

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, Maryland 21244-1850



Center for Medicaid and CHIP Services (CMCS)

JUL 18 2012

Tom Betlach, Director
Arizona Health Care Cost Containment System
801 E. Jefferson
Phoenix, AZ 85034

RE: Arizona SPA 11-016

Dear Mr. Betlach:

We have reviewed the proposed amendment to Attachment 4.19-A and Attachment 4.19B of your Medicaid State plan submitted under transmittal number (TN) 11-016. This amendment is for the non-payment for provider preventable conditions, effective July 1, 2012.

We conducted our review of your submittal according to the statutory requirements at sections 1902 (a)(2), 1902(a)(13), 1902(a)(30), 1903(a) and 1923 of the Social Security Act and the implementing Federal regulations at 42 CFR 447 Subpart C.

We are pleased to inform you that Medicaid State plan amendment 11-016 is approved effective July 1, 2012. We are enclosing the HCFA-179 and the amended plan pages.

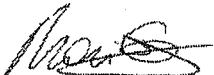

If you have any questions, please call Annalisa Fichera at (415) 744-3577.

Sincerely,

A handwritten signature in black ink, appearing to read "Cindy Mann".

Cindy Mann
Director, CMCS

Enclosures

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: Centers for Medicare and Medicaid Services		1. TRANSMITTAL NUMBER: 11-016	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 July 1, 2012	
5. TYPE OF PLAN MATERIAL (Check One): <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 (Separate Transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION: 42 CFR 447, 434, 438, and 1902(a)(4), 1902(a)(6), and 1903		7. FEDERAL BUDGET IMPACT: FFY 2012: Approximately \$25,000 FFY 2013: < \$100,000	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Section 4.19-A, p. 13, 14 Section 4.19-B, p. 17		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): NA	
10. SUBJECT OF AMENDMENT: Updates the State Plan to include standards of payment for healthcare acquired conditions.			
11. GOVERNOR'S REVIEW (Check One): <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: Monica Coury 801 E. Jefferson, MD#4200 Phoenix, Arizona 85034	
13. TYPED NAME: Monica Coury			
14. TITLE: Assistant Director			
15. DATE SUBMITTED: June 1, 2012			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED:		18. DATE APPROVED: JUL 18 2012	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: JUL - 1 2012		20. SIGNATURE OF REGIONAL OFFICIAL: 	
21. TYPED NAME: Penny Thompson		22. TITLE: Deputy Director, CMCS	
23. REMARKS:			

STATE OF ARIZONA

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES FOR INPATIENT CARE

Citation

42 CFR 447, 434, 438, and 1902(a)(4), 1902(a)(6), and 1903

Payment Adjustment for Provider Preventable Conditions

The Medicaid agency meets the requirements of 42 CFR Part 447, Subpart A, and sections 1902(a)(4), 1902(a)(6), and 1903 with respect to non-payment for provider-preventable conditions.

Health Care-Acquired Conditions

The State identifies the following Health Care-Acquired Conditions for non-payment under Section 4.19 (A)

Hospital-Acquired Conditions as identified by Medicare other than Deep Vein Thrombosis (DVT)/Pulmonary Embolism (PE) following total knee replacement or hip replacement surgery in pediatric and obstetric patients.

Other Provider-Preventable Conditions

The State identifies the following Other Provider-Preventable Conditions for non-payment under Section(s) 4.19 (A)

Wrong surgical or other invasive procedure performed on a patient; surgical or other invasive procedure performed on the wrong body part; surgical or other invasive procedure performed on the wrong patient.

Additional Other Provider-Preventable Conditions identified below

TN No. 11-016

Supersedes

TN No. NA

Approval Date JUL 18 2012 Effective Date July 1, 2012

CMS ID: 7982E

STATE OF ARIZONA

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES FOR INPATIENT CARE

Adjustment of Inpatient Hospital Reimbursement to Account for Non-payment of HCACs and OPPCs

In accordance with 42 CFR 447.26(c), no reduction in payment for a PPC will be imposed on a provider when the condition defined as a PPC for a particular patient existed prior to the initiation of treatment for that patient by that provider. AHCCCS will use the Point of Admission (POA) indicator, as used by Medicare, to identify when a condition was acquired in the hospital.

Reductions in provider payment are limited to the extent that the State can reasonably isolate for nonpayment, the portion of the payment directly related to treatment for, and related to, the provider preventable conditions that would otherwise result in an increase in payment.

For HCACs and OPPCs: AHCCCS reimburses hospitals on a per diem basis. AHCCCS will identify potential HCACs and OPPCs, and perform medical review to determine whether or not they resulted in a longer length of stay or higher level of care. If it is determined that a HCAC or OPPC resulted in a longer stay or higher level of care, reimbursement of the related claim will be reduced to an amount commensurate with a stay and level of care had there been no HCAC or OPPC. AHCCCS will not claim FFP for expenditures for HCACs or OPPCs.

TN No. 11-016

Supersedes

TN No. NA

Approval Date JUL 18 2012 Effective Date July 1, 2012

CMS ID: 7982E

State: ARIZONA

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES
OTHER TYPES OF CARE

Citation

42 CFR 447,434,438, and 1902(a)(4), 1902(a)(6), and 1903

Payment Adjustments for Provider Preventable Conditions

The Medicaid Agency meets the requirements of 42 CFR Part 447, Subpart A, and sections 1902(a)(4), 1902(a)(6), and 1903 with respect to non-payment for provider-preventable conditions.

Other Provider-Preventable Conditions

The State identifies the following Other Provider-Preventable Conditions for non-payment under Sections 4.19-B

X Wrong surgical or other invasive procedure performed on a patient; surgical or other invasive procedure performed on the wrong body part; surgical or other invasive procedure performed on the wrong patient.

_____ Additional Other Provider Preventable Conditions identified below.

For OPPCs: AHCCCS will identify potential OPPCs via codes and modifiers used on outpatient and professional claims, and perform medical review. The OPPC services identified through medical review will not be reimbursed. AHCCCS will not claim FFP for expenditures for OPPC services.

TN No. 11-016
Supersedes
TN No. NA

Approval Date: JUL 18 2012

Effective Date: July 1, 2012