

Root Cause Analysis:
Fraudulent Providers and Sober Living Homes: The Exploitation of Arizona's
Vulnerable American Indian/Alaskan Native Population

Produced by:
The Arizona Advisory Council on Indian Health Care
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ACKNOWLEDGEMENTS

The Arizona Advisory Council on Indian Health Care (AACIHC) would like to thank all of our partners who have contributed to this Root Cause Analysis (RCA). Your unwavering support and collaboration has helped our efforts to support our agency's mission to advocate for increasing access to high quality health care programs for all American Indians/Alaskan Natives (AI/AN) in Arizona (AZ) and to be a trusted resource for AZ Tribes and Urban Indians on AI/AN health care.

REMEMBRANCE

The AACIHC would also like to acknowledge the AI/AN individuals and families who were impacted by this fraudulent activity. We at AACIHC keep them in our thoughts for their wellbeing and healing from the trauma they may have experienced.

DISCLAIMER:

This report is a work in progress and the goals of this report are to: share the most current information; remain in communication with state and federal agencies who are conducting ongoing investigations; provide opportunities/information for tribes to advocate on behalf of their members.

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Definitions:

Arizona Advisory Council on Indian Health Care (AACIHC): The Arizona Advisory Council on Indian Health Care is a State agency established by A.R.S. 36-2902.01, to give Tribal governments, Tribal organizations, and Urban Indian Health Care Organizations in the State of Arizona, representation in shaping Medicaid and health care policies and laws that impact the populations they serve.

Arizona Health Care Cost Containment System (AHCCCS): AHCCCS is Arizona's Medicaid program that oversees contracted health plans for the delivery of health care to individuals and families who qualify for Medicaid and other medical assistance programs. Through contracted health plans across the state, AHCCCS delivers health care to qualifying individuals including low-income adults, their children or people with certain disabilities. Additionally, AHCCCS contracts with RHBAs to coordinate the delivery of mental health services in a geographically specific service area of the state for eligible individuals. Current statute outlines covered health and medical services offered to AHCCCS members (A.R.S. §§ [36-3401](#), [36-3412](#), and [36-2907](#)).

Arizona Department of Health Services (ADHS)- ADHS promotes and safeguards the health of Arizona's children and adults by setting the standard for personal and community health through direct care, science, public policy, and leadership. ADHS create and deploy programs around disease prevention and control, health promotion, community public health, environmental health, maternal and child health, emergency preparedness, and the regulation of various healthcare providers and services.(A.R.S. §§ [36-102](#))

Behavioral Health Residential Facilities (BHRF)- A BHRF is a health care institution that provides treatment to an individual experiencing a behavioral health issue, including substance use disorder. BHRFs are required to provide behavioral health services onsite.

Sober Living Homes (SLH): An SLH must provide a supervised setting to a group of unrelated individuals who are recovering from substance use disorders, and may provide activities that are directed primarily towards recovery from substance use disorders. Drug and alcohol tests are the only medical or clinical services permitted onsite. ADHS is prohibited from sharing SLH addresses in most cases by A.R.S. §36-2066.

Fee-for-Service (FFS): FFS is a system of health insurance payments in which a doctor or other health care provider is paid a specific, set fee for each particular service rendered, essentially rewarding medical providers for the volume and quantity of services provided, regardless of the outcome.

Managed Care Organization (MCO): Managed Care is a health care delivery system organized to manage cost, utilization, and quality. Medicaid managed care provides for the delivery of Medicaid health benefits and additional services through contracted arrangements between state Medicaid agencies and managed care organizations (MCOs) that accept a set per member per month (capitation) payment for these services.

By contracting with various types of MCOs to deliver Medicaid program health care services to their beneficiaries, states can reduce Medicaid program costs and better manage utilization of health services. Improvement in health plan performance, health care quality, and outcomes are key objectives of Medicaid managed care.

Fraudulent Providers and Sober Living Homes: The Exploitation of Arizona's Vulnerable American Indian/Alaskan Native Population

The massive provider fraud scheme included both Sober Living Homes (SLH) and Behavioral Health Residential Facilities (BHRF)-- both provider types falsely attested to providing vital substance use treatment for some of Arizona's most vulnerable populations. Scammers targeted and already susceptible Indigenous individuals experiencing homelessness, abuse/violence, and substance use from numerous Tribal reservations across the state and neighboring states. Simultaneously, the scammers exploited the the American Indian Health Plan (AIHP), a fee-for-service (FFS) plan within the state's Medicaid system the Arizona Health Care Cost Containment System (AHCCCS) and it is estimated to have cost Arizona taxpayers at least \$2 billion. It is estimated to have cost Arizona taxpayers at least \$2 billion making one of the largest Medicaid scams in the state's history. This RCA will provide an overview of the issue, identify points of conflict and corrective actions that have been taken, highlight responses to the crisis, and provide recommendations.

