

March 8, 2018

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 #18-003, IHS/638 Specialty Drugs

Dear Mr. Wong:

Enclosed is State Plan Amendment (SPA) #18-003, IHS/638 Specialty Drugs, which revises the State Plan to change the reimbursement rate for specialty drugs dispensed by IHS/638 facilities.

If you have any questions about the enclosed SPA, please contact Kyle Sawyer at (602) 417-4211.

Sincerely,

Elizabeth Lorenz Assistant Director

Arizona Health Care Cost Containment System (AHCCCS)

cc: Blake Holt, CMS Brian Zolynas, CMS

TRANSMITTAL AND NOTICE OF APPROVAL OF	1. TRANSMITTAL NUMBER: 18-003	2. STATE Arizona
STATE PLAN MATERIAL	18-003	Alizona
FOR: Centers for Medicare and Medicaid Services	3. PROGRAM IDENTIFICATION: TIT SOCIAL SECURITY ACT (MEDICAL)	
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE AND MEDICAID SERVICES	4. PROPOSED EFFECTIVE DATE October 1, 201	18
DEPARTMENT OF HEALTH AND HUMAN SERVICES	October 1, 201	10
5. TYPE OF PLAN MATERIAL (Check One):		
	CONSIDERED AS NEW PLAN	
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AME		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 SUPERS OR ATTACHMENT (If Applicable):	
Att. 4.19-B, 7-9	Same	
10. SUBJECT OF AMENDMENT:		
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:	
	Elizabeth Lorenz	
6706	801 E. Jefferson, MD#4200	
	Phoenix, Arizona 85034	
V		
13. TYPED NAME:		
Elizabeth Lorenz 14. TITLE:		
Assistant Director		
15. DATE SUBMITTED:		
3/8/18		
FOR REGIONAL OF		
17. DATE RECEIVED:	18. DATE APPROVED:	
PLAN APPROVED – ON	E COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL:	20. SIGNATURE OF REGIONAL OF	FICIAL:
21. TYPED NAME:	22. TITLE:	
22 DEMADES.		

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REIMBURSEMENT FOR INDIAN HEALTH SERVICE AND TRIBAL 638 HEALTH FACILITIES

Effective January 1, 2000, AHCCCS will reimburse the Indian Health Service (IHS) and tribal facilities based on the following reimbursement methodologies reflected in Tables 1 and 2.

As the Tables 1 and 2 reflect, the methodologies may differ depending on a specific situation. The various situations are whether:

- the services include or exclude professional services.
- the service is provided by the IHS or a tribal facility
- the tribal facility is set up to bill outpatient services with specific coding and requests this format
- based on specific HCFA guidance (transportation).

TABLE 1 - IHS OUTPATIENT REIMBURSEMENT METHODOLOGY

Eligibility Type	Service	Billing Form/Codes	Reimbursement
Title XIX	Outpatient Hospital	1500 / 00099	OMB Outpatient Rate
(Acute)	Clinic	1500 / 00099	OMB Outpatient Rate
	Ambulatory Surgery Center	1500 / 00090-00098	OMB ASC Rate
	Professional Services	1500 / HCPCS/CPT codes	AHCCCS Capped Fee Schedule
	Specialty Drugs	National Council for Prescription Drug Programs (NCPDP) Claims Adjudication Standard	Professional Fee plus the Lesser of the Federal Supply Schedule Unit Price or Wholesale Acquisition Cost
Title XIX	Outpatient Hospital	1500 / 00099	OMB Outpatient Rate
(Long Term Care)	Clinic	1500 / 00099	OMB Outpatient Rate
Cure)	Ambulatory Surgery Center	1500 / 00090-00098	OMB ASC Rate
	Professional Services	1500 / HCPCS/CPT codes	AHCCCS Capped Fee Schedule
	Specialty Drugs	National Council for Prescription Drug Programs (NCPDP) Claims Adjudication Standard	Professional Fee plus the Lesser of the Federal Supply Schedule Unit Price or Wholesale Acquisition Cost

TN No. <u>00 003 18 003</u> Supercedes

TN No. None00-003

Effective Date: <u>January 1, 2000</u>October 1, 2018

Approval Date:_____

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REIMBURSEMENT FOR INDIAN HEALTH SERVICE AND TRIBAL 638 HEALTH FACILITIES

		(???) (:::)	
Title XIX	Outpatient Hospital	1500 / 00099	OMB Outpatient Rate
(Behavioral Health)	Clinic	1500 / 00099	OMB Outpatient Rate
	Professional Services	1500 / HCPCS/CPT codes	AHCCCS Capped Fee Schedule
	Specialty Drugs	National Council for	Professional Fee plus the Lesser
		Prescription Drug	of the Federal Supply Schedule
		Programs (NCPDP) Claims	Unit Price or Wholesale
		Adjudication Standard (???)	Acquisition Cost

