

NOTICE OF PUBLIC INFORMATION-PUBLIC NOTICE

1. **Name of the Agency:** Arizona Health Care Cost Containment System (AHCCCS)
2. **The topic of the public information notice:** AHCCCS Fee-For-Service (FFS) rates for designated fee schedules to be effective for dates of service beginning October 1, 2023.
3. **The public information relating to the topic:**

This Notice of Public Information describes changes to the Arizona Health Care Cost Containment System (AHCCCS) Fee-For-Service (FFS) rates to be effective October 1, 2023. The AHCCCS Administration is proposing changes to the FFS rates specified in this Notice to assure that payments are consistent with efficiency, economy, and quality of care and are sufficient to enlist enough providers so that care and services are available at least to the extent that such care and services are available to the general population in the geographic area. The estimated increase in FFS payments as a result of the rate changes is expected to be approximately \$8,252,709 for the time period of October 1, 2023 through September 30, 2024. More detailed information regarding the fee schedule changes is included below.

The following fee schedules will be updated as described below:

- Federally Qualified Health Center and Rural Health Clinic will be adjusted according to the state plan methodology chosen by each health center. The Physicians Service Index is forecasted to increase by 2.28%.
- Hospice per diem rates will be updated to match the *Medicaid Hospice Payment Rates* for Arizona published by Medicare.
- Ambulance rates that are based on the Arizona Ground Ambulance Service Rate Schedule published by the Arizona Department of Health Services (ADHS), Bureau of Emergency Medical Services, will be updated in accordance with state law, which will result in a 5.6% aggregate increase.
- FFS Emergency Ground Ambulance Fee Schedule rates (other than those based on rates established by the Arizona Department of Health Services, Bureau of Emergency Medical Services) will be updated for a 4.8% increase in rates.
- Physician Drug Schedule rates will be updated to address changes in drug prices which will result in a 4.2% aggregate change.
- Inpatient Hospital APR-DRG DRG Base Rate for hospitals qualified for the Rural Hospital Inpatient Fund (RHIF) have been adjusted to account for the RHIF amount over a 12 month period.
 - A health care institution that is licensed as an acute care hospital, that has one hundred or fewer beds, and that is located in a county with a population of less than five hundred thousand persons; or A health care institution that is licensed as a critical access hospital base DRG rate will be \$7,155.98 from \$7,506.91.
 - A health care institution that is licensed as an acute care hospital, that has one hundred or fewer beds, that is located in a county with a population of less than five hundred thousand persons and has greater than twenty percent of Medicaid inpatient reimbursement with a primary diagnosis of behavioral health in the prior federal fiscal year as of April 30th base DRG rate will be \$7,613.71 from \$8,117.23
 - A health care institution with two separate ADHS acute care hospital licenses, with one facility that has one hundred or fewer beds, that is

located in a county with a population of less than five hundred thousand persons and has one single AHCCCS registration for both licenses base DRG rate will be \$6,560.92 from \$6,713.50

- Inpatient Hospital Long-Term Acute Care Hospital and Rehabilitation Hospital inpatient per diem rates will be updated for changes in hospital case mix indices and outlier cost- to- charge ratios will be updated to match Medicare 2023 ratios.
- AzEIP Speech Therapy Fee Schedule rates will be adjusted on aggregate by 20.1%.

The following fee schedules will be updated to reflect changes to the Medicare fee schedules on which they are based:

- Ambulatory Surgical Center Fee Schedule rates for an aggregate increase of 4.5%.
- Durable Medical Equipment Fee Schedule rates will be updated to reflect a 2.8% increase in aggregate.
- Clinical Laboratory Fee Schedule rates has been updated to reflect the Medicare Fee Schedule for a decrease of 2.6%
- Physician Fee Schedule rates have been updated to reflect the change in Relative Value Units the Medicare Fee Schedule

The following fee schedules will remain unchanged:

- Behavioral Health Inpatient Fee Schedule rates
 - Behavioral Health Outpatient Fee Schedule Rates
 - Dental Fee Schedule rates
 - Freestanding Dialysis Facility Composite rates
 - Home and Community Based Services rates
 - Hospital-Based Freestanding Emergency Department Fee Schedule rates
 - Multi-Specialty Interdisciplinary Clinic rates
 - Nursing Facility Per Diem rates
 - Transportation, Air Ambulance Fee Schedule rates
- a. Individual FFS rates reflecting the changes to reimbursement described above can be obtained from the AHCCCS website at:
<https://azahcccs.gov/PlansProviders/RatesAndBilling/FFS/>
 - b. Many public libraries offer access to the internet. In addition, the information can be obtained at the Offices of the AHCCCS Administration, 801 E. Jefferson, Phoenix, AZ 85034.
 - c. Comments regarding the proposed AHCCCS FFS rates may be submitted electronically at FFSRates@azahcccs.gov. All comments must be received no later than 5:00 p.m. on August 23, 2023.