



CHC OBGYN Funding Appropriation

April 2024

Legislative Language- SB 1720

The Arizona Health Care Cost Containment System administration shall allocate the amount appropriated for the on-call obstetrics and gynecological services line item to ***maintain service availability*** in ***low-volume obstetric delivery areas and rural communities***.

The administration shall distribute up to \$2,500,000 each year to qualifying community health centers for the ***unreimbursed cost necessary to maintain the availability*** of on-call obstetrics and gynecological services in low-volume obstetric delivery areas and rural communities.

The administration may use up to 5% percent of the monies appropriated in this line item for the administrative costs to implement the program.

On or before July 1 in 2024, 2025 and 2026, the Arizona Health Care Cost Containment System administration shall submit a report to the joint legislative budget committee regarding the use of the monies from the on-call obstetrics and gynecological services line item, including the ***number of deliveries and emergency procedures provided by the on-call health care providers*** for which the monies were spent.

The appropriated amount for the on-call obstetrics and gynecological services line item is exempt from the provisions of section 35-190, Arizona Revised Statutes, 24 relating to lapsing of appropriations, until June 30, 2026.

Feedback from Workgroup #1

- The Alliance had the following feedback on the proposed methodology:
 - Suggestion to use hospital infant delivery volume as the differentiation criteria instead of county-wide designation based on providers per county.
 - Providers per county may not accurately reflect the need for on-call services
 - OB/GYN providers per county doesn't differentiate between on-call services compared to providers only providing outpatient services.
- The Alliance focus is on communities with low delivery volumes and as a result, proposed the following tiered structure
 - Tier 1- a region where the nearest hospital with labor and delivery and emergency GYN care provides 1,000 or less deliveries per year
 - Tier 2- a region where the nearest hospital with labor and delivery and emergency GYN care provides 1,500 or less deliveries per year
 - Tier 3- a region where the nearest hospital with labor and delivery and emergency GYN care provides 2,000 or less deliveries per year

Feedback from Workgroup #1

- The Alliance requested that no single FQHC or RHC should be allowed to count costs for more than one FTE per day (i.e., the max allowable hours that can be counted in the reporting template would be 24 hours.
 - AHCCCS agrees with this recommendation. The reporting template on worksheet B has been updated with a footnote to reflect only 24 hours in a day should be reported in the number of hours.
- The Alliance recommends general service cost not be included as part of the reimbursement structure for this funding source at this time.
 - AHCCCS agrees with removing general service costs as part of the calculation and Worksheet D on the reporting template has been updated to reflect this change. As a result, direct staff wages and employee related expenses along with locums and practitioners under agreement are eligible for reimbursements

Feedback from Workgroup #1

- The Alliance wanted to verify the source of perinatal care center and believe it may be reasonable but incorporating deliveries by hospital may accomplish the same goal.
 - AHCCCS initial proposal with perinatal care center used data from the Arizona Perinatal Trust Certification. There were several rural hospitals that were IIIA Hospitals that would have seen a lower allocation; however, with the incorporation of the delivery by hospital, AHCCCS agrees this criteria is not necessary at this time.
- The Alliance proposed that only providers capable of performing c-sections qualify for reimbursement for on-call services.
 - AHCCCS believes any qualified practitioner should be eligible for this funding and does not intend to restrict reimbursement to only practitioners that can perform c-sections.

Considerations and Definitions

Maintain service availability: To be eligible, a health center would have needed to provide OBGYN services prior to the service year of requested data. No new health centers can qualify unless the entity was providing OBGYN services prior to the program implementation date.

Low-volume obstetric delivery areas and rural communities: AHCCCS has determined any county with less than 500,000 residents qualifies as low-volume obstetric delivery areas and rural communities. Based on this definition, Maricopa and Pima County entities are not eligible for the program.

Unreimbursed cost necessary to maintain the availability- AHCCCS has determined that this is any unreimbursed costs to maintain the current level of availability. This will include direct service costs and general services costs.

Community Health Center (CHC)- Any active federally qualified health center (FQHC) or rural health clinic (RHC) in Arizona