



State Plan Amendments

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Emergency Medical Service Rates

- AHCCCS is establishing a new methodology for Tribal EMS rates beginning October 1, 2018
- The methodology was developed in collaboration with the ITAA and other Tribal organizations
- The proposed change is estimated to result in a 30.2% aggregate increase in reimbursement
- SPA Language, Public Comment, ITAA Resolution:
<https://www.azahcccs.gov/AHCCCS/PublicNotices/Tribal-EMS-Rate-SPA.html>

Emergency Medical Service Rates

- Using the provider-specific ambulance rates established by ADHS as of July 1, 2018, we will apply provider-specific AHCCCS claims and encounter data for federal fiscal year 2017, using the number of units billed of each procedure code to determine, for each procedure code, a weighted average rate. This will be calculated in two ways:
 - (a) first, using all paid Fee-For-Service (FFS) claims and MCO adjudicated encounters, and
 - (b) second, using only paid FFS claims.
- For each procedure, we will select the greater of the two results, and multiply that result by 68.59% to establish the Tribal EMS ambulance rate for the procedure.
- The rate associated with a rural ambulance trip will continue to be set at +10% relative to the base rate for each procedure code.

Procedure Code	Modifier	Service	FFS Rate		
			Current	10/1/2018	Increase
A0426		ALS	\$408.07	\$834.33	104.50%
A0426	TN	ALS Rural Trip	\$448.87	\$917.76	104.50%
A0427		ALS	\$408.07	\$834.33	104.50%
A0427	TN	ALS Rural Trip	\$448.87	\$917.76	104.50%
A0433		ALS	\$408.07	\$834.33	104.50%
A0433	TN	ALS Rural Trip	\$448.87	\$917.76	104.50%
A0434		ALS	\$408.07	\$834.33	104.50%
A0434	TN	ALS Rural Trip	\$448.87	\$917.76	104.50%
A0428		BLS	\$315.85	\$775.55	145.50%
A0428	TN	BLS - Rural Trip	\$347.43	\$853.10	145.50%
A0429		BLS	\$315.85	\$775.55	145.50%
A0429	TN	BLS - Rural Trip	\$347.43	\$853.10	145.50%
A0998*		Response No Transport	\$265.83	\$812.85	205.78%
A0998*	TN	Response No Transport - Rural	\$0.00	\$894.14	N/A
A0425		Mileage	\$9.08	\$12.36	36.10%
A0425	TN	Mileage - Rural	\$9.99	\$13.60	36.10%
A0888		Mileage	\$11.59	\$12.36	6.60%
A0888	TN	Mileage - Rural	\$10.53	\$13.60	29.20%
A0420		Wait	\$16.84	\$87.12	417.30%
A0420	TN	Wait - Rural	\$0.00	\$95.83	N/A

* Weighted average calculation for A0998 accounts for both ALS and BLS trips, and includes CON providers whose ADHS rates have the cost of supplies built in, as well as those that do not.

Federally Qualified Health Center (FQHC): Alternative Payment Model

- AHCCCS has negotiated an alternative payment model (APM) with FQHCs
 - **Does not include Rural Health Clinics, Urban Indian Health Programs or 638 FQHCs**
- Timeframe for the APM: 10/1/18 – 9/30/23
- AHCCCS will establish baseline Prospective Payment System (PPS) rate for each FQHC equal to the greater of the FQHC's FFY 2018 or FFY 2016 rate
- Annually, rate will be multiplied by the inflation statistic for the Physicians' Services Index (PSI) subcomponent of the Medical Care Services component of the Consumer Price Index
 - If the PSI is less than 0%, the adjustment will be 0%
 - If the PSI is greater than 5%, the adjustment will be 5%

Federally Qualified Health Center (FQHC): Alternative Payment Model

Annually, FQHCs will be eligible for an additional incentive payment of up to 1.5% based on performance on three quality metrics (.5% per metric)

Metric	Minimum Performance Standard
Patients with Colorectal Cancer Screening	greater than 65%
Patients with Diabetes Hemoglobin A1c Poor Control (Diabetic Patients with HbA1c > 9%) or No Test During Year	less than 41%
Weight Assessment and Counseling for Nutrition and Physical Activity for Children and Adolescents	greater than 55%

Federally Qualified Health Center (FQHC): Alternative Payment Model

Incentive for FQHCs with patient population with >20% homeless/transient or >50% uninsured based on year-over-year improvement

