

June 1, 2015

Brian Zolynas 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: SPA #15-004, Ambulance Rates

Dear Mr. Zolynas:

Enclosed is Arizona SPA #15-004, Ambulance Rates, which updates Ambulance Rates in the State Plan.

Should you require additional information, do not hesitate to contact Theresa Gonzales at 602-417-4732.

Sincerely,

Monica H. Coury Assistant Director Office of Intergovernmental Relations

cc: Mark Wong, CMS Blake Holt, CMS Jessica Woodard, CMS

DEPART MENT OF HEALTH AND HUMAN SERVICES CENT ERS FOR MEDICARE AND MEDICAID SERVICES		FORM APPROVED
TRANSMITTAL AND NOTICE OF APPROVAL OF	1. TRANSMITTAL NUMBER:	OMB NO. 0938-0193 2. STATE
STATE PLAN MATERIAL	15-004	Arizona
STATE I LAN WATERIAL		
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, 2015	
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 F	FFY 15: \$(481,308) FFY 16: \$(481,308)	
1902(a)(30) and 1905(r) of the Social Security Act	FF1 10. \$(401,300)	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):	
Att 410 P maga $0(\text{h})$	Same	
Att. 4.19-B, page 9(h)	Salle	
10. SUBJECT OF AMENDMENT:		
Updates the Ambulance Rates in State Plan.		
11. 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		
12. SIGNATURE OF STATE AGENCY OFFICIAL:	16. RETURN TO:	
1	Monica Coury	
Mation	801 E. Jefferson, MD#4200	
13. TYPED NAME:	Phoenix, Arizona 85034	
Monica Coury	, ,	
14. TITLE:		
Assistant Director		
15. DATE SUBMITTED:		
June 1, 2015		
FOR REGIONAL OFFICE USE ONLY		
17. DATE RECEIVED:	18. DATE APPROVED:	
PLAN APPROVED – ONE COPY ATTACHED		
19. EFFECTIVE DATE OF APPROVED MATERIAL:	20. SIGNATURE OF REGIONAL OFF	ICIAL:
21. TYPED NAME:	22. TITLE:	

State: <u>ARIZONA</u> METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES OTHER TYPES OF CARE

The following is a description of methods and standards for determining the payment rates for ambulance transportation services included in the transportation bullet listed in Attachment 4.19-B, page 5b. Except as otherwise noted below, AHCCCS uses a uniform methodology in reimbursing both governmental and private providers for ambulance emergency and non-emergency transportation services.

1) Ground Ambulance Rates set by the Arizona Department of Health Services (ADHS)

ADHS regulates ambulance companies in Arizona (except for those owned and operated by American Indian tribes and federal agencies) licensing and rate setting. ADHS sets rates based on data submitted by providers including direct and indirect costs, reimbursable and non reimbursable charges, utilization data, and public payer settlements. ADHS offers annual provider rate adjustments based upon the Arizona Ambulance Inflation factor (AIF). The AIF is comprised of the average annual change in the CPI-U for transportation (50%) and for medical care (50%). The transportation category is composed of such things as motor vehicles (new and used), motor fuel, parts and equipment, maintenance and repair and public transportation. The medical care category is composed of such things as medical care category is composed of such things as medical care category is composed of such things as medical care category is composed of such things as medical care category is composed of such things as medical care category is composed of such things as medical care category is composed of such things as medical care category is composed of such things as medical care category is composed of such things as medical care category is composed of such things as medical care category is composed of such things as medical care category is composed of such things as medical care category is composed of such things as medical care category is composed of such things as medical care category is composed of such things as medical care category is composed of such things as medical care category is composed of such things as medical care category is composed of such things as medical care category is composed.

For dates of service prior to October 1, 2009, AHCCCS will reimburse ambulance companies at 80.0% of the ADHS established rate. For dates of service beginning October 1, 2009 through March 31, 2011, AHCCCS will reimburse those providers at 76% of the ADHS established rate. For dates of service beginning April 1, 2011 through September 30, 2011, AHCCCS will reimburse those providers at 72.2% of the ADHS established rate. For dates of service beginning October 1, 2011 through September 30, 2012, AHCCCS will reimburse those providers at 68.6% of the ADHS established rate in effect as of July 7, 2011. For dates of service beginning October 1, 2012 through September 30, 2013, AHCCCS will reimburse those providers at 68.6% of the ADHS established rate in effect as of July 7, 2011. For dates of service beginning October 1, 2012 through September 30, 2013, AHCCCS will reimburse those providers at 68.6% of the ADHS established rate in effect as of August 2, 2012 and are posted

at: http://www.azahcccs.gov/commercial/Downloads/FFSrates/Transportation/Transrateswebsite20130724.xlsx

For dates of service beginning October 1, 2013 through September 30, 2014, AHCCCS will reimburse those providers at 68.6% of the ADHS established rate in effect as of August 2, 2013 and are posted at: http://www.azahcccs.gov/commercial/Downloads/FFSrates/Transportation/Transrateswebsite20131001.xls For dates of service beginning October 1, 2014 through September 30, 2015, AHCCCS will reimburse those providers at 74.74% of the ADHS established rate in effect as of August 2, 2014 and are posted at: http://www.azahcccs.gov/commercial/Downloads/FFSrates/Transportation/Transrateswebsite20141001.xlsx For dates of service beginning October 1, 2015 through September 30, 2016, AHCCCS will reimburse those providers at 68.59% of the ADHS established rate in effect as of August 2, 2015 and are posted at: http://www.azahcccs.gov/commercial/Downloads/FFSrates/Transportation/Transrateswebsite20141001.xlsx For dates of service beginning October 1, 2015 through September 30, 2016, AHCCCS will reimburse those providers at 68.59% of the ADHS established rate in effect as of August 2, 2015 and are posted at: http://www.azahcccs.gov/commercial/ProviderBilling/rates/Transportationrates.aspx

2) Ground Ambulance Rates set by AHCCCS

AHCCCS establishes ground ambulance rates for out-of-state companies, companies operated by American Indian tribes, and federal agencies such as the National Park Service that operates ambulances in Grand Canyon National Park and Lake Meade National Recreation Area. Rates were initially established in 1994 based on the average (mean) reimbursement rates paid by commercial insurance companies. AHCCCS adjusts ground ambulance rates periodically based on the Consumer Price Index for Medical Services, the Consumer Price Index for Other Medical Services and the price of gasoline in Arizona. Rates are posted on the AHCCCS website at http://www.azahcccs.gov/commercial/ProviderBilling/rates/Transportationrates.aspx

3) Air Ambulance Rates

AHCCCS establishes reimbursement rates for air ambulance services. A cost study of Air Ambulance Costs was conducted in 2000 to establish the initial rates for specialty and non-specialty transports. Air Ambulance rates are adjusted periodically based on the Consumer Price Index for Other Medical Professionals, the CPI for Transportation, and the Federal Aviation Administration forecast of jet fuel prices. Rates are posted on the AHCCCS website at http://www.azahcccs.gov/commercial/ProviderBilling/rates/Transportationrates.aspx

Approval Date: _____ Effective Date: October 1, 20154

Supercedes TN No. <u>12-00514-013C</u>