Purpose of the Root Cause Analysis

The Arizona Advisory Council on Indian Health Care (AACIHC) utilizes its knowledge of Indian healthcare issues and tribal sovereignty, serves as a resource for Tribal governments and the State of Arizona, and supports prevention, training, education, and policy development as the keys to meeting the unique health care needs of the Arizona Indian population. Thus, the AACIHC conducted this root cause analysis (RCA) to:

1. Identify the root causes of the fraudulent provider crisis in Arizona
2. Obtain a better understanding of the processes, systems, and loopholes/barriers that contributed to the issue
3. Enhance awareness surrounding the issue in order to address the root causes
4. Collaborate with key partners and stakeholders to develop feasible corrective actions to mitigate this issue

The facilities, providers, and sober living homes that committed fraud is a large-scale issue; therefore, this RCA does not cover or address the full extent of the problem.

Defining the Issue

The massive provider fraud scheme included both Sober Living Homes and Behavioral Health Residential Facilities, both provider types that falsely attested to provide important substance use disorder treatment for some of Arizona's most vulnerable populations, while failing to do so. The fraud scheme was mutli-faceted, with fraudulent providers receiving funds from a variety of sources. Sober Living Homes took money from individuals or their families, while BHFFs billed the State Medicaid Agency for services they did not provide. This fraudulent scheme resulted in not just the largest Medicaid fraud in Arizona's history, but also showcased how predacious providers target Arizona's most vulnerable.

To best understand how the fraudulent activities occurred in AZ, it is important to understand how the AIHP is administered to enrolled AI/AN members, how the Arizona Department of Health Services (ADHS) licenses and regulates facilities, and differentiate BHRFs and sober living homes (SLH).

Arizona Health Care Cost Containment System

Medicaid is a federal healthcare program for low-income individuals and families. AHCCCS administers Arizona's Medicaid program, which provides health insurance for low-income Arizonans based on eligibility criteria outlined in statute. AHCCCS is governed by federal and state requirements and is jointly funded by federal, state, and county government monies. The federal Medicaid program allows each state to administer its own program.

AHCCCS operates according to a federal waiver and contracts with health plans to provide primary, acute, and long-term care services to eligible recipients. AHCCCS oversees programs for acute care, long-term care, behavioral health, and children's care, and is responsible for determining eligibility and enrollment; monitoring quality of care; executing contracts with health plans and providers; and procuring services.

Statutory Authority to Administer Services

The AHCCCS program is governed by Arizona statutes and rules, federal statutes and rules, and two written agreements with the federal government called the State Plan and the Waiver. AHCCCS is jointly funded by federal, state, and county government monies. Depending on the type of change to the Medicaid plan, legislative authorization is needed. Without legislative authorization, AHCCCS cannot implement the changes, even with federal approval. The Secretary will not approve waivers that the agency does not have the authority to implement.

American Indian Health Program

The American Indian Health Plan (AIHP) is a fee-for-service (FFS) plan within the Arizona Health Care Cost Containment System (AHCCCS) that provides medically necessary services for enrolled members, including preventive care and behavioral health care services. About 93,000 health care providers are enrolled with the state Medicaid plan, which has more than 2.2 million enrolled individuals, and of those there are 119,000 enrolled in the AIHP.

Fee-for-Service Health Plan. A FFS is a traditional type of insurance in which the health plan will either pay the medical provider directly or reimburse you after you have filed an insurance claim for each covered medical expense. FFS is literally a fee paid for each service. There is typically minimal oversight (no care management) for FFS programs, in exchange for a wider provider network. In AZ, there are no network restrictions, beyond the provider having to be enrolled with the State Medicaid Program- AHCCCS. There are several other FFS Health Plans that AI/AN individuals, who qualify for Medicaid in Arizona, can be potentially enrolled in. What plan they are enrolled in depends upon their age and health conditions.

AIHP Eligibility/Requirements & Flexibilities. Eligibility requirements for enrolling in the AIHP are two fold: 1) Qualifying for Medicaid and 2) Identifying as an enrolled member of a federally recognized Tribe in Arizona. To enroll in AIHP an individual must first meet all qualifications for enrollment in AHCCCS. Then the individual may elect to enroll in AIHP, if they have self-identified as AI/AN. Previously self-identification as AI/AN was permitted; however, due to the fraud scheme, AHCCCS is working with Tribes and tribal stakeholders on instituting documentation requirements to ensure that anyone electing AIHP as their health plan is AI/AN.

Arizona Department of Health Services Licensing

The Arizona Department of Health Services (ADHS) licenses a variety of facilities including, but not limited to, behavioral health facilities, such as BHRF, SLH, and outpatient treatment centers (OTC), and counseling facilities (CSLG). In addition to obtaining a license to operate a facility from ADHS, behavioral health providers may also enroll with the AHCCCS.

Bureau of Behavioral Health Facilities Licensing (BBHL). The BBHL licenses and regulates residential care institutions, including assisted living facilities (centers/homes), behavioral health residential facilities (secure/non-secure), sober living homes, behavioral health respite homes, adult foster care homes, adult day health care facilities, adult behavioral health therapeutic homes, and adult residential care institutions.

