

January 11, 2017

The [Hospital-Based Freestanding Emergency Department Rule, A.A.C. R9-22-712.90](#), has been approved by the Governor's Regulatory Review Council. Although the Hospital-based Freestanding Emergency Department (FrED) rates go into effect with dates of service on and after March 1, 2017, the general effective date of the other provisions of the rule is February 11, 2017. As a clarification, please note that AHCCCS Administrative Rule R9-22-712.90 refers to Hospital-based Free Standing Emergency Departments as FSEDs while all other AHCCCS materials including this communication use the acronym FrED.

Effective with dates of service on and after March 1, 2017, Hospital-based FrEDs will be reimbursed by AHCCCS and its Contractors in accordance with the unique reimbursement methodology and rate schedule delineated in A.A.C. R9-22-712.90. The new Hospital-based FrED fee schedule requires that AHCCCS and its Contractors be able to differentiate FrEDs from the hospitals with which the FrEDs are licensed. To that end, AHCCCS has established a new, distinct provider type specifically for Hospital-based FrEDs: ED. Pursuant to A.A.C. R9-22-712.90 (B), all Hospital based FrEDs are required to submit separate new provider registration forms by February 11, 2017. If 1) the hospital with which the FrED is licensed is currently registered with AHCCCS and 2) both the hospital and the FrED are the same legal entity, then the disclosure and screening requirements in 42 CFR Part 455 do not apply. If the FrED is a separate legal entity, then it should have already complied with the disclosure and screening requirements delineated in these federal regulations.

Reimbursement using the new Hospital-based FrED fee schedule will be tied directly to the use of new FrED NPIs for claims with dates of service on and after March 1, 2017. The rendering provider on the claim must be the FrED as indicated by the NPI. Therefore each Hospital-based FrED is required to have a distinct NPI not already associated with an active AHCCCS Provider Identification Number. If a FrED has no other provider number established with AHCCCS, then the existing NPI may be utilized, otherwise a new NPI must be obtained. Go to <https://nppes.cms.hhs.gov/NPPES/Welcome.do> to acquire a new NPI. The FrED is not required to obtain a new Tax Identification Number (TIN) unless the FrED is registering with AHCCCS for the first time.

Each Hospital-based FrED will be required to re-register for AHCCCS Online once the Hospital-based FrED is established as provider type ED if the Hospital-based FrED desires to have AHCCCS Online capability. The NPI and TIN associated with the Hospital-based FrED will be required for this process. Each person associated with the Hospital-based FrED that uses AHCCCS Online must create their own account. Account sharing is prohibited and is a direct violation of the AHCCCS Online user acceptance agreement.

A webpage dedicated to the Hospital-based FrEDs is located on the AHCCCS website under the Plans/Providers tab, located here: <https://www.azahcccs.gov/PlansProviders/NewProviders/freestandingemergencydepartments.html>.

Timeline for initial Provider Type implementation:

- Completion of Provider Registration process by existing Hospital-based FrEDs – by February 11, 2017
- AHCCCS Online re-registration begins upon completion of Provider Registration
- AHCCCS system changes by March 1, 2017
- MCO testing will begin on approximately February 1, 2017
- MCO system changes by March 1, 2017
- AHCCCS and MCOs begin to make Hospital-based FrED fee schedule payments – dates of service on and after March 1, 2017

Timely completion of the provider registration process to establish unique NPIs for each Hospital-based FrED is mandatory in light of the requirements of the Hospital-based FrED Rule. Please note that failure to register as a Hospital Based FrED will result in denial of all ED claims submitted by a hospital identified as having a Free-Standing Emergency Department.

We appreciate your timely cooperation and collaboration in completing the provider registration process. Please ensure that you submit all necessary documentation to AHCCCS no later than February 11, 2017 as required by the administrative rule.

Any provider registration questions can be directed to Patricia Garcia at Patricia.Garcia@azahcccs.gov. All other questions related to FrED reimbursement matters should be directed to Victoria Burns at (602) 417- 4049 or Victoria.Burns@azahcccs.gov.