

## **Table of Contents**

**State/Territory Name: AZ**

**State Plan Amendment (SPA) #: 23-0018**

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages

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



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**Financial Management Group**

November 21, 2023

Carmen Heredia, Director  
Arizona Health Care Cost Containment System  
801 E. Jefferson  
Phoenix, AZ 85034

RE: Arizona State Plan Amendment Transmittal Number 23-0018

Dear State Medicaid Director Heredia:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 23-0018. This amendment, effective October 30, 2023, provides that rapid whole genome sequencing testing in an inpatient hospital setting are paid at a fee schedule amount outside of the All Patient Refined Diagnosis Related Group (APR-DRG).

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(13), 1902(a)(30), 1903(a), and 1923 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 23-0018 is approved effective October 30, 2023. 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](mailto:mark.wong@cms.hhs.gov).

Sincerely,

A handwritten signature in cursive script that reads "Rory Howe".

Rory Howe  
Director

Enclosures

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL  
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER <b>23 — 0018</b>	2. STATE <b>AZ</b>
3. PROGRAM IDENTIFICATION: TITLE <b>19</b> OF THE SOCIAL SECURITY ACT	

TO: CENTER DIRECTOR CENTERS FOR MEDICAID & CHIP SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE <b>10/30/23</b>
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5. FEDERAL STATUTE/REGULATION CITATION 42 CFR Part 447	6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars) a. FFY <u>24</u> \$ <del>114,115</del> <b>91,728</b> b. FFY: <u>25</u> \$ <del>114,115</del> <b>100,067</b>
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7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT  Attachment 4.19-A Page 27(a)	8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)  N/A
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9. SUBJECT OF AMENDMENT  
This State Plan Amendment establishes a payment methodology for rapid whole genome sequencing (RWGS).

10. GOVERNOR'S REVIEW (Check One)

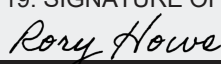
GOVERNOR'S OFFICE REPORTED NO COMMENT       OTHER, AS SPECIFIED:  
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED  
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

11. SIGNATURE OF STATE AGENCY OFFICIAL 	15. RETURN TO Alex Demyan 801 E. Jefferson St., MD #4200 Phoenix, AZ 85034
12. TYPED NAME Alex Demyan	
13. TITLE Assistant Director	
14. DATE SUBMITTED: 10/13/23	

**FOR CMS USE ONLY**

16. DATE RECEIVED October 13, 2023	17. DATE APPROVED November 21, 2023
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**PLAN APPROVED - ONE COPY ATTACHED**

18. EFFECTIVE DATE OF APPROVED MATERIAL October 30, 2023	19. SIGNATURE OF APPROVING OFFICIAL 
20. TYPED NAME OF APPROVING OFFICIAL Rory Howe	21. TITLE OF APPROVING OFFICIAL Director, Financial Management Group

22. REMARKS

**Pen-and-ink change made to Box 6 by CMS with state concurrence.**

STATE OF ARIZONA  
METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES  
INPATIENT HOSPITAL CARE

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XI. Hospital Rapid Whole Genome Sequencing (RWGS) Testing Reimbursement

Effective October 30, 2023 – July 30, 2026

Rapid whole genome sequencing testing provided in the inpatient hospital setting is excluded from the DRG payment. An additional payment for medically necessary RWGS will be made to a hospital when established clinical criteria is met. Costs associated with RWGS are to be billed separately from the inpatient episode. Hospital reimbursement will be made according to the Medicaid laboratory fee schedule. Rates for the period of October 30, 2023 – September 30, 2024 are posted at the following link: <https://www.azahcccs.gov/PlansProviders/RatesAndBilling/FFS/>