Behavioral Health Residential Facilities vs. Sober Living Homes

Sober Living Homes	VS	Behavior Health Residential Facilities
<p>A.R.S. §36-2061(3) defines a sober living home as: "...any premises, place or building that provides alcohol-free or drug-free housing and that:</p> <ul style="list-style-type: none"> a) Promotes independent living and life skills development. b) May provide activities that are directed primarily toward recovery from substance use disorders. c) Provides a supervised setting to a group of unrelated individuals who are recovering from substance use disorders. d) Does not provide any medical or clinical services or medication administration on-site, except for verification of abstinence. 	Definition	<p>A.A.C.R9-10-101(36)) defines a behavioral health residential facility as: "...a health care institution that provides treatment to an individual experiencing a behavioral health issue that:</p> <ul style="list-style-type: none"> a. Limits the individual's ability to be independent, or b. Causes the individual to require treatment to maintain or enhance independence."
<ul style="list-style-type: none"> • All residents are at least 18 years old; • No medical/clinical services onsite, other than alcohol/drug testing; • Prohibits the possession of alcohol or illicit drugs at the sober living home; • Assist a resident to identify and participate in programs to support sobriety and recovery; • Provide to a resident information about community resources. 	Services	<ul style="list-style-type: none"> • Medical records onsite identifying each resident's behavioral health issue and treatment plan; • Behavioral health services, such as counseling, must be provided onsite; • Medication administration may occur onsite.
Manager lives onsite, but staff is not required to be present 24/7	Staff Requirement	Staff required to be onsite 24/7
Yes by Arizona Department of Health Services (ADHS)	Licensed	Yes by Arizona Department of Health Services (ADHS)
No	AHCCCS Registered Provider	Yes
No	AHCCCS Reimbursed	Yes

Report Overview

Methodology

To gather information on this issue we utilized public information on the internet such as ADHS and AHCCCS tribal consultation reports, suspension provider list, data dashboards, factsheets, legislative bills, new articles, and other vital information surrounding the issue. We also met with various partners and key stakeholders who have worked on the fraudulent providers and SLH issue to learn more about past, present and future efforts/initiatives. In addition, we attended TC meetings, workgroups and public hearings.

Data Collection

Information detailing fraudulence was released by AHCCCS in the form of a list of suspended providers. This list included the names of the provider as well as the primary, secondary, and mailing address of practice. This was used to translate the list into a physical map of where these suspended providers are coming from within the state.

Solari, the group for Crisis and Human Services, also collected data from those seeking assistance in response to the crisis. This collection of data gave a better glimpse into the impact on tribal communities as Solari collects tribal affiliation on top of race/ethnicity demographic data.

Study Limitations

The Lack of Awareness. The lack of awareness from non-tribal governing bodies and other established communication campaigns regarding provider fraud and member exploitation is significant and multifaceted. With no official channels disseminating information, community members relied heavily on social media as the primary source of communication. This unofficial platform brought awareness about unmarked vehicles picking up tribal members and other suspicious activities first emerged. The absence of awareness from non-tribal governing bodies meant that individuals did not recognize the signs of fraudulent schemes and unwittingly became victims of member exploitation. Moreover, the failure to establish a central hub for information led to scattered and misinformation being spread, hindering efforts to locate missing loved ones and causing delays in notifying individuals of their relatives' passing. This lack of awareness perpetuates these schemes, as perpetrators are less likely to be identified and held accountable.

Lack of access to Data. Representative data is not available in abundance due to the severity of the situation. This is understandable that less aggregate data is not widely available. Next, the heat map indicates a large skew of providers located in Maricopa County. However, this is expected given the population density of the county compared to others in Arizona. In fact, most resources and facilities tend to be in this region.

Another limiting aspect of data that is not widely available is information about transportation. Transportation played a large role in the overall situation and is not illustrated in the data. While it is known that AI/AN communities are a large focus of the crisis, only Solari

provides a look into the response. On top of this, the Solari sample size for AI/AN individual's seeking relief is relatively small and is not completely indicative of the scale of the situation.

Contributing Factors to the Issue

Exploitations of the Vulnerable Adult population on Tribal reservations/Fraudulent Transportation- Community Awareness

On November 18, 2022, the House Ad-Hoc Committee on Missing and Murdered Indigenous Peoples (MMIP) was presented with compelling testimony from community advocates, shedding light on a disturbing trend of tribal members being lured off of Tribal communities into fraudulent sober living homes. According to the testimony, these vulnerable individuals were approached by perpetrators operating in unmarked vans. It is believed that the incentive for members was a promise of free substance use treatment, housing, food, money, and in some of the worst cases, drugs and alcohol. During this time, there was no immediate response from the state of Arizona. The primary awareness of the issue was spread through social media channels.

Exploitation of Self Attestation in AIHP

Loophole. Self-attestation is the only verification required by AHCCCS to verify AI/AN status. This was done via phone or in writing, without the request of any additional verification documentation to prove tribal affiliation. This allowed "bad actors" to exploit the self-attestation process by coaching non-AI/AN members to illegally enroll in the American Indian Health Program. This allowed a large amount of potential victims for these bad actors to exploit, and added additional complexity to solutions.

