

June 18, 2018

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 #18-007, DSH Budget Changes

Dear Mr. Wong:

Enclosed is State Plan Amendment (SPA) #18-007, DSH Budget Changes, which revises the amounts listed in the State Plan for DSH Pools 4 and 5 based on recent legislation passed by the Arizona State Legislature.

If you have any questions about the enclosed SPA, please contact Kyle Sawyer at (602) 417-4211.

Sincerely,

Elizabeth Lorenz Assistant Director Arizona Health Care Cost Containment System (AHCCCS)

cc: Blake Holt, CMS Brian Zolynas, CMS

DEPARTMENT OF HEALTH AND HUMAN SERVICES		FORM APPROVED
CENTERS FOR MEDICARE AND MEDICAID SERVICES TRANSMITTAL AND NOTICE OF APPROVAL OF	1. TRANSMITTAL NUMBER:	OMB NO. 0938-0193 2. STATE
STATE PLAN MATERIAL	18-007	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, 2017	
DEPARTMENT OF HEALTH AND HUMAN SERVICES		
5. TYPE OF PLAN MATERIAL (Check One):		
Image: New State Plan       Image: Amendment to be considered as new plan       Image: Amendment		
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AME		
6. FEDERAL STATUTE/REGULATION CITATION:	7. FEDERAL BUDGET IMPACT:	
42 CFR Part 447	FFY 18: \$113,803,900	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:	FFY 19: \$116,535,200 9. PAGE NUMBER OF THE SUPERS	EDED DLAN SECTION
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:	OR ATTACHMENT (If Applicable):	
Att. 4.19A, Pages 65-66	Same	
10. SUBJECT OF AMENDMENT:		
Updates the State Plan regarding DSH pools 4 and 5 in response to budget changes passed by the ArizonaState Legislature.		
11. GOVERNOR'S REVIEW (Check One):		
GOVERNOR'S OFFICE REPORTED NO COMMENT		
NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL		
12. SIGNATURE OF STATE AGENCY OFFICIAL:	16. RETURN TO:	
12. SIGNATURE OF STATE AGENCT OFFICIAL.	10. KETUKIN TO.	
	Elizabeth Lorenz	
13 FDC	801 E. Jefferson, MD#4200	
	Phoenix, Arizona 85034	
12 TVDED NAME.	-	
13. TYPED NAME: Elizabeth Lorenz		
14. TITLE:		
Assistant Director		
15. DATE SUBMITTED:	1	
6/18/18		
FOR REGIONAL OFFICE USE ONLY		
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:	
23. REMARKS:		

Attachment 4.19-A Page 65

STATE OF ARIZONA METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES INPATIENT HOSPITAL CARE

## DSH Exhibit 3: AHCCCS Disproportionate Share Hospital Payment Methodology Pool Funding Amount

This Exhibit contains the amount of funding for six pools in the Arizona DSH pool methodology.

For State Plan Year (SPY) 2008 and 2009, funding will be allocated among six pools (pools 1, 1A, 2, 2A, 3, and 4). For SPY 2010, funding will be allocated among seven pools (pools 1, 1A, 2, 2A, 3, 4, and 5). Thereafter, the funding will be allocated among six pools (pools 1, 1A, 2, 2A, 4, and 5).

### Pools 1, 1A, 2, 2A, and 3 - Non-governmentally-operated hospitals

- The funding for pools 1 and 2 will be sufficient to provide an average payment amount of \$6,000 for all hospitals qualifying for both of the two pools. No hospital in pools 1 or 2 will receive less than \$5,000. Therefore, the amount of funding for pools 1 and 2 will be determined by multiplying the number of hospitals qualifying for pools 1 and 2 by \$6,000.
- The funding for pools 1A, 2A and 3 (if applicable) will be derived by subtracting the total amount allocated for pools 1 and 2 from the amount of DSH authorized by the Legislature for nongovernmentally operated hospitals. Beginning SPY 2011, these remaining funds will be split with 15% for Pool 1A and 85% for Pool 2A.
  - For SPY 2018, the funding for pools 1, 2, 1A, and 2A will be \$884,800.

#### Pool 4 – Governmentally-operated hospitals

The funding for pool 4 is the amount authorized by the Legislature for governmentally operated hospitals.

For SPY 2018, the funding for pool 4 is the FY 2018 Arizona DSH allotment total computable amount minus \$884,800.\$142,293,400.

TN No. <u>17-005007</u> Supersedes TN No. <u>N/A17-005</u>

Approval Date: \_\_\_\_\_

Effective Date: October 1, 2017

Attachment 4.19-A Page 66

### STATE OF ARIZONA METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES INPATIENT HOSPITAL CARE

Pool 5

The funding for pool 5 is specified below.

 For SPY 2018, the funding for Pool 5 is <u>\$0 the FY 2018 Arizona DSH allotment total</u> computable amount minus \$143,178,200.

For SPY 2018, the pool 5 hospitals are:

 N/ABenson Hospital

 Holy Cross Hospital

 Kingman Regional Medical Center

 Little Colorado Medical Center

 Mt. Graham Regional Medical Center

 Northern Cochise Community Hospital

 Page Hospital

 Yuma Regional Medical Center

Formatted: Font: 11 pt

Formatted: Indent: Left: 0.5", First line: 0.25"

Upon reconciliation, any Pool 5 funds that have to be recouped due to changes in hospital qualification or payment limits will be returned to the original payer.

TN No. <u>17-005007</u> Supersedes TN No. <u>N/A17-005</u>

Approval Date: \_\_\_\_\_

Effective Date: October 1, 2017