

October 31, 2014

Mark Wong
Division of Medicaid and Children's Health Operations
U.S. Department of Health & Human Services
Centers for Medicare & Medicaid Services
90 Seventh Street, Suite 5-300 (5W)
San Francisco, CA 94103-6707

RE: Arizona SPA #14-013-D, Nursing Facility rates

Dear Mr. Wong:

Enclosed is State Plan Amendment (SPA) #14-013-D, Nursing Facility Rates, which updates rates for Nursing Facilities as of October 1, 2014.

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

Sincerely,

Monica H. Coury Assistant Director

Office of Intergovernmental Relations

cc: Cheryl Young, CMS

TRANSMITTAL AND NOTICE OF APPROVAL OF	1. TRANSMITTAL NUMBER:	2. STATE
	14-013D	Arizona
STATE PLAN MATERIAL	14-013D	Alizona
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, 2014	
DEPARTMENT OF HEALTH AND HUMAN SERVICES		
5. TYPE 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 447 Subpart C	FFY 15: Forthcoming	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):	
Att. 4.19-D, page 8.	Same	
Au. 4.19-D, page 6.	Same	
10. SUBJECT OF AMENDMENT:		
Updates reimbursement rates for Nursing Facilities for the period October 1, 2014 to September 30, 2015.		
11. GOVERNOR'S REVIEW (Check One):	<u>_</u>	
☑ GOVERNOR'S OFFICE REPORTED NO COMMENT	☐ OTHER, AS SPECIFIED:	
COMMENTS OF GOVERNOR'S OFFICE ENCLOSED		
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL		
12. SIGNATURE OF STATE AGENCY OFFICIAL:	16. RETURN TO:	
1		
1/20.5	Monica Coury	
Metros	801 E. Jefferson, MD#4200	
13. TYPED NAME:	Phoenix, Arizona 85034	
Monica Coury		
14. TITLE:		
Assistant Director		
15. DATE SUBMITTED:	1	
October 31, 2014		
FOR REGIONAL OFFICE USE ONLY		
17. DATE RECEIVED:	18. DATE APPROVED:	
THE RECEIVED.	To. SITE IN THO VED.	
PLAN APPROVED – ONE COPY ATTACHED		
19. EFFECTIVE DATE OF APPROVED MATERIAL: 20. SIGNATURE OF REGIONAL OFFICIAL:		
17. ETTECTIVE DITTE OF MITROVED WITTERINE.	20. SIGNATURE OF REGIONAL OF	TICH IL.
21. TYPED NAME:	22. TITLE:	
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23. REMARKS:		

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT **STATE: ARIZONA**

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. Rate Update

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, no inflation factor will be applied.

For rates effective on and after October 1, 2014, no inflation factor will be applied; however, a 2% rate increase will be applied to the rates that were in effect on September 30, 2014.

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. <u>Cost and Wage Reporting</u>

AHCCCS uses cost and wage reports filed by the nursing facilities in the State of Arizona as a basis for these rate calculations.

TN No. 14-013D12-006D

Supersedes Approval Date: Effective Date: October 1, 20142012

TN No. <u>12-006D11-009D</u>