DEPARTMENT OF HEALTH & HUMAN SERVICES Centers for Medicare & Medicaid Services San Francisco Regional Office 90 Seventh Street, Suite 5-300 (5W) San Francisco, CA 94103-6706



DIVISION OF MEDICAID & CHILDREN'S HEALTH OPERATIONS

May 22, 2018

Tom Betlach, Director Arizona Health Care Cost Containment System 801 East Jefferson Street Phoenix, AZ 85034

Dear Mr. Betlach:

We have reviewed the proposed State Plan Amendment (SPA) 18-004, which was submitted to the Centers for Medicare & Medicaid Services (CMS) San Francisco Regional Office on March 12, 2018. This SPA establishes an Alternative Payment Methodology for Tribal 638 facilities that elect to be paid as Federally Qualified Health Centers (FQHCs).

Based on the information provided, we are approving SPA 18-004 with an effective date of April 1, 2018 as requested. We are enclosing the approved Form CMS-179 and the following Medicaid state plan pages:

• Attachment 4.19-B, Page 9(b)

If you have any additional questions or need further assistance, please contact Brian Zolynas at (415) 744-3601 or <u>Brian.Zolynas@cms.hhs.gov</u>.

Sincerely,

/s/

Hye Sun Lee Acting Associate Regional Administrator Division of Medicaid & Children's Health Operations

Enclosure:

cc: Jessica Woodard, CMCS

DEPARTMENT OF HEALTH AND HUMAN SERVICES CENTERS FOR MEDICARE AND MEDICAID SERVICES		FORM APPROVED OMB NO. 0938-0193
TRANSMITTAL AND NOTICE OF APPROVAL OF	1. TRANSMITTAL NUMBER:	2. STATE
STATE PLAN MATERIAL	18-004	Arizona
FOR: Centers for Medicare and Medicaid Services	3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR	4. PROPOSED EFFECTIVE DATE	
CENTERS FOR MEDICARE AND MEDICAID SERVICES	April 1, 2018	
DEPARTMENT OF HEALTH AND HUMAN SERVICES		
5. TYPE OF PLAN MATERIAL (Check One):		
□ NEW STATE PLAN □ AMENDMENT TO BE CONSIDERED AS NEW PLAN ⊠ AMENDMENT		
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)		
6. FEDERAL STATUTE/REGULATION CITATION:	7. FEDERAL BUDGET IMPACT:	,
42 CFR Part 447	FFY 18: \$0 FFY 19: \$0	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):	
Attachment 4.19-B, Page 9(b)	New	
10. SUBJECT OF AMENDMENT:	1	
Updates the State Plan to change the reimbursement rates for specialty drugs dispensed by IHS/638 facilities		
 11. GOVERNOR'S REVIEW (Check One): ☐ GOVERNOR'S OFFICE REPORTED NO COMMENT ☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED ☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL 	OTHER, AS SPEC	IFIED:
12. SIGNATURE OF STATE AGENCY OFFICIAL:	16. RETURN TO:	
BBG	Elizabeth Lorenz 801 E. Jefferson, MD#4200 Phoenix, Arizona 85034	
13. TYPED NAME:		
Elizabeth Lorenz	4	
14. TITLE: Assistant Director		
15. DATE SUBMITTED:	1	
3/12/18		
FOR REGIONAL OFFICE USE ONLY		
17. DATE RECEIVED: March 12, 2018	18. DATE APPROVED: May 22, 2018	
PLAN APPROVED – ONE COPY ATTACHED		
19. EFFECTIVE DATE OF APPROVED MATERIAL: April 1, 2018	20. SIGNATURE OF REGIONAL OFI	FICIAL:
21. TYPED NAME: Hye Sun Lee	22. TITLE: Acting Associate Regional Division of Medicaid and Chi	Administrator, ldren's Health Operations
23. REMARKS: Pen-and-ink Changes to Boxes 8 and 9. Box 8: "Att. 4.19-B, 3 ,5, 7" deleted and replaced		
with "Attachment 4.19-B, Page 9(b)." Box 9: "Same" deleted and replaced with "New."		

State <u>ARIZONA</u>

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REIMBURSEMENT FOR INDIAN HEALTH SERVICE AND TRIBAL 638 HEALTH FACILITIES

Alternative Payment Methodology for Tribal Facilities Recognized as 638 FQHCs

If a 638 FQHC elects an Alternative Payment Methodology then the 638 FQHC will be reimbursed an outpatient all-inclusive rate for all FQHC services. The published rate is paid for up to five encounters/visits per recipient per day. Encounters/visits are limited to the AHCCCS-registered facilities that provide covered services to Medicaid members in a 638 FQHC. The encounters/visits will be differentiated based on the patient account numbers that are assigned for each encounter/visit. Encounters/visits include covered telemedicine services.

AHCCCS will establish a Prospective Payment System (PPS) methodology for the 638 FQHCs so that the agency can determine on an annual basis that the published, all inclusive rate is higher than the PPS rate. The PPS rate will be established by reference to payments to one or more other clinics in the same or adjacent areas with similar caseloads. The 638 FQHCs would not be required to report its costs for the purposes of establishing a PPS rate.