



AHCCCS ALTCS-EPD RFP YH24-0001
 Section B – Program Changes and Fee Schedule Changes
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Program Changes and Fee Schedule Changes

Introduction

This document contains Arizona Health Care Cost Containment System (AHCCCS) programmatic and Fee-for-Service (FFS) rate changes.

Program Changes

Each program change listed below was either effective during or after the time period of encounters included in the Data Book. This document does not include any program changes that were listed in the contract year ending (CYE) 23 Arizona Long Term Care System (ALTCS) Elderly and Physical Disability (ALTCS-EPD) capitation rate certification. Due to the varied dates of program changes, each contract year contained in the Data Book reflects a different benefit design. The list below is a brief description of the program changes and their effective dates. Additional information can be found in the ALTCS-EPD Program actuarial certifications which are posted on the [AHCCCS website](#).

Table I – Program Change Items and Effective Date

Program Change Item	Effective Date(s)
Sickle Cell Anemia Drugs Approval	November 2019
Duchenne Muscular Dystrophy Drug Approval	December 2019
Peanut Allergy Drug Approval	January 2020
Opioid Treatment Program (OTP) Medicare Reimbursement	January 2020
Various Impacts of COVID-19	February 2020
Increase Frequency of Dental Fluoride Visits	February 2020
Adult Hepatitis C Screening Recommendation	March 2020
Increase to Annual Respite Hour Limit	March 2020
ALTCS Home Delivered Meals	March 2020
Remove Spouse Caregiver Weekly Hour Limit	March 2020
Reimbursement for Home and Community Based Services (HCBS) Delivered by Parents	March 2020
COVID Inpatient HCBS	March 2020



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Pay and Chase Guidance	April 2020
Mantle Cell Lymphoma Drug Approval	July 2020
Depression and Anxiety Screening Codes	August 2020
Spinal Muscular Atrophy Drug Approval	August 2020
Child Flu Shots at Pharmacies	September 2020
Inpatient Dental Hygienist Teeth Cleanings	October 2020
Expanded Telehealth Use	October 2020
Off Campus Hospital Outpatient Department Reimbursement	October 2020
Outpatient Psychiatric Hospital Reimbursement	October 2020
Genetic Testing for Cardiovascular Disorders	October 2020
Cancer Profiling Tests	July 2021
Community Intervener Services	October 2021
Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) Visits and Developmental Screens	October 2021
Bus Passes	October 2021
Emergency Triage, Treat, and Transport	October 2021
Reimbursement for Discarded Drugs	January 2022
Routine Care for Members Participating in Clinical Trials	January 2022
N95 Masks	March 2022
Adult Chiropractic Services	October 2022
Diabetes Self-Management Training	October 2022
Dental Cone Beam CT Capture	January 2023
Pharmacy Reimbursement Savings	Multiple Dates
Proposition 206 Reimbursement Rate Changes	Multiple Dates
Pharmacy and Therapeutic Committee Recommendations	Multiple Dates
Supports During School Hours	Multiple Dates
Other Program Changes to be Determined	Multiple Dates



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Detailed Descriptions: For Table I Program Change Items

Sickle Cell Anemia Drugs Approval

In November 2019, the FDA approved the drugs Oxbryta and Adakveo for treatment of sickle cell disease. Collectively, the drugs were approved for treatment of individuals 12 years and older. The Medicaid Drug Rebate Program (MDRP) requires state Medicaid coverage of most FDA approved drugs in exchange for national rebate agreements with drug manufacturers. In accordance with requirements of participation in the MDRP, AHCCCS began coverage of Oxbryta and Adakveo on November 25, 2019, and November 20, 2019, respectively.

Duchenne Muscular Dystrophy Drug Approval

On December 12, 2019, the FDA approved Vyondys 53 for treatment of Duchenne muscular dystrophy in individuals with a mutation that is amenable to exon 53 skipping. The MDRP requires state Medicaid coverage of most FDA approved drugs in exchange for national rebate agreements with drug manufacturers. In accordance with requirements of participation in the MDRP, AHCCCS began coverage of Vyondys 53 on December 12, 2019.

Peanut Allergy Drug Approval

On January 31, 2020, the FDA approved the immunotherapy drug Palforzia for treatment of peanut allergy in children 4 to 17 years of age. The MDRP requires state Medicaid coverage of most FDA approved drugs in exchange for national rebate agreements with drug manufacturers. In accordance with requirements of participation in MDRP, AHCCCS began coverage of Palforzia on January 31, 2020.

OTP Medicare Reimbursement

Pursuant to final rule 2019-24086, Medicare began reimbursing OTPs for opioid use disorder (OUD) treatment services provided to individuals with Medicare Part B insurance on and after January 1, 2020. Under the change, reimbursement of OTP services and MAT drugs to members dually enrolled in Medicare and Medicaid for treatment of OUD shifted from AHCCCS contractors and Medicare Part D to Medicare Part B. Medicare OTP services on and after January 1, 2020, are not subject to the traditional Medicare Part B 20 percent coinsurance during the contract period.



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Various Impacts of COVID-19

AHCCCS has covered a range of medically necessary diagnostic and antibody tests for detecting COVID-19 as well as vaccinations for COVID-19 and all medical care. The capitation rates will be appropriately adjusted to reflect all changes and projections for the future.

Increased Frequency of Dental Fluoride Visits

Beginning February 1, 2020, AHCCCS increased the maximum number of dental fluoride varnish applications that members may receive, from two to four applications a year.

Adult Hepatitis C Screening Recommendation

On March 2, 2020, the U.S. Preventive Services Task Force (USPSTF) published a final recommendation that all adults 19 to 79 years of age be screened for hepatitis C. This represents an expansion of recommended screening from the previous guidance that adults born between 1945 and 1965 be screened. Effective October 1, 2020, AHCCCS modified policy guidance to reflect the USPSTF final recommendation on hepatitis screenings for adults.

Increase to Annual Respite Hour Limit

In 2020, CMS approved AHCCCS' requested 1115 Waiver authority to increase the annual limit in covered respite care services that a member may receive from 600 hours to 720 hours a year. The authority was effective from March 1, 2020, through September 30, 2021.

ALTCS Home Delivered Meals

In 2020, CMS approved AHCCCS' requested 1115 Waiver Appendix K authority to expand the provision of home delivered meals to members enrolled in the ALTCS Department of Economic Security Division of Developmental Disabilities program. This authority was subsequently extended under the 1115 Waiver through September 30, 2027.

While members of the ALTCS-EPD program were already eligible for home delivered meals, it was anticipated that emergency preparedness and community social distancing efforts would increase use of these services in the program.



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Remove Spouse Caregiver Weekly Hour Limit

In 2020, CMS approved AHCCCS' requested 1115 Waiver Appendix K authority to eliminate the 40-hour limit on reimbursable caregiver services provided by a member's spouse during a 7-day period. The authority was effective retroactively to March 13, 2020, and the authority is anticipated to extend until June 30, 2023, based on the expected PHE end date of May 11, 2023.

Reimbursement for HCBS Delivered by Parents

In 2020, CMS approved AHCCCS' requested 1115 Waiver Appendix K authority to reimburse parents or legally responsible individuals for HCBS provided to a child under the age of 18 years. The authority was projected to be effective through the end of the calendar quarter in which the PHE ends. However, the end date for these services has been further extended using funding from the American Rescue Plan (ARP) Act HCBS enhanced federal match under the approved ARP spending plan until the earlier of September 30, 2024, or whenever the ARP HCBS funds are exhausted.

COVID Inpatient HCBS

In 2020, CMS approved AHCCCS' requested 1115 Waiver Appendix K authority to reimburse for personal care services delivered to an ALTCS member during an acute care hospital or short-term institutional stay. The authority was effective retroactively to March 13, 2020. This authority was subsequently extended under the 1115 Waiver through September 30, 2027.

Pay and Chase Guidance

Federal regulation 42 CRF 433.139, *Payment of Claims*, requires agencies and their contractors to pay and chase claims for preventive pediatric care services, including EPSDT services, regardless of the existence of third-party liability at the time the claim is filed. Preventive pediatric care refers to screening and diagnostic services to identify congenital, physical, and mental health routine examinations performed in the absence of complaints, and screening or treatment designed to avert various infectious and communicable diseases from occurring in children under 21 years of age. As a result of questions to AHCCCS regarding coordination of benefits for members with Autism Spectrum Disorder, the agency provided additional clarification to Contractors in FFY 20 (October 1, 2019, to September 30, 2020) on preventive services that must be reimbursed on a pay and chase basis. This clarification was anticipated to increase costs of contractors in situations in which they are unable to successfully recover funding from liable third parties.



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Mantle Cell Lymphoma Drug Approval

On July 24, 2020, the FDA approved Tecartus for the treatment of adult patients with relapsed or refractory mantle cell lymphoma. The MDRP requires state Medicaid coverage of most FDA approved drugs in exchange for national rebate agreements with drug manufacturers. In accordance with requirements of participation in the MDRP, AHCCCS began coverage of Tecartus on July 24, 2020. Effective October 1, 2020, Tecartus became eligible for reinsurance.

Depression and Anxiety Screening Codes

Effective August 1, 2020, AHCCCS began coverage of procedure code 96127 for brief emotional or behavioral assessments.

Spinal Muscular Atrophy Drug Approval

On August 7, 2020, the FDA approved Evrysdi for the treatment of Spinal Muscular Atrophy in patients two months and older. The MDRP requires state Medicaid coverage of most FDA approved drugs in exchange for national rebate agreements with drug manufacturers. In accordance with requirements of participation in the MDRP, AHCCCS began coverage of Evrysdi on August 7, 2020. Effective October 1, 2020, Evrysdi became eligible for reinsurance.

Child Flu Shots at Pharmacies

Effective September 1, 2020, AHCCCS modified policy guidance to permit pharmacists to administer influenza vaccinations to children ages 3-18 years old. Prior to the change, policy limited pharmacist-administered influenza vaccines to adults 19 years and older.

Inpatient Dental Hygienist Teeth Cleanings

As part of the 2019 Legislative session, the Arizona Legislature passed HB 2058 which permits dental hygienists to provide services in an inpatient hospital setting under supervision of a physician. The legislation is expected to increase provision of inpatient teeth cleanings for prevention of ventilator associated pneumonia (VAP).

Expanded Telehealth Use

To ensure access to care during the public health emergency, AHCCCS temporarily expanded coverage of telephonic codes and mandated that services delivered telephonically or through telehealth (TPTH) are reimbursed at the same rates as for in-person services, for both physical and



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behavioral health services. April and May 2020 data provided by contractors indicated use of TPTH services had been essential for continued provision of services and represented annualized growth of 1,308 percent above base period use. Most growth in the use of these services during the public health emergency is expected to represent a cost-neutral shift from use of in-person services. However, increased use of TPTH services are expected to reduce the rate of missed appointments and lower use of NEMT and emergency department visits.

Off Campus Hospital Outpatient Department Reimbursement

Effective October 1, 2020, AHCCCS began reimbursing services billed at off campus hospital outpatient departments on a UB-04 form with PO or PN modifiers according to the physician or ambulatory surgical center fee schedules. The change will represent a decrease in reimbursement relative to outpatient hospital fee schedule rates that providers billed before the change.

Outpatient Psychiatric Hospital Reimbursement

Effective October 1, 2020, AHCCCS implemented an outpatient hospital fee schedule reimbursement methodology for outpatient services provided by psychiatric hospitals. Prior to this change, AHCCCS manually approved Contractor payments to psychiatric hospitals for outpatient services, which were not subject to a specific reimbursement methodology.

Genetic Testing for Cardiovascular Disorders

AHCCCS began covering genetic tests for rare inherited cardiovascular disorders effective October 23, 2020. The tests are primarily recommended for identification of Long QT syndrome (LQTS) in first degree relatives of individuals with the disorder.

Cancer Profiling Tests

Effective July 1, 2021, and October 1, 2021, AHCCCS began covering two medically necessary cancer profiling tests. The tests can assist providers in determining the most appropriate course of treatment for a patient's cancer.

Community Intervener Services

Effective January 1, 2023, AHCCCS established policy for provision of community intervener services to ALTCS members with dual sensory loss (i.e., blind and hard of hearing). Community interveners intercede between the member and the environment, allowing access to information



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usually gained through vision and hearing. A reimbursement rate will be established for the community intervener services to be billed under procedure code S5135 and modifier CG.

EPSDT Visits and Developmental Screens

Effective October 1, 2021, AHCCCS revised policy to better align EPSDT visits and developmental screening requirements with CMS Core Measures and recommendations from the American Academy of Pediatrics. The policy revisions require an additional EPSDT visit for child members at 30 months of age and two specialized developmental screens at the child member's 18-month and 24-month EPSDT visits.

Bus Passes

Effective October 1, 2021, AHCCCS revised AMPM 310-BB to clarify that Contractors may reimburse public transport passes as non-emergency medical transport (NEMT). Passes are generally billed with procedure code A0110. When offering a public transport pass, contractors should consider such things as location of the member, location of the member's provider, public transportation schedules, and member ability to travel alone.

Emergency Triage, Treat, and Transport

Effective October 1, 2021, AHCCCS implemented an Emergency Triage, Treat, and Transport (ET3) model that is similar to the ET3 program that Medicare began in FFY 21. Under the state's program, emergency service providers may bill for trips that result in delivery of on-site or telehealth services by a partner health professional or for trips to an outpatient non-emergency department provider. The AHCCCS financial analysts project that cost savings of diverting unnecessary emergency department visits to lower acuity settings under the ET3 model will be offset by additional costs of reimbursing emergency service providers for trips in which no or limited reimbursement was previously paid.

Reimbursement for Discarded Drugs

Effective January 1, 2022, AHCCCS began requiring Contractors to reimburse discarded amounts of medication products that can only be used once, also known as single use vials.



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Routine Care for Members Participating in Clinical Trials

AHCCCS conforms with federal guidance that routine care that is otherwise covered be covered for members participating in a clinical research study.

N95 Masks

In March 2022, AHCCCS advised Contractors that providers could bill and receive reimbursement for N95 masks issued to members with immunocompromised conditions.

Adult Chiropractic Services

Pursuant to HB2863, AHCCCS added chiropractic services ordered by a primary care physician as a covered service for adult members, effective October 1, 2022. Prior to the law, coverage of chiropractic services was limited to children under the age of 21 years.

Diabetes Self-Management Training

Pursuant to HB2083, AHCCCS added 10 hours per year of diabetes self-management training as a covered service for diabetic members, effective October 1, 2022. To estimate the impact, AHCCCS financial analysts first reviewed data of diabetes prevalence among members. Based on findings from a literature review of studies on diabetes self-management training programs, it was assumed that 6% of diabetic members would utilize the covered service. It was assumed that each utilizing member would receive 5 hours of services a year. The total cost of the visits was then estimated using the AHCCCS fee for service rate schedule for outpatient diabetes self-management training.

Dental Cone Beam CT Capture

AHCCCS began reimbursing for cone beam CT capture for dental imaging effective January 1, 2023. Cone-beam CT capture emits an x-ray beam shaped like a cone as opposed to the conventional fan-shaped beam. This procedure is expected to be used for any tooth extraction as well as for endodontic procedures such as molar and premolar root canals. This type of imaging would be done in addition to current X-ray imaging. AHCCCS estimates that 85-90% of conventional X-rays prior to extractions and 80% of root canals would be augmented by cone beam imaging to confirm results. AHCCCS will require prior authorization for fee-for-service coverage of cone beam CT capture.



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Pharmacy Reimbursement Savings

Analysis of pharmacy claims for all AHCCCS managed care programs and AHCCCS FFS program identified significant variability across all contractors, and analysis of repriced claims data compared to CMS National Average Drug Acquisition Cost (NADAC), AHCCCS FFS pricing, and industry benchmark pricing identified that valuing claims data to AHCCCS FFS repriced amounts would result in savings. AHCCCS Contractors should reasonably be able to achieve pharmacy pricing that is at or near that achieved by the AHCCCS FFS program. The full savings were expected to be achieved by the Contractors between October 2019 and September 2021, although some Contractors began achieving savings earlier than October 2019.

Proposition 206 Reimbursement Rate Changes

Effective January 1 of each year AHCCCS increases fee schedule rates for select HCBS procedure codes, all NF revenue codes, and all ALF procedure codes to address the increased labor costs resulting from minimum wage increases approved on November 8, 2016, by the state’s voters under Proposition 206 and by city of Flagstaff voters under Proposition 414. This assures that payments are consistent with efficiency, economy, and quality of care and are sufficient to enlist enough providers so that care and services are available at least to the extent that such care and services are available to the general population in the geographic area. Through continued discussion with the Contractors, AHCCCS knows the increased rates are similarly adopted by the Contractors.

Pharmacy & Therapeutics Committee Decisions

On the recommendations of the Pharmacy and Therapeutics (P&T) Committee, AHCCCS has adopted policy changes during various contract years that are expected to impact the utilization and unit costs of the contractors’ pharmacy costs. The P&T Committee evaluates scientific evidence on the relative safety, efficacy, effectiveness and clinical appropriateness of prescription drugs and reviews how the State can minimize the net cost of pharmaceuticals when considering the value of drug rebates.

Supports During School Hours

Member students receive medically necessary services that are specified in an Individualized Education Program (IEP) from school-based providers participating in the School Based Claiming (SBC) FFS program. Due to virtual learning environments necessitated by the public health



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emergency, it may not be feasible for schools to provide in-person attendant care and nursing services through SBC. It is therefore, anticipated that these services will transition to Contractor provider networks.

Other Program Changes to be Determined

AHCCCS evaluates program changes which can impact Contractor expenditures and modifies capitation rates as appropriate generally on an annual contract year basis.

Fee Schedule Changes

This table outlines the AHCCCS fee schedule changes by date and fee schedule category. Differential Adjusted Payments (DAP) fee schedule changes are not included below; additional information on DAP can be found on the [AHCCCS website](#).

Date of Rate Change	10/1/2019	1/1/2020	10/1/2020	1/1/2021	10/1/2021	1/1/2022	10/1/2022	1/1/2023
Physicians	0.0%	0.0%	13.2%	0.0%	0.0%	0.0%	1.9%	0.0%
Dental	0.4%	0.0%	12.6%	0.0%	0.0%	0.0%	0.0%	0.0%
HCBS	8.7%	2.9%	0.0%	1.1%	7.2%	1.5%	11.0%	2.5%
Hospital Outpatient	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Hospital Inpatient	0.5%	0.0%	0.0%	0.0%	0.4%	0.0%	1.2%	0.0%
Nursing Facilities	2.3%	1.5%	0.0%	0.2%	7.2%	0.8%	11.0%	1.2%
Air Ambulance	8.1%	0.0%	0.0%	0.0%	0.0%	0.0%	6.9%	0.0%
Transportation CON	0.2%	0.0%	3.8%	0.0%	0.9%	0.0%	10.2%	0.0%
Transportation Ground	1.1%	0.0%	0.1%	0.0%	15.1%	0.0%	6.1%	0.0%
Transportation Non Emergency	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%