## Janice K. Brewer, Governor Thomas J. Betlach, Director

801 East Jefferson, Phoenix, AZ 85034 PO Box 25520, Phoenix, AZ 85002 Phone: 602-417-4000 www.azahcccs.gov



Our first care is your health care
ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM

December 20, 2013

Cheryl Young
Centers for Medicare and Medicaid Services
75 Hawthorne St., 5th Floor
San Francisco, California 94105

Dear Ms. Young:

Enclosed is State Plan Amendment (SPA) 13-017A, effective October 1, 2013, which continues inpatient hospital reimbursement rates for the period October 1, 2013 to September 30, 2014.

If you have any questions about the enclosed SPA, please contact Theresa Gonzales at (602) 417-4732.

Sincerely,

Monica Coury Assistant Director

Office of Intergovernmental Relations

Cc: Jessica Schubel Mark Wong

CENTERS FOR MEDICARE AND MEDICAID SERVICES		OMB NO. 0938-0193	
TRANSMITTAL AND NOTICE OF APPROVAL OF	1. TRANSMITTAL NUMBER:	2. STATE	
STATE PLAN MATERIAL	13-017A	Arizona	
	3. PROGRAM IDENTIFICATION: TI	TLE XIX OF THE	
FOR: Centers for Medicare and Medicaid Services	SOCIAL SECURITY ACT (MEDIC.		
	SOCIAL SECORT I ACT (MEDIC	(HD)	
TO: REGIONAL ADMINISTRATOR	4. PROPOSED EFFECTIVE DATE		
CENTERS FOR MEDICARE AND MEDICAID SERVICES	October 1, 202	13	
DEPARTMENT OF HEALTH AND HUMAN SERVICES	3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3		
5. TYPE OF PLAN MATERIAL (Check One):			
3. I I PE OF PLAN MATERIAL (Check One):			
☐ NEW STATE PLAN ☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN ☐ AMENDMENT			
<u> </u>			
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 447, Subpart C	\$ (4,918,600)		
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:	9. PAGE NUMBER OF THE SUPERS	EDED PLAN SECTION	
	OR ATTACHMENT (If Applicable)	:	
Pages 8, 10, and 11(a) of Attachment 4.19-A			
	N/A		
10. SUBJECT OF AMENDMENT:			
Continues current inpatient hospital reimbursement rates for	the period October 1, 2013 to Sept	ember 30, 2014.	
11. GOVERNOR'S REVIEW (Check One):			
GOVERNOR'S OFFICE REPORTED NO COMMENT	◯ OTHER, AS SPEC	IEIED:	
COMMENTS OF GOVERNOR'S OFFICE ENCLOSED	☑ OTTER, AS SI EC	TIED.	
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
☐ NO KEPLT RECEIVED WITHIN 43 DATS OF SUBMITTAL			
12. GIONATURE OF GRATE A CENON OFFICIAL	1.c. DETILIDATED		
12. SIGNATURE OF STATE AGENCY OFFICIAL:	16. RETURN TO:		
1			
1/10.6	Monica Coury		
10 alors	801 E. Jefferson, MD#4200		
13. TYPED NAME:	Phoenix, Arizona 85034		
Monica Coury			
14. TITLE:	_		
Assistant Director			
	_		
15. DATE SUBMITTED:			
December 20, 2013			
FOR REGIONAL OF			
17. DATE RECEIVED:	18. DATE APPROVED:		
PLAN APPROVED – ON			
19. EFFECTIVE DATE OF APPROVED MATERIAL:	20. SIGNATURE OF REGIONAL OF	FICIAL:	
21. TYPED NAME:	22. TITLE:		
22 DEMANUS			
23. REMARKS:			

## STATE OF ARIZONA

## METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES INPATIENT HOSPITAL CARE

## VII. Temporary Rate Reduction

Notwithstanding the methods and rates as otherwise described in this attachment, for claims with dates of admission between April 1, 2011 and September 30, 2011, payments in the following categories will be reduced by 5% of the payments that would otherwise have been made under the methodology in effect as of October 1, 2010 as described in this attachment:

- Tiered per diem payments including tiered per diem payments to new hospitals,
- Cost to Charge ratios used to qualify and pay inpatient outliers.
- Payments to out-of-state hospitals

The following payments described in this attachment will not be subject to this 5% rate reduction:

- Transplant services,
- Specialty services,
- Direct Medical Education payments,
- Indirect Medical Education payments,
- Payments for services provided by the Indian Health Service or Tribal 638 Health facilities
- Payments to freestanding psychiatric hospitals

For claims with dates of admission effective from October 1, 2011 to September 30, 20143, the following payments will be at the payment rates in effect as of September 30, 2011, reduced by 5%:

- Tiered per diem payments including tiered per diem payments to new hospitals,
- Cost to Charge ratios used to qualify and pay inpatient outliers. For more information about Cost to Charge ratios, refer to page 6 of this Attachment.
- Payments to out-of-state hospitals
- Payments to freestanding psychiatric hospitals

The following payments described in this attachment will not be subject to this 5% rate reduction:

- Transplant services,
- Specialty services,
- Direct Medical Education payments,
- Indirect Medical Education payments,
- Payments for services provided by the Indian Health Service or Tribal 638 Health facilities

TN No. <u>12-006A13-017A</u>		
Supersedes	Approval Date:	Effective Date: October 1, 20132012
TN No. 11.000A12-006A		