

## NOTICE OF PUBLIC INFORMATION-PUBLIC NOTICE

1. **Name of the Agency:** Arizona Health Care Cost Containment System (AHCCCS)
2. **The topic of the public information notice:** AHCCCS Fee-For-Service (FFS) rates for various fee schedules to be effective for dates of service beginning October 1, 2015 AND for inpatient hospital rates to address costs associated with high acuity pediatric cases to be effective for dates of service beginning January 1, 2016.
3. **The public information relating to the topic:**
  - a. This Notice describes proposed changes to the Arizona Health Care Cost Containment System (AHCCCS) Fee-For-Service (FFS) rates to be effective October 1, 2015 with the exception of changes to address high acuity pediatric cases which will be effective with dates of service January 1, 2016. The total change in FFS payments as a result of the proposed changes is an estimated increase of \$6,348,730 for the time period of October 1, 2015 through September 30, 2016.

1. For dates of service on and after October 1, 2015:

The following fee schedules will be updated as described below:

- Select Behavioral Health Fee Schedule inpatient rates will be updated to reflect an aggregate 19.6% increase to align with market rates and address access to care.
- Home and Community-Based Services Fee Schedule rates will be increased by 1.5% across-the-board to address federally-mandated cost increases and improvements in the Arizona economy leading to challenges in hiring and retaining direct care staff.
- Hospice per diem rates will be updated to match the *Medicaid Hospice Payment Rates* published by Medicare.
- Long-Term Acute Care Hospitals and Rehabilitation Hospitals per diem rates will be updated for a 1.1% aggregate fiscal impact to address the relative patient acuity among the hospitals.
- Inpatient Hospital APR-DRG rates will be updated to continue the phase-in transition from the tiered per diem methodology which is budget neutral in aggregate across all hospitals.
- Physician Drug Schedule rates will be updated for a 2.3% aggregate impact to address changes in drug prices.

The following fee schedules will be updated for a 0.0% aggregate fiscal impact, reflecting changes to the Medicare fee schedules on which they are based:

- Ambulatory Surgical Center Fee Schedule rates
- Outpatient Hospital Fee Schedule rates
- Physician Fee Schedule rates
- Clinical Laboratory Fee Schedule rates
- DMEPOS (DME, Prosthetics, Orthotics and Supplies) Fee Schedule rates

The following fee schedule will be updated for a 0.0% aggregate fiscal impact, indexing the rates to the *ADA 2013 Survey of Dental Fees*:

- Dental Fee Schedule rates

The following fee schedules will remain unchanged:

- Behavioral Health Fee Schedule outpatient rates
- Freestanding Dialysis Facility composite rates
- Nursing Facility per diem rates
- Transportation rates other than those that are based on the Arizona Ground Ambulance Service Rate Schedule published by ADHS, Bureau of Emergency Medical Services. (For transportation rates set by ADHS, refer to the [Notice of Public Information-AHCCCS Emergency Ground Ambulance Rates Proposed for Dates of Service On and After October 1, 2015](#))

2. For dates of service on and after January 1, 2016:

- Inpatient Hospital APR-DRG rates will be updated to address costs associated with high-acuity pediatric cases, resulting in a 28% increase to the rates for those specific cases.

b. This Notice also describes proposed changes to the AHCCCS FFS nursing facility per diem rates on and after October 1, 2015: No automatic inflation will be applied on or after October 1, 2015.

c. The changes proposed for the rates in this Notice are proposed to assure that payments are consistent with efficiency, economy, and quality of care and are sufficient to enlist enough providers so that care and services are available at least to the extent that such care and services are available to the general population in the geographic area.

d. Written comments may be sent to the following address and must be received no later than 5:00 p.m. on July 20, 2015:

Michael Veit, Contracts and Purchasing Administrator  
Arizona Health Care Cost Containment System  
701 E. Jefferson St. Phoenix, Arizona 85034

e. More information regarding these changes to reimbursement can be obtained from the AHCCCS website at:  
<http://www.azahcccs.gov/AHCCCSProviderRateAnalysis.aspx>. Many public libraries offer access to the internet. In addition, the information can be obtained at the Offices of the AHCCCS Administration, 701 E. Jefferson, Phoenix, AZ 85034.

f. The Notice of Public Information regarding these proposed changes to rates is expected to be published in the Arizona Administrative Register on or before July 10, 2015.