DEPARTMENT OF HEALTH AND HUMAN SERVICES Centers for Medicare & Medicaid Services 7500 Security Boulevard, Mail Stop S2-26-12 Baltimore, MD 21244-1850



Financial Management Group

February 4, 2020

Jami Snyder, Director Arizona Health Care Cost Containment System 801 E. Jefferson Phoenix, AZ 85034

RE: Arizona SPA 19-0017

Dear Ms. Snyder:

We have reviewed the proposed amendment to Attachment 4.19-D of your Medicaid State plan submitted under transmittal number (TN) 19-0017. This amendment updates nursing facility rates effective October 1, 2019.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(13), 1902(a)(30), and 1903(a) of the Social Security Act and the implementing Federal regulations at 42 CFR 447 Subpart C. This is to inform you that Medicaid State plan amendment TN 19-0017 is approved effective October 1, 2019. We are enclosing the CMS-179 and the amended plan pages.

If you have any questions, please call Mark Wong at (415) 744-3561.

Sincerely,

Kristin Fan Director

Enclosures

TRANSMITTAL AND MOTIOF OF ARRESTAL	1. TRANSMITTAL NUMBER 2. STATE
TRANSMITTAL AND NOTICE OF APPROVAL (STATE PLAN MATERIAL	OF
FOR: CENTERS FOR MEDICARE & MEDICAID SERVIC	3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)
TO: REGIONAL ADMINISTRATOR	4. PROPOSED EFFECTIVE DATE
CENTERS FOR MEDICARE & MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES	October 1, 2019
5. TYPE OF PLAN MATERIAL (Check One)	
☐ NEW STATE PLAN ☐ AMENDMENT TO BE CO	ONSIDERED AS NEW PLAN AMENDMENT
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN A	AMENDMENT (Separate transmittal for each amendment)
6. FEDERAL STATUTE/REGULATION CITATION	7. FEDERAL BUDGET IMPACT
42 CFR Part 447	a. FFY <u>2020</u> \$ <u>876,600</u> b. FFY 2021 \$ 911,500
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)
Attachment 4.19-D pg. 8	Attachment 4.19-D pg. 8
10. SUBJECT OF AMENDMENT Updates the State Plan to reflect updated nursing fac	cility rates, effective October 1, 2019.
Updates the State Plan to reflect updated nursing factors. 11. GOVERNOR'S REVIEW (Check One)	
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STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT STATE: ARIZONA

METHODS AND STANDARDS FOR ESTABLISHING FEE-FOR-SERVICE PAYMENT RATES FOR LONG TERM CARE FACILITIES

85% for each facility, then add in the per day historic costs for property taxes and insurance to determine the statewide average capital component.

4. Total Rate

The per diem nursing facility rates are calculated by summing the primary care, indirect care, and capital cost components. These rates vary by member level of care and geographic area due to the primary care components.

5. Rate Update

Effective October 1, 2002 and each year thereafter, fee-for-service rates for nursing facilities will be updated by applying an inflation factor or factors to the rate components in effect for the prior year. This method of adjusting fee-for-service rates is consistent with the method used by AHCCCS for other medical services. For rates effective from October 1, 2011 to September 30, 2013, and from October 1, 2015 and thereafter, no inflation factor will be applied.

Below are the AHCCCS FFS Nursing Facility Per Diem Rates effective on and after October 1, 2019:

Level of Care	Revenue Code	Urban Rate*	Rural Rate	Flagstaff
LOA/Therapeutic**	183	\$169.06	\$163.78	\$165.99
LOA/Nursing Home**	185	\$169.06	\$163.78	\$165.99
Level 1	191	\$169.06	\$163.78	\$165.99
Level 2	192	\$184.81	\$178.48	\$180.86
Level 3	193	\$219.22	\$212.20	\$215.04

^{*}AHCCCS has designated nursing facilities in the Arizona counties of Pima, Pinal, and
Maricopa as Urban to be paid at the AHCCCS Urban Rate. All other counties inside or outside
of Arizona are designated as Rural and are paid at the AHCCCS Rural Rate (except Flagstaff, which is paid at the rate
specified above).

**This LOA rate only applies to reserved beds at Nursing Facilities

III. Other Provisions

A. <u>Provider Appeals</u>

Nursing facility providers have the right to request an informal rate reconsideration in accordance with the ALTCS Rules. Appeals are allowed for the following reasons:

- Extraordinary circumstances (as determined by the Director).
- Provision of specialty care services directed at members with high medical needs.
- Unique or unusually high case mix.

Appeals are made in writing to the Director. Appeals which are granted become effective no earlier than the date the appeal was requested.

B. Cost and Wage Reporting

AHCCCS uses cost and wage reports filed by the nursing facilities in the State of Arizona as a basis for these rate calculations.

TN No. <u>19-017</u> Supersedes TN No. 19-001

Approval Date: February 4, 2020 Effective Date: October 1, 2019