XXI funding sources. The Contractor shall accrue a Payable to AHCCCS on a quarterly basis as specified in the AHCCCS Financial Reporting Guide for RBHA Contractors.
5. The Contractor shall not exceed the profit limit for other Federal Grant funds, when appropriate, as identified in the AHCCCS Allocation Schedule and/or allocation letters and shall return excess profits to AHCCCS as ~~described~~—specified below. The Contractor shall accrue a Payable to AHCCCS for profits in excess of the established limit for other Federal Grant funds.

²⁶ ~~Removed throughout Policy; reference is no longer needed~~

6. The Contractor shall return excess profits to AHCCCS in the manner **outlined** specified in the final determination letter or as otherwise directed by AHCCCS.

OPEN UNTIL 08/20/20