

Arizona Department of Health Services
Division of Behavioral Health Services
Magellan Health Services of Arizona, Edition

Section 7.1 **Fraud and Program Abuse Reporting**

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7.1.1 Introduction

The reporting of suspected fraud and program abuse is a requirement of the Arizona Department of Health Services, Division of Behavioral Health Services (ADHS/DBHS) Corporate Compliance Program. Under those requirements, T/RBHAs and their subcontracted providers are required to immediately notify the Arizona Health Care Cost Containment System (AHCCCS), Office of the Inspector General (OIG) and ADHS/DBHS Bureau of Corporate Compliance (BCC) regarding any suspected fraud or program abuse involving AHCCCS, federal or state funds. ADHS/DBHS/BCC works closely with AHCCCS/OIG to address all the referrals reported by providers in order to improve the system and promote accountability. This section does not include reporting of physical and sexual abuse regarding persons who have been determined to have a Serious Mental Illness (SMI). [Section 7.4, Reporting of Incidents, Accidents and Deaths](#), contains information for reporting abuse of persons determined to have a SMI.

Providers must be cognizant of the potential for fraud and program abuse within the public health system. Fraud and program abuse can result in the misuse of federal and state funds, can jeopardize the care and treatment of persons receiving covered services and can result in monetary fines, criminal prosecution, the termination of providers and prohibition from participation in Medicare/Medicaid/State-funded Programs. This section outlines the procedures for providers to report suspected incidents of fraud and/or program abuse.

In the context of this section of the Provider Manual, persons receiving care in the health system can also commit acts of program abuse (e.g., by loaning or selling their AHCCCS identification card).

7.1.2 Terms

Definitions for terms are located online at <http://www.azdhs.gov/bhs/definitions/index.php> and <http://magellanofaz.com/for-providers/provider-manual/definitions.aspx>. The following terms are referenced in this section:

Program Abuse

Fraud

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7.1.3 Procedures

All T/RBHAs are responsible for ensuring that mechanisms are in place for the prevention, detection and reporting of fraud and/or program abuse. All employees of providers must be familiar with the types of fraud and/or program abuse that could occur during their normal daily activities. ADHS/DBHS and each T/RBHA have designated a Compliance Officer and Compliance Committee responsible for the development and implementation of the Corporate Compliance Program which addresses fraud and program abuse prevention and detection. Any person(s) found to be guilty for knowingly obtaining any benefit by means of false or fraudulent pretenses, representations, promises or material omissions could be charged with a Class 2 Felony.

7.1.3.-A Reporting of fraud and program abuse involving Title XIX/XXI funds or AHCCCS registered providers and recipients

Upon becoming aware of a suspected incident of fraud and/or program abuse, including a suspected incident committed by the T/RBHA, a T/RBHA or provider has 10 working days to inform the AHCCCS/OIG of the suspected fraud or program abuse in writing to the address below or by submitting an online form accessible at the link below.

AHCCCS Office of Inspector General
701 E. Jefferson Street, Mail Drop 4500
Phoenix, Arizona 85034

<http://www.azahcccs.gov/fraud/reporting/reporting.aspx>

Email: AHCCCSFraud@azahcccs.gov

Phone: (602) 417-4193 or (602) 417-4045

Fax: (602) 417-4102

In addition, T/RBHAs or providers should advise ADHS/DBHS/BCC of the report to AHCCCS by calling or writing to the contact information below:

ADHS/DBHS
Bureau of Corporate Compliance 150 N. 18th Ave, Ste. 270
Phoenix, Arizona 85007
(602) 364-3758 or 1-866-569-4927
Fax number: (602) 542-3940
Email: reportfraud@azdhs.gov

7.1.3-B Reporting of fraud and program abuse involving Non-Title XIX/XXI funds and/or grants

Upon becoming aware of a suspected incident of fraud or program abuse, including a suspected incident committed by the T/RBHA, a T/RBHA or provider has ten (10) working days to inform ADHS/DBHS/BCC by completing the [Suspected Fraud and Program Abuse Report Form](#) and faxing, mailing or emailing it to ADHS/DBHS at the address listed above. Reports of fraud or program abuse may also be taken over the phone at (602) 364-3758 or 1-866-569-4927.

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7.1.3-C Reporting of fraud and program abuse to the T/RBHA

In addition to notifying ADHS or AHCCCS, health providers may need to notify their contracted T/RBHA of all suspected incidents of fraud or program abuse. After a report of suspected fraud or abuse is made to AHCCCSA, Office of the Director, Office of Program Integrity, and the ADHS Fraud and Abuse Unit, providers can also report this suspected fraud or abuse to Magellan via our confidential Special Investigations Unit hotline at 1-800-755-0850 or via e-mail to SIU@MagellanHealth.com. Individuals reporting suspected fraud or abuse are also encouraged to notify either Magellan's Fraud and Abuse Manager or the Chief Compliance Officer using the following contact information:

Fraud & Abuse Manager
Magellan Health Services of Arizona
Phone: 602-572-5917
Fax: 800-424-4798
Email: alfields@magellanhealth.com

Chief Compliance Officer
Magellan Health Services of Arizona
Phone: 602-572-5914
Fax: 800-424-4798
Email: pknox@magellanhealth.com

7.1.4 References

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

[18 USC. § 669](#)
[18 USC § 1001](#)
[18 USC § 1031](#)
[18 USC § 1035](#)
[18 USC § 1345 - 1347](#)
[31 USC § 3729 – 3733](#)
[31 USC § 3802](#)
[42 USC § 1396a](#)
[42 CFR 438.608](#)
[42 CFR 455.2](#)
[42 CFR 455.17](#)
[42 CFR 1001.1901](#)
[A.R.S. § 13-2310](#)
[A.R.S. § 13-2311](#)
[A.R.S. § 36-2918](#)
[A.R.S. § 38-532](#)
[AHCCCS/ADHS Contract](#)
[ADHS/RBHA Contracts](#)
[ADHS/TRBHA IGAs](#)

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[AHCCCS Contractor Operations Manual, Chapter 100, Section III. A](#)
ADHS/DBHS Corporate Compliance Manual
[Section 7.4, Reporting of Incidents, Accidents and Deaths](#)