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

December 3, 2021

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

RE: Arizona SPA 21-0018

Dear Ms. Snyder:

We have reviewed the proposed amendment to Attachment 4.19-D of your Medicaid State plan submitted under transmittal number (TN) 21-0018. This amendment updates nursing facility rates effective October 1, 2021.

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 21-0018 is approved effective October 1, 2021. We are enclosing the CMS-179 and the amended plan pages.

If you have any questions, please contact Mark Wong at (415) 744-3561 or mark.wong@cms.hhs.gov.

Sincerely,

Francis T. McCullough

For Rory Howe Director

Enclosures

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	21-018	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	October 1, 2021				
DEPARTMENT OF HEALTH AND HUMAN SERVICES 5. TYPE OF PLAN MATERIAL (<i>Check One</i>):					
5. I IPE 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, Subpart C	FFY 2022: \$2,732,705				
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:	FFY 2023: \$2,600,013 9. PAGE NUMBER OF THE SUPERS	EDED DI AN SECTION			
	OR ATTACHMENT (If Applicable):				
Attachment 4.19-D	Attachment 4.19-D				
Pg. 8	Pg. 8				
10. SUBJECT OF AMENDMENT: Updates the State Plan NF rates.	15.0				
11. GOVERNOR'S REVIEW (<i>Check One</i>): ☐ GOVERNOR'S OFFICE REPORTED NO COMMENT ☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED	OTHER, AS SPEC	CIFIED:			
□ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL					
12. SIGNATURE OF STATE AGENCY OFFICIAL:	16. RETURN TO:				
12. SIGNATURE OF STATE AGENCY OFFICIAL:	16. RETURN TO:				
	Dana Flannery				
4 97 X	801 E, Jefferson, MD#4200				
	Phoenix, AZ 85034				
13. TYPED NAME:					
Dana Flannery	-				
14. TITLE:					
Assistant Director					
15. DATE SUBMITTED: November 10, 2021					
FOR REGIONAL OFFICE USE ONLY					
17. DATE RECEIVED:	18. DATE APPROVED:	2021			
November 10, 2021	December 3,	2021			
PLAN APPROVED – ONI					
19. EFFECTIVE DATE OF APPROVED MATERIAL: October 1, 2021	20. SIGNATURE OF REGIONAL OF Francis T. McCulle	FICIAL: For			
21. TYPED NAME: Rory Howe	22. TITLE: Director, Financial Management G	roup			
23. REMARKS:					
Pen-and-ink change made to Box 6 by CMS with state concurrence.					

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT STATE: <u>ARIZONA</u>

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. <u>Rate Update</u>

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, 2021:

Level of Care	Revenue Code	Urban Rate*	Rural Rate	Flagstaff
LOA/Therapeutic **	183	\$183.93	\$178.20	\$184.07
LOA/Nursing Home**	185	\$183.93	\$178.20	\$184.07
Level 1	191	\$183.93	\$178.20	\$184.07
Level 2	192	\$201.08	\$194.19	\$200.56
Level 3	193	\$238.51	\$230.88	\$238.47

*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. Provider Appeals

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.