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ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM

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**DATE:** September 13, 2011

**TO:** Contracted LEA's

**FROM:** Melinda Hollinshead, Ph.D., MSBC Manager, AHCCCS  
Tricia Krotenberg, M.Ed., MBA, MSBC Manager, AHCCCS

**SUBJECT:** Direct Service Claiming Program Non-licensed providers

AHCCCS has been asked by the Centers for Medicare and Medicaid Services (CMS) to develop and implement a Cost Based Rates (CBR) methodology as the accepted standard for Medicaid reimbursement for school based claiming. In a recent CMS review of documentation submitted by the State to reflect changes related to CBR, including several rounds of communications, CMS has directed AHCCCS to remove non-licensed providers from the State Plan. School Based Guidance Counselors (Provider Type 88) and School Based Psychologists (Provider Type 89) do not meet federal licensure requirements for Medicaid. Therefore, as of date of service, July 1, 2011 claims submitted for Medicaid direct service reimbursement rendered by School Based Guidance Counselors or School Based Psychologists will no longer be allowable. Any claims submitted will therefore be denied for payment.

AHCCCS and PCG are working together to update the claims processing system and relevant sections of the program documents to reflect these updates. Please make the necessary adjustments within your own claiming routines to discontinue billing for School Based Guidance Counselors and School Based Psychologists.

*Note: Claims with a date of service prior to July 1, 2011 may still be submitted for reimbursement.*

School Based Guidance Counselors and School Based Psychologists may be included in the Medicaid Administrative Claim (MAC) if they routinely perform administrative and outreach activities, participate in the RMTS and are not 100% federally funded. PCG will be providing further details regarding the RMTS, and changes needed for the October – December 2011 staff pool list.

This topic will be discussed further at the PCG Regional Information Sessions conducted in the next few weeks. If you have any questions before that time please feel free to contact Tricia Krotenberg at 602-417-4149 or Melinda Hollinshead at 602-417-4746.

**Cc:** Rebecca Fields, Deputy Assistant Director, DFSM, AHCCCS  
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