Corrective Action #1. As of June 2023, AHCCCS has made the administrative decision to no longer accept AIHP enrollment via phone. AHCCCS placed a temporary protective measure to require additional documentation to be submitted for all new AIHP enrollment and must be submitted in writing to AHCCCS via fax or email by an I/T/U on behalf of a new member.

Corrective Action #2. Currently, AHCCCS is developing a comprehensive tribal verification process that includes having an ongoing discussion with Tribal leadership to ensure each tribe has inputted their own decisions regarding what documentation is needed for AIHP enrollment, ensuring that tribal governments are included in the decision-making process. It is essential to explore viable options for acceptable forms of documentation to establish a thorough verification process for determining AI/AN status.

Lack of oversight in AHCCCS fee-for-service billing:

Coerced Enrollment. After being coerced into fraudulent sober living homes, AHCCCS members had their AHCCCS ID numbers confiscated by these facilities. These bad actors then proceeded to bill AHCCCS for services that were never provided, exploiting the fact that these fraudulent sober living homes were billed as behavioral residential health facilities. Even after

AHCCCS members departed from these fraudulent establishments, the perpetrators persisted in billing for services that were never rendered.

Fraudulent Billing. The lack of oversight as fee-for-service billing played a huge role in costing the state millions of dollars. The H0015 billing code is required for intensive outpatient treatment services for substance use disorder based on an individualized treatment plan, and this code was billed on a per diem basis. H0015 did not have a set rate on how much a provider could receive but instead paid 58% of the provider's set rate. The lack of oversight allowed providers to set their own rate.

Corrective Action. As of May 2023, AHCCCS implemented an administrative change to set a rate on billing code H0015. This change established a set rate of \$157.86 for one unit of billable service and no longer let providers set their own rate.

Unequal Distribution and Utilization of Services

Housing Crisis in Arizona

In 2023, the Department of Housing and Urban Development (HUD) published the 2023 Annual Homelessness Assessment Report (AHAR) to Congress. This report outlines the key findings of the Point-In-Time (PIT) survey conducted to identify the current number of individuals experiencing homelessness at a specific moment. The largest percentage of people experiencing homelessness between 2022 and 2023 identified as AI/AN.

Several factors contributed to the recruitment of tribal members when offered housing services. Firstly, the shortage of available housing in tribal communities creates a pressing need for shelter. Moreover, the existing housing conditions in many Tribal areas are often substandard, with issues such as overcrowding, inadequate infrastructure, and poor maintenance. In such environments, the promise of improved housing conditions can be enticing, further increasing the likelihood of individuals falling prey to fraudulent schemes. The high demand for housing among the AI/AN population often leads to accepting offers from these bad actors without thorough verification. It is imperative to address these systemic issues and ensure that tribal members have access to safe and adequate housing to prevent further exploitation and forced homelessness in the AI/AN population.

Lack of Behavioral Health Services

Behavioral health encompasses aspects of psychological, emotional, spiritual, and social well-being. Services can include stress management, building healthy coping skills, empowering resilience, and establishing healthy relationships. It is an essential component of overall health and impacts how individuals think, feel, and act in their daily lives.

The limitations on accessing behavioral health services within tribal nations is a significant concern that impacts the overall health of AI/AN members. These unmet needs can lead to worsening mental health, increased risk of substance abuse, self-harm, decline in physical health, impact on overall quality of life. Several systemic factors that contributed to this issue can include limited funding, geographic isolation, cultural barriers, and intergenerational trauma.

Limited funding often restricts the availability of behavioral health professionals and the establishment of behavioral health facilities in tribal communities.

Additionally, geographic isolation can make it challenging for tribal members to access behavioral health services that are located off the reservations. Cultural barriers, including stigma surrounding mental health issues, language barriers, and distrust of westernized healthcare systems, can also deter tribal members from seeking help. This exploitative practice underscores the critical necessity of creating efforts to provide targeted support for mental health and substance use disorders, like increased funding, culturally tailored services, workforce development, and an increase of collaboration between tribal, state, and federal agencies to ensure access to quality behavioral health care.

Corrective Action. In October 2023, The Navajo Nation Division Of Behavioral And Mental Health Service (NNSBMHS) celebrated the opening of a sober living center located in Chinle, AZ. This establishment will help tribal members ensure a sober living lifestyle while receiving culturally relevant services. This facility will allow community members to receive care without having to leave the Navajo reservation.

State, Local, and Tribal/Community Responses

Tribal and Community/Grassroots Organizations Response

Navajo Nation Public Health Emergency. On June 19, 2023, the president of the Navajo Nation (NN), Buu Nygren, In a public health emergency (PHE) in response to the fraudulent facilities and sober living homes. The PHE allowed for the NN to add more personnel, travel resources, medical supplies, funding, and other means of support to address the ongoing problem.

Stolen People, Stolen Benefits. The organization named Stolen People, Stolen Benefits (SPSB) is a grassroots organization that was created to provide vital “on the ground” support and necessary assistance for unsheltered Native individuals and families who were impacted by the fraudulent facilities and providers or are in need of general services, such as handing out care packages, providing help to return back to their communities, and advocating for systemic changes and justice.

