

December 30, 2016

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 #16-012-C, Nursing Facilities Value Based Purchasing (VBP) Differential Adjusted Payment

Dear Mr. Wong:

Enclosed is State Plan Amendment (SPA) #16-012-C, Nursing Facilities Services Hospital Value Based Purchasing (VBP) Differential Adjusted Payment, which revises the State Plan to describe VBP differential adjusted payments for nursing facilities, effective October 1, 2016.


If you have any questions about the enclosed SPA, please contact Mohamed Arif at (602) 417-4573.

Sincerely,



Beth Kohler
Deputy Director
Arizona Health Care Cost Containment System (AHCCCS)

cc: Jessica Woodard, CMS
Brian Zolynas, CMS

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: Centers for Medicare and Medicaid Services		1. TRANSMITTAL NUMBER: 16-012-C	2. STATE Arizona
		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE AND MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE October 1, 2016	
5. TYPE OF PLAN MATERIAL (<i>Check One</i>): <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (<i>Separate Transmittal for each amendment</i>)			
6. FEDERAL STATUTE/REGULATION CITATION: 42 CFR Part 447		7. FEDERAL BUDGET IMPACT: FFY 17: \$200,800 FFY 18: \$0	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Att. 4.19-D, page 9 (b)		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (<i>If Applicable</i>): Same	
10. SUBJECT OF AMENDMENT: Updates the State Plan to include Value Based Purchasing (VBP) differential adjusted payment for nursing facilities.			
11. GOVERNOR'S REVIEW (<i>Check One</i>): <input checked="" type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="checkbox"/> OTHER, AS SPECIFIED: <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGNATURE OF STATE AGENCY OFFICIAL: 		16. RETURN TO: Beth Kohler 801 E. Jefferson, MD#4200 Phoenix, Arizona 85034	
13. TYPED NAME: Beth Kohler			
14. TITLE: Deputy Director			
15. DATE SUBMITTED:			
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 OFFICIAL:	
21. TYPED NAME:		22. TITLE:	
23. REMARKS:			

STATE OF ARIZONA
METHODS AND STANDARDS FOR ESTABLISHING FEE-FOR-SERVICE PAYMENT RATES
FOR LONG TERM CARE FACILITIES

F. Nursing Facility Value Based Purchasing (VBP) Differential Adjusted Payment

As of October 1, 2016 through September 30, 2017 (Contract Year Ending (CYE) 2017), nursing facilities that are located in Arizona with Arizona Medicaid utilization that meet AHCCCS established value based performance metrics requirements in subsection 1 below will receive a Value Based Purchasing (VBP) Differential Adjusted Payment described in subsection 2 below. The VBP Differential Adjusted Payment Schedule represents a positive adjustment to the AHCCCS Fee-For-Service rates. These payment adjustments will occur for all dates of service in CYE 2017 only. The purpose of the VBP Differential Adjusted Payment is to distinguish facilities which have committed to supporting designated actions that improve patients' care experience, improve members' health, and reduce cost of care growth.

1. To qualify for the VBP Differential Adjusted Payment, a nursing facility must meet the following criteria:
 - a) Must be an AHCCCS registered provider type 22; and
 - b) Must meet or exceed the Arizona average for the percentage of long stay residents assessed and given, appropriately, the pneumococcal vaccine during the performance period of June 1, 2015 through July 30, 2016.

AHCCCS shall use the nursing facility's performance results published on the Medicare Nursing Home Compare Website (<https://www.medicare.gov/nursinghomecompare/search.html>) to determine the facilities that meet the performance standards described in subsection 1(b) for the performance period of June 1, 2015 through July 30, 2016.

2. Nursing facilities that meet the requirements described in subsection 1 shall receive a 1% increase in payment to its fee-for-service reimbursement rate for October 1, 2016 through September 30, 2017.