

September 27, 2021

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: Arizona SPA #21-010, DSH Pool 4 Reallocation

Dear Mr. Zolynas:

Enclosed is State Plan Amendment (SPA) #21-010, DSH Pool 4 Reallocation. This SPA updates the State Plan to detail the reallocation of excess DSH Pool 4 funding, with an effective date of September 30, 2021.

Public Notice for this SPA was posted and is viewable via the following link: https://www.azahcccs.gov/shared/Downloads/PublicNotices/DSHFY22NOPI.pdf

Tribal Consultation requirements have been met, with the Tribal Consultation presentation viewable at the following link:

https://www.azahcccs.gov/AmericanIndians/Downloads/Consultations/Meetings/2021/August12_2021Qu arterlyTC.pdf

If there are any questions about the enclosed SPA, please contact Ruben Soliz at <u>ruben.soliz@azahcccs.gov</u> or 602-417-4355.

Sincerely,

Dana Flannery Assistant Director Arizona Health Care Cost Containment System (AHCCCS)

DEPARTMENT OF HEALTH AND HUMAN SERVICES CENTERS FOR MEDICARE AND MEDICAID SERVICES		FORM APPROVED OMB NO. 0938-0193
TRANSMITTAL AND NOTICE OF APPROVAL OF	1. TRANSMITTAL NUMBER:	2. STATE
STATE PLAN MATERIAL	21-010	Arizona
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	September 30, 2021	
DEPARTMENT OF HEALTH AND HUMAN SERVICES 5. TYPE OF PLAN MATERIAL <i>(Check One)</i> :		
Image: New State Plan Image: Amendment to be considered as New Plan Image: Amendment		
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AME		amendment)
6. FEDERAL STATUTE/REGULATION CITATION:	7. FEDERAL BUDGET IMPACT:	
42 CFR Part 447	FFY 2022: \$0 FFY 2023: \$0	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:	9. PAGE NUMBER OF THE SUPERSI OR ATTACHMENT (<i>If Applicable</i>):	EDED PLAN SECTION
Attachment 4.19-A		
Page 67, 67(a)	Attachment 4.19-A	
	Page 67, 67(a)	
10. SUBJECT OF AMENDMENT:		
Updates the State Plan to detail the reallocation of excess DSH Pool 4 funding.		
11. GOVERNOR'S REVIEW (Check One):	OTHER, AS SPEC	IFIED:
12. SIGNATURE OF STATE AGENCY OFFICIAL:	16. RETURN TO:	
RAES	Dana Flannery 801 E, Jefferson, MD#4200 Phoenix, AZ 85034	
13. TYPED NAME: Dana Flannery		
14. TITLE:		
Assistant Director		
15. DATE SUBMITTED: September 27, 2021		
FOR REGIONAL OFFICE USE ONLY		
17. DATE RECEIVED:	18. DATE APPROVED:	
PLAN APPROVED – ON	E COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL:	20. SIGNATURE OF REGIONAL OFF	ICIAL:
21. TYPED NAME:	22. TITLE:	
23. REMARKS:		

Attachment 4.19-A Page 67 Formatted: Header, Indent: Left: -0.08" Formatted: Header, Right, Right: -0.08" Formatted Table Formatted: Header, Centered Formatted: Header

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

For SPY 2018, excess pool 4 funding not allocated due to OBRA limits will be reallocated first to pools 1, 1A, 2, and 2A. This reallocation to the pools will be based proportionately on the SPY 2018 pool allocation. For each pool, the distribution of the reallocated DSH funding to the hospitals within the pool will be based on each hospital's 2018 relative weights as described in the "Determination of Payment Amounts" section of this Attachment C. SPY 2018 payments made from reallocated funds will be added to the hospital's original SPY 2018 payments with the total SPY payments subject to each hospital's OBRA limit. Additionally, after the reallocating to pools 1, 1A, 2 and 2A, any remaining excess pool 4 funding may then be reallocated to pool 5. The reallocation will be allocated within pool 5 based proportionately according to the hospital's LOM scores, subject to the each hospital's remaining OBRA limit. For SPY 2018, any excess DSH funding in pool 4 not allocated due to OBRA limits may be reallocated to DSH pools 1, 1A, 2, 2A, and 5 until September 30, 2020. The amount to be reallocated to DSH pools 1, 1A, 2 and 2A is \$0. The amount to be reallocated to DSH pool 5 is \$0.

For SPY 2019, excess pool 4 funding not allocated due to OBRA limits will be reallocated first to pools 1, 1A, 2, and 2A. This reallocation to the pools will be based proportionately on the SPY 2019 pool allocation. For each pool, the distribution of the reallocated DSH funding to the hospitals within the pool will be based on each hospital's 2019 relative weights as described in the "Determination of Payment Amounts" section of this Attachment C. SPY 2019 payments made from reallocated funds will be added to the hospital's original SPY 2019 payments with the total SPY payments subject to each hospital's OBRA limit. Additionally, after the reallocating to pools 1, 1A, 2 and 2A, any remaining excess pool 4 funding may then be reallocated to pool 5. The reallocation will be allocated within pool 5 based proportionately according to the hospital's LOM scores, subject to the each hospital's remaining OBRA limit. For SPY 2019, any excess DSH funding in pool 4 not allocated due to OBRA limits may be reallocated to DSH pools 1, 1A, 2, 2A, and 5 until September 30, 2020. The amount to be reallocated to DSH pools 1, 1A, 2 and 2A is \$0. The amount to be reallocated to DSH pool 5 is \$0.

For SPY 2020, excess pool 4 funding not allocated due to OBRA limits will be reallocated first to pools 1, 1A, 2, and 2A. This reallocation to the pools will be based proportionately on the SPY 2020 pool allocation. For each pool, the distribution of the reallocated DSH funding to the hospitals within the pool will be based on each hospital's 2020 relative weights as described in the "Determination of Payment Amounts" section of this Attachment C. SPY 2020 payments made from reallocated funds will be added to the hospital's original SPY 2020 payments with the total SPY payments subject to each hospital's OBRA limit. Additionally, after the reallocating

TN No. 21-XXX Supersedes 20-017 30, 2021

Approval Date: Effective Date: October 1 September

to pools 1, 1A, 2 and 2A, any remaining excess pool 4 funding may then be reallocated to pool 5. The reallocation will be allocated within pool 5 based proportionately according to the hospital's LOM Attachment 4.19-A

Page 67(a)

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

scores, subject to the each hospital's remaining OBRA limit. For SPY 2020, any excess DSH funding in pool 4 not allocated due to OBRA limits may be reallocated to DSH pools 1, 1A, 2, 2A, and 5 until September 30, 2021. The amount to be reallocated to DSH pools 1, 1A, 2 and 2A is \$0*. The amount to be reallocated to DSH pool 5 is \$ 18,122,533.00*.

For SPY 2021, excess pool 4 funding not allocated due to OBRA limits will be reallocated first to pools 1, 1A, 2, and 2A. This reallocation to the pools will be based proportionately on the SPY 2020 pool allocation. For each pool, the distribution of the reallocated DSH funding to the hospitals within the pool will be based on each hospital's 2021 relative weights as described in the "Determination of Payment Amounts" section of this Attachment C. SPY 2021 payments made from reallocated funds will be added to the hospital's original SPY 2021 payments with the total SPY payments subject to each hospital's OBRA limit. Additionally, after the reallocating to pools 1, 1A, 2 and 2A, any remaining excess pool 4 funding may then be reallocated to pool 5. The reallocation will be allocated within pool 5 based proportionately according to the hospital's LOM scores, subject to the each hospital's remaining OBRA limit. For SPY 2021, any excess DSH funding in pool 4 not allocated due to OBRA limits may be reallocated to DSH pools 1, 1A, 2, 2A, and 5 until September 30, 2022. The amount to be reallocated to DSH pools 1, 1A, 2 and 2A is \$x. The amount to be reallocated to DSH pool 5 is \$x.

TN No. 21-XXX Supersedes 20-017 30, 2021