Operation Rainbow Bridge. In 2023, the NN also, alongside the PHE, initiated Operation Rainbow Bridge (ORB) to mobilize the NN’s response to the expected displacement of thousands of Navajo tribal members due to the large suspensions of providers by AHCCCS. In response to the provider suspensions, the NN set up an Incident Command headquarters for ORB in Phoenix, AZ which consisted of field teams and technical teams to assist in transitioning displaced Navajo tribal members to authorized providers or back home to their families/communities on the Navajo reservation.

Public Service Announcements. There were an array of communication channels and mechanisms being utilized to make public service announcements (PSAs) bringing awareness to the fraudulent facilities and providers such as, but not limited to: Newspapers, radio announcements, social media, local news channels, and documentaries.

Blackfeet Nation in Montana PHE. On July 19, 2023, the Blackfeet Nation of Montana declared a PHE to bring awareness to the community and displaced individuals about the issue and how to respond/report. In addition, the PHE also allowed the Tribe to utilize necessary funds for additional resources.

State Response

Improving Tribal Consultations in AZ. The ADHS and AHCCCS held a series of tribal consultations (TC) to adequately address the Tribes' needs. Both state agencies recognized the importance of TC and partnership, therefore; ADHS and AHCCCS took steps to revamp and improve the TC process and other notable steps such as, but not limited to: 1) Specialized TCs; 2) Leadership engagement; 3) Broader engagement; 4) Incorporating tribal feedback; 5) Improvement Initiatives for AHCCCS; 6) Improvement Initiatives for the ADHS. Thus, the agencies remain resolute in strengthening their partnership with Arizona's Tribal communities, ensuring Tribal voices are heard, and collectively working towards better solutions.

Tribal Member Exploitation and Provider Fraud Response Plan. In December 2023, the AHCCCS and ADHS developed a response plan/report for Arizona's Tribal leadership. The response plan details the agencies' response to the expansive member exploitation and fraudulent billing schemes. The plan encompasses administrative and humanitarian components, and demonstrates the State's commitment to addressing the immediate member impact while also ensuring that system weaknesses are mitigated to prevent future occurrences.

Missing and Murdered Indigenous Peoples Task Force. On March 07, 2023, Arizona Governor Katie Hobbs signed an executive order to officially establish a task force focused on addressing the Missing and Murdered Indigenous Peoples crisis. The purpose of the MMIP task force is to implement specific recommendations for legislative and administrative policy, law enforcement, the Arizona Crime Victim Compensation Program, victim services, data improvement, resource allocation, training and education, and collaboration.

Increased Funding in the Governor's Proposed Budget for SFY25. The budget initiative titled, Executive Budget Initiatives and Funding which is for: 1) Personnel at ADHS and AHCCCS in key prevention areas to monitor fraud, waste and abuse, such as auditing, quality management, licensure and inspections; 2) Medicaid Enterprise System (MES) Modernization, to help the electronic claims system used by the State Medicaid Agency identify potential fraudulent claims, and therefore providers, more expediently

Legislative Bills. A series of legislative bills were introduced at the beginning of the 2024 Arizona Legislative session in an effort to strengthen Arizona's standards for sober living homes and long-term care facilities, and to significantly increase penalties for the facilities and entities committing fraud and trafficking people. These bills have an end goal of ensuring facilities cannot hide or erase their violation history, increase fines, standardize inspections, empower Adult Protective Services to seek emergency protection orders, and establish standardized credentials for Alzheimer's, dementia, and memory care.

Local Non-Tribal Response

Solari Crisis and Human Services/211. Solari is a nonprofit organization located in the Phoenix metropolitan area that operates data-driven crisis and human services programs and contact centers throughout Arizona. Through Solari's 2-1-1 non-emergency hotline, Solari connects individuals and families to local community resources including housing, health, food, employment services, and much more. Solari added a specific helpline to the 2-1-1 hotline that is free and confidential to help victims of the fraudulent providers and sober living homes.

Conclusion

The fraudulent provider and sober living homes crisis in AZ is a multifaceted issue that will require further analysis and collaborative problem solving with key Tribal and non-tribal stakeholders and leaders. This RCA offers a landscape view of the issue including the systems and processes involved, the points of conflict within the systems and processes, and what corrective actions have been taken thus far from AHCCCS and ADHS. To further address this issue, the AACIHC offers some recommendations to highly consider.

Recommendations

Based on the key findings of this root cause analysis, the following recommendations are as follows:

- ***Create an External Coalition.*** The coalition will serve as a work group to share information, best practices, and resources surrounding the issue as well as propose feasible solutions. The coalition will consist of a wide-range of stakeholders and partners who have a shared interest in this issue.
- ***RCA Listening Sessions-*** The AACIHC will provide listening sessions with key stakeholders to raise awareness, share information and updates, and acquire feedback from respective stakeholders and community members.
- ***Continue to Analyze the Issue.*** Further analysis is necessary to understand the effect of interventions more holistically and accurately. Continuing to analyze the issue will also help develop feasible solutions and guide our future efforts.
- ***Evaluation of Legislative Bills.*** Evaluate the Arizona legislative bills that aim to enhance protective and regulatory measures surrounding the fraudulent facilities, providers and sober living homes.
- ***Continue to Utilize New Data Sets.*** As new relevant data becomes available, the utilization of new datasets will help provide a better understanding of the issue and support ongoing/future efforts.
- ***Develop an Awareness Campaign and Toolkit.*** An awareness campaign surrounding the issue can be utilized to: reach and educate the community, share information and best-practices, and build public recognition of the issue.
- ***Continue to Build and Maintain Trust.*** To foster trust and build strong relationships with key partners and stakeholders, the following imperatives are much needed: effective

communication, transparency, collaboration, consultation, mutual respect, and engagement.

- ***Collaboration & Cross Pollination.*** Collaboration and cross pollination with respective partners, stakeholders and community members will have the potential to: increase innovation, improve communication, build trust and respect, and enhance knowledge on the issue.

Resources:

<https://operationrainbowbridge.com/>

<https://www.azahcccs.gov/>

<https://www.azdhs.gov/>

<https://www.huduser.gov/portal/sites/default/files/pdf/2023-AHAR-Part-1.pdf>

<https://www.cdc.gov/legionella/health-depts/healthcare-resources/healthcare-facilities.html>

<https://www.cms.gov/medicare/quality-initiatives-patient-assessment-instruments/mms/qmy-facilities#:~:text=Facilities%20are%20defined%20as%20any,laboratory%2C%20supplier%2C%20etc>

<https://www.azospb.gov/Documents/2024/FY%202025%20Agency%20Detail%20Book.pdf>

<https://community.solari-inc.org/211-arizona/>

<https://www.azospb.gov/Documents/2024/FY%202025%20Agency%20Detail%20Book.pdf>

<https://www.nhnews.com/news/2024/jan/02/chinle-sober-living-center-aims-reduce-cycle-alcohol>

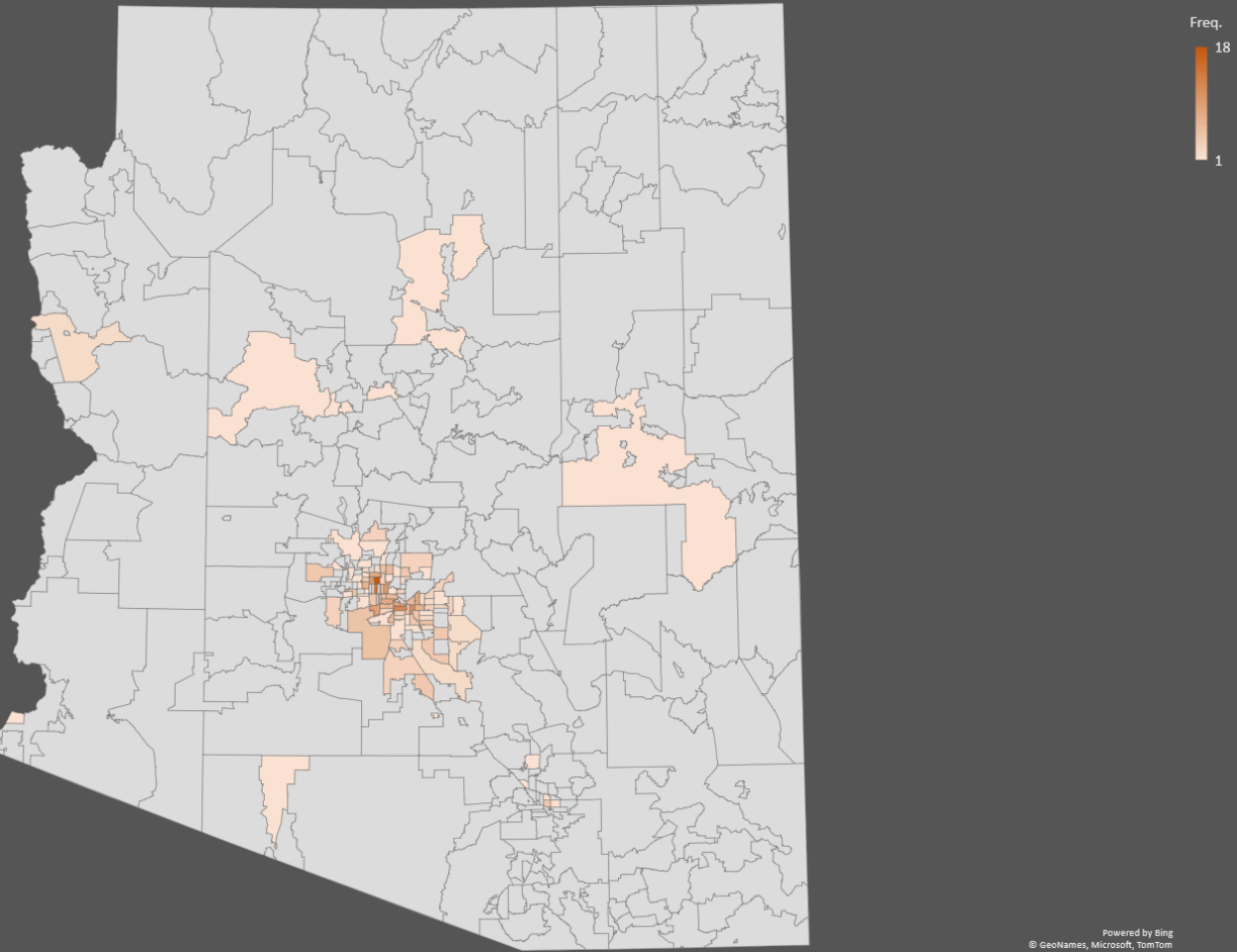
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<https://www.azdhs.gov/about.php>

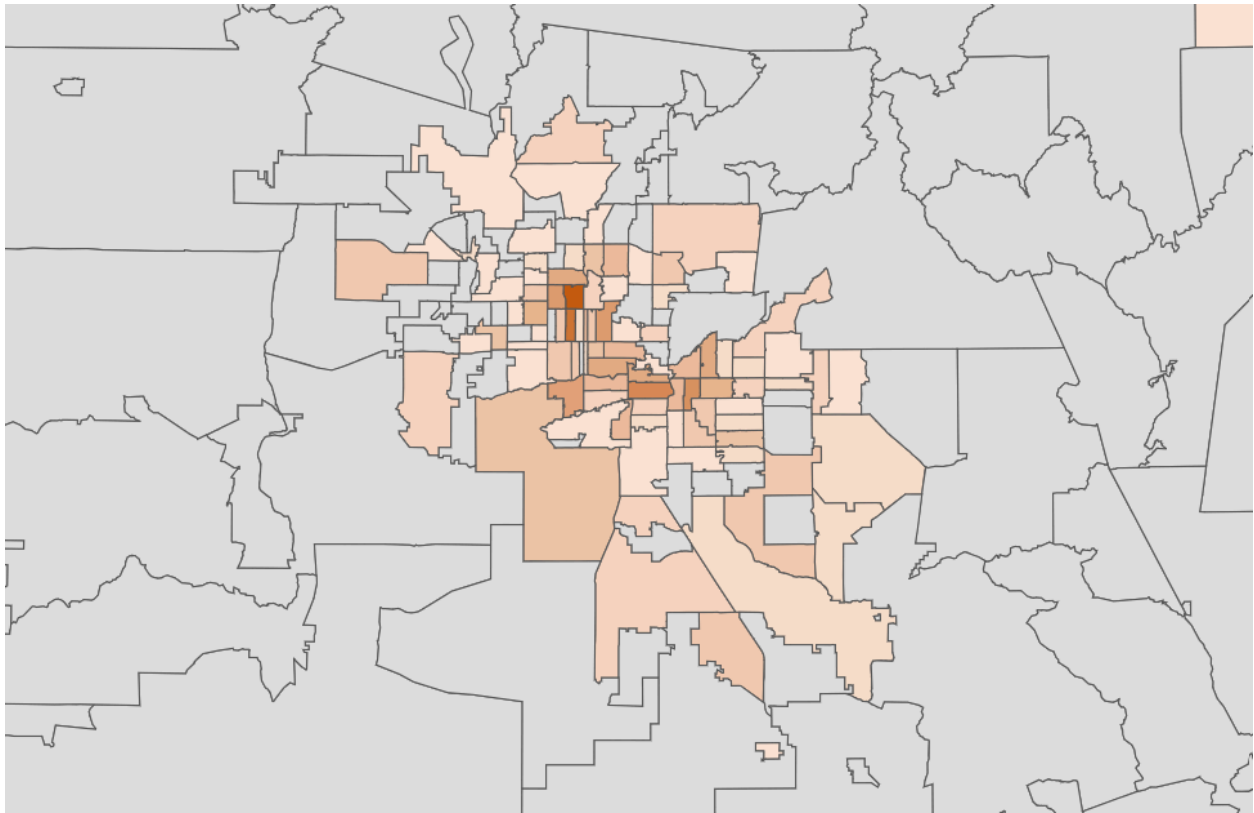
Appendices

- a. Heat Map
- b. FFS vs. MCO chart
- c. SLH vs. BHRF vs. Unlicensed Residences info sheet
- d. Recent List of Suspended Providers

**Appendix A. Heat Map
Statewide View of Fraudulent Providers**



Maricopa County View of Fraudulent Providers



Appendix D. FFS vs. MCO Chart

FFS vs. MCOs

	American Indian Health Program (AIHP)	AHCCCS Complete Care (ACC) Health Plan
Who Administers the Health Plan?	AHCCCS Division of Fee For Service Management (DFSM)	Managed Care Organizations (MCO's) which are private, for-profit companies
What type of Health Plan is it?	Fee-for-Service	Managed Care Organizations (MCO's) – Known as <i>AHCCCS Complete Care (ACC) Health Plans</i> in AZ
Are there Provider Network Restrictions?	No, enrolled members may visit any AHCCCS-registered provider who will take FFS members. Note: Many providers in AZ do not understand that AIHP is a Medicaid health plan.	Yes. Members typically are restricted to in-network providers. However, for special circumstances a provider who is usually considered out-of-network can work out a “single case agreement” so they can see the patient in that health plan.
How are providers registered as “in Network”?	They enroll with AHCCCS and meet State Medicaid enrollment requirements. No additional steps are needed.	<p>The provider must complete the following items:</p> <ol style="list-style-type: none"> 1. Must register for all appropriate licenses with appropriate licensing boards. (i.e. registering with ADHS) 2. Must register with the State Medicaid program, AHCCCS. 3. Must fill out the request to become a provider for the ACC Health Plan, with the ACC Health Plan. When doing this, the provider must agree to the rates that the MCO is willing to pay. <p>This is an often unsung benefit of MCO's. Managed care elements include pre-screened provider networks and provider oversight (i.e. to ensure the best quality of care and provider integrity). These providers must meet certain, additional requirements, above and beyond the ones required to become AHCCCS-registered. This vetting process is a benefit for members, as it provides an additional layer of protection for members by giving additional oversight to these providers.</p>
How are Providers Reimbursed?	DFSM reimburses claims submitted by AHCCCS enrolled providers, who have provided valid, Medicaid-covered	Providers must submit claims to the ACC Health Plan for services rendered.

	services to AIHP members	
What Benefits are There?	Provider network flexibility, which is ideal for individuals who live in different parts of the state at different times of the year. FFS covers the entire State, while MCO's have provider networks in only a portion of the state.	<ul style="list-style-type: none"> Varies by health plan. Some plans will offer additional benefits, such as gift cards for participating in vaccination drives. There is also additional support for members with specialty population staff available for system navigation, care coordination, and community resources. (e.g. Each plan has a Military/Veteran Advocate, Tribal Liaison, Housing Administrator, Workforce/Employment specialist, peer support, etc.
Is there Care Management?	No; however, AIHP members may enroll in an American Indian Medical Home (AIMH) where they will receive some care management services.	Yes. There is also additional support for members with specialty population staff available for system navigation, care coordination, and community resources (e.g. Each plan has a Military/Veteran Advocate, Tribal Liaison, Housing Administrator, Workforce/Employment specialist, peer support, etc.

Fee-for-Service Health Plan

A FFS health plan is a traditional type of insurance in which the health plan will either pay the medical provider directly or reimburse you after you have filed an insurance claim for each covered medical expense. FFS is literally a fee paid for each service. There is typically minimal oversight (no care management) for FFS programs, in exchange for a wider provider network. In Arizona, there are no network restrictions, beyond the provider having to be enrolled with the State Medicaid Program, which is called the Arizona Health Care Cost Containment System (AHCCCS).

There are several FFS Health Plans that AI/AN individuals, who qualify for Medicaid in Arizona, can be potentially enrolled in. What plan they are enrolled in depends upon their age and health conditions. The several FFS plan are as follows:

- American Indian Health Program (AIHP)- AI/AN individuals deemed eligible for Medicaid in Arizona (Title XIX services) may opt into AIHP

Children's Health Insurance Program (CHIP) – also known as KidsCare

- For children and teenagers 19 and under
- Qualify under Title XXI
- The child may qualify for KidsCare at a low monthly premium, if their family's income is up to 225% of the federal poverty level (FPL). However, for AI/AN enrolled with a federally-recognized Tribe, their children are eligible for no monthly premium.

Arizona Long Term Care System (ALTCS) or Tribal ALTCS

- For elderly and/or physically disabled American Indians who are determined eligible for ALTCS.
- Members must meet Medicaid medical and financial requirements.
- A member will be enrolled with Tribal ALTCS if he/she lives on or lived on a reservation prior to admission into an off-reservation facility.

Managed Care Organization (MCO) Health Plan

A Managed Care Organization (MCO) is a health plan or health care company that focuses on reducing costs while maintaining a high quality of care.

- To reduce costs, they are willing to pay more for a person's health care on the front end of things, so as to reduce the development of preventable health conditions that carry high yearly care price tags.
- MCO's embrace the philosophy of keeping their members as healthy as possible, and encouraging them to partake in healthy habits, so that they remain happy, healthy, and remain long-term customers.
- Prevention is not only better for the patient, but it is also cheaper.
- It is much cheaper to catch an illness or disease process early, or better yet, to prevent it altogether, through preventative care, than to have to treat it after-the-fact when it is much more serious.
- These are designed to manage costs for everyone without sacrificing quality care.
- By spending more for preventative care, they help prevent members from developing costly conditions (i.e. diabetes, cancer, etc.) or from having costly flare ups of pre-existing conditions.
- This is done by focusing on high quality of care and encouraging things like:
- Routine and age-appropriate health screenings (i.e. annual check-ups, mammograms, colonoscopies, etc.
- Vaccinations
- Healthy habits through care management access
- Yearly wellness visits and other types of preventative care