Metric	Minimum Performance Standard
Patients with Colorectal Cancer Screening	Increase over prior year greater than 5%
Patients with Diabetes Hemoglobin A1c Poor Control (Diabetic Patients with HbA1c > 9%) or No Test During Year	Decrease from prior year greater than 5%
Weight Assessment and Counseling for Nutrition and Physical Activity for Children and Adolescents	Increase over prior year greater than 5%

Federally Qualified Health Center (FQHC): Alternative Payment Model

- For new FQHCs, AHCCCS will:
 - Calculate the initial PPS rate using baseline PPS rate for an established FQHC in the same or an adjacent area with a similar caseload
 - Apply the annual PSI adjustments which have occurred since the establishment of that baseline PPS rate
- Scope of service
 - No changes to scope of service through September 30, 2020
 - Between 10/1/20 – 9/30/23, AHCCCS will review scope of service changes and adjust the FQHC PPS rate, if appropriate
 - Limited to no more than 2 scope of service changes during that period
- Reconciliation
 - At the end of each FFY, AHCCCS will calculate each FQHC's costs using paid claim and adjudicated encounter data
 - If the total calculated cost (based on multiplying number of visits by FQHC's PPS rate) is greater than the total payments, the FQHC will be paid the difference; if the calculated cost is less than the total payments, the FQHC will refund the difference

Outpatient Drug Rule

- The Outpatient Drug Rule requires states to outline the methodology underlying outpatient drug rates in the State Plan
- IHS/638 pharmacy methodologies are not outlined in this SPA and remain unchanged including the recently passed Specialty Drug SPA
- AHCCCS Tribal Pharmacy Workgroup
- This SPA primarily provides further explanation of currently established reimbursement methodologies

Outpatient Drug Rule

Methodology for most pharmacies which are not 340b entities, including Urban Indian Health Centers if they are not 340b entities

- For prescribed drugs, including specific AHCCCS covered non-legend drugs that are prescribed by an authorized prescriber and legend drugs prescribed by an authorized prescriber, AHCCCS will reimburse at the lesser of:
 - The usual and customary charge to the public, or
 - AHCCCS Fee-For-Service's established Maximum Allowable Cost (MAC) for the drug plus a professional fee, or
 - The current National Average Drug Acquisition Cost (NADAC) for the drug plus a professional fee, or
 - The contracted rates between AHCCCS and the FFS Pharmacy Benefit Manager plus a professional fee.

Outpatient Drug Rule

340B Entities that are not licensed hospitals or outpatient facilities that are owned or operated by a licensed hospital:

- Must submit 340B claims at their Actual Acquisition Cost (AAC).
- The 340B entity shall be reimbursed at the lesser of AAC or the 340B Ceiling Price plus a professional fee.
- 340B Entity Contract Pharmacies are not allowed to use drugs purchased under any type of 340B arrangement when providing services to AHCCCS members. The only exception is when the AHCCCS Administration has a contractual arrangement or there is a demonstrated need approved by AHCCCS that requires participation by a 340B Entity Contracted Pharmacy.

Outpatient Drug Rule

- Federal Supply Schedule purchased drugs, the provider shall be reimbursed at no more than their actual acquisition cost plus a professional fee.
- For Nominal Pricing, the provider shall be reimbursed at the actual acquisition cost plus a professional fee.
- Hemophilia Factor and Other Blood Disorders Products are reimbursed using a discounted Wholesale Acquisition Cost (WAC) methodology. Ancillary supplies, mailing, and other services are paid as defined in the contract between AHCCCS and the pharmacy supplying the hemophilia factor and blood disorder products.
- Investigational/experimental drugs are not reimbursed by AHCCCS.

Outpatient Drug Rule

Physician Administered Drugs

Physician:

- For non-chemotherapy drugs that are priced on the Medicare Part B Drug Schedule, AHCCCS sets its FFS rates as 95% of the Medicare Part B rate.
- For chemotherapy drugs and drugs that are not priced on the Medicare Part B Drug Schedule, AHCCCS sets its rates as 80.75% of the Average Wholesale Price.

Outpatient Hospital:

- Drugs priced on the Medicare Outpatient Prospective Payment System fee schedule, AHCCCS sets its FFS rates as 80% of the Medicare OPPI rate.
- For drugs that are not priced on the Medicare Outpatient Prospective Payment System fee schedule, AHCCCS sets its FFS rates equal to the FFS rates for physician billing.

Ambulatory Surgery Center:

- For all drugs that are priced on the Medicare Ambulatory Surgery Center Fee Schedule, AHCCCS sets its FFS rates as 95% of the Medicare ASC Fee Schedule rate.

Questions?



Additional feedback or questions regarding these SPAs can be provided to publicinput@azahcccs.gov