

October 31, 2014

Mark Wong
Division of Medicaid and Children's Health Operations
U.S. Department of Health & Human Services
Centers for Medicare & Medicaid Services
90 Seventh Street, Suite 5-300 (5W)
San Francisco, CA 94103-6707

RE: Arizona SPA #14-013-A, Freestanding Psychiatric Hospital rates

Dear Mr. Wong:

Enclosed is State Plan Amendment (SPA) #14-013-A, Freestanding Psychiatric Hospitals which updates rates for Freestanding psychiatric hospitals as of October 1, 2014.

If you have any questions about the enclosed SPA, please contact Theresa Gonzales at (602) 417-4732.

Sincerely,

Monica H. Coury Assistant Director

Office of Intergovernmental Relations

cc: Cheryl Young, CMS

CENTERS FOR MEDICARE AND MEDICAID SERVICES	1 TD ANGMETTAL MUMPED	OMB NO. 0938-0193	
TRANSMITTAL AND NOTICE OF APPROVAL OF	1. TRANSMITTAL NUMBER:	2. STATE	
STATE PLAN MATERIAL	14-013A	Arizona	
EOD. Contour for Medicare and Medicaid Commisses	3. PROGRAM IDENTIFICATION: TIT	TLE XIX OF THE	
FOR: Centers for Medicare and Medicaid Services	SOCIAL SECURITY ACT (MEDICA	AID)	
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TO: REGIONAL ADMINISTRATOR	4. PROPOSED EFFECTIVE DATE		
CENTERS FOR MEDICARE AND MEDICAID SERVICES			
DEPARTMENT OF HEALTH AND HUMAN SERVICES	,		
5. TYPE OF PLAN MATERIAL (Check One):	<u> </u>		
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☐ NEW STATE PLAN ☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN ☐ AMENDMENT			
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AME		amendment)	
6. FEDERAL STATUTE/REGULATION CITATION:	7. FEDERAL BUDGET IMPACT:		
42 CFR 447 Subpart C	FFY 15: Forthcoming		
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8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:	9. PAGE NUMBER OF THE SUPERS	EDED DLAN SECTION	
6. FAGE NOVIDER OF THE FEAN SECTION OR ATTACHWENT.	OR ATTACHMENT (If Applicable):		
4 410 4			
Att. 4.19-A, page 11.	Same		
10. SUBJECT OF AMENDMENT:			
10. SUBJECT OF AMENDMENT.			
Continues rates for freestanding psychiatric hospitals for the	period October 1, 2014 to Septemb	per 30, 2015.	
11. GOVERNOR'S REVIEW (Check One):			
☐ GOVERNOR'S OFFICE REPORTED NO COMMENT	OTHER, AS SPEC	IFIED:	
COMMENTS OF GOVERNOR'S OFFICE ENCLOSED	<u> </u>		
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12. SIGNATURE OF STATE AGENCY OFFICIAL:	16. RETURN TO:		
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1100	Monica Coury		
10 weter	801 E. Jefferson, MD#4200		
13. TYPED NAME:	Phoenix, Arizona 85034		
Monica Coury			
14. TITLE:	1		
Assistant Director			
15. DATE SUBMITTED:	1		
October 31, 2014 FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED:	18. DATE APPROVED:		
PLAN APPROVED – ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL:	20. SIGNATURE OF REGIONAL OF	FICIAL:	
21. TYPED NAME:	22. TITLE:		
23. REMARKS:			

STATE OF ARIZONA

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES INPATIENT HOSPITAL CARE

B. Out-of-State Hospitals

Out-of-state hospitals providing covered services (excluding organ and transplantation services) to persons eligible for AHCCCS are paid by multiplying covered charges by the most recent state-wide urban cost-to-charge ratio (CCR). The CCR is updated annually by AHCCCS, with an October 1 effective date, using the most current Medicare cost-to-charge ratios published or placed on display by CMS by August 31 of that year.

Out-of-state hospitals providing covered organ and transplantation services to persons eligible for AHCCCS are paid based upon a fixed price per type of transplant with stop-loss provisions. Reimbursement rates are negotiated using the out of state provider's home state Medicaid reimbursement as a benchmark. At no time will payment exceed the hospital's billed charges.

V. PAYMENT TO FREESTANDING PSYCHIATRIC HOSPITALS

Psychiatric hospitals are paid a statewide per diem fee. AHCCCS rates were set as of October 1, 20112014, and are effective for dates of admission on or after that date. AHCCCS rates for payments to freestanding psychiatric hospitals, including freestanding psychiatric hospitals that function solely as detoxification facilities, are published on the agency's website at http://www.azahcccs.gov/commercial/Downloads/FFSrates/BehavioralHealth/BehavioralHealthRates20141001.pdf

VI. APPEALS PROCEDURES

Facilities may appeal rates within the limits of Arizona statute through the AHCCCS grievance and appeals process. Facilities may also informally request a rate review.

TN No. <u>11-01814-013A</u>		
Supersedes	Approval Date:	Effective Date: October 1, 20141
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