TN No.-<u>00-003 18-003</u>

Supercedes

TN No. <u>None00-003</u>

Effective Date: January 1, 2000October 1, 2018

Approval Date:_____

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REIMBURSEMENT FOR INDIAN HEALTH SERVICE AND TRIBAL 638 HEALTH FACILITIES

TABLE 2 - '638 TRIBAL FACILITY OUTPATIENT REIMBURSEMENT METHODOLOGY

Eligibility	Service	Billing Form/Codes	Reimbursement
Type			
Title XIX	Outpatient Hospital (including	1500 / 00099	OMB Outpatient Rate
(Acute)	professional services)		
	(or)	(or)	(or)
	Outpatient Hospital (excluding	UB-92 – Specific revenue	Statewide Cost to Charge Rate
	professional services)	codes	
	Clinic (including professional	1500 / 00099	OMB Outpatient Rate
	services)		
	(or)	(or)	(or)
	Clinic (excluding professional	1500 / HCPCS/CPT codes	AHCCCS Capped Fee Schedule
	services)		
	Ambulatory Surgery Center	1500 / 00090-00098	OMB ASC Rate
	(including professional services)		
	(or)	(or)	(or)
	Ambulatory Surgery Center	1500 / CPT codes	AHCCCS Capped Fee Schedule
	(excluding professional services)		(Medicare ASC Rate)
	Professional Services (services	1500 / HCPCS/CPT codes	AHCCCS Capped Fee Schedule⁴
	included in procedure bill)		
	Specialty Drugs	National Council for	Professional Fee plus the Lesser
		Prescription Drug	of the Federal Supply Schedule
		Programs (NCPDP) Claims	Unit Price or Wholesale
		Adjudication Standard	Acquisition Cost
		(<u>???)</u>	
Title XIX	Outpatient Hospital (including	1500 / 00099	OMB Outpatient Rate
(Long Term	professional services		
Care)	(or)	(or)	(or)
	Outpatient Hospital (excluding	UB-92 / Specific revenue	Statewide Cost to Charge Rate
	professional services)	codes	

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TN No. <u>00-003</u> 18-003 Supercedes

TN No. <u>None</u>00-003

Effective Date: <u>January 1, 2000October 1, 2018</u>

Approval Date:_____

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REIMBURSEMENT FOR INDIAN HEALTH SERVICE AND TRIBAL 638 HEALTH FACILITIES

	Clinic(including professional	1500 / 00099	OMB Outpatient Rate	
	services			
	(or)	(or)	(or)	
	Clinic (excluding professional	1500 / HCPCS/CPT codes	AHCCCS Capped Fee Schedule	
	services)			
	Professional Services (services	1500 / HCPCS/CPT codes	AHCCCS Capped Fee Schedule	
	included in procedure billed)			
	HCBS Services	1500 / HCPCS or	AHCCCS Capped Fee Schedule	
		AHCCCS specific codes		
	Transportation (Air & Ground)	1500 / HCPCS codes	AHCCCS Capped Fee Schedule	
	Transportation (Non-Ambulance)	1500 / HCPCS/AHCCCS	AHCCCS Capped Fee Schedule	Formatted Table
<u>'</u>		specific codes	**	
	Specialty Drugs	National Council for	Professional Fee plus the Lesser	
		Prescription Drug	of the Federal Supply Schedule	
		Programs (NCPDP) Claims	Unit Price or Wholesale	
		Adjudication Standard	Acquisition Cost	
		(???)	•	
Title XIX	Outpatient Hospital (including	1500 / 00099	OMB Outpatient Rate	
(Behavioral	professional services)			
Health)	(or)	(or)	(or)	
	Outpatient Hospital (excluding	UB-92 / Specific revenue	Statewide Cost to Charge Rate	
	professional services)	codes		
	Clinic (including professional	1500 / 00099	OMB Outpatient Rate	
	services)			
	(or)	(or)	(or)	
	Clinic (excluding professional	1500 / HCPCS/CPT codes	AHCCCS Capped Fee Schedule	
	services)			
	Professional Services	1500 / HCPCS/CPT codes	AHCCCS Capped Fee Schedule	
	Transportation (Air & Ground)	1500 / HCPCS codes	AHCCCS Capped Fee Schedule	
	Transportation (Non-Ambulance)	1500 / HCPCS/AHCCCS	AHCCCS Capped Fee Schedule◆	Formatted Table
.]		codes		
	Specialty Drugs	National Council for	Professional Fee plus the Lesser	
		Prescription Drug	of the Federal Supply Schedule	
		Programs (NCPDP) Claims	Unit Price or Wholesale	
		Adjudication Standard	Acquisition Cost	
11		(000)		

TN No.-<u>00-003 18-003</u> Effective Date: <u>January 1, 2000</u>October 1, 2018 Supercedes

TN No. None00-003 Approval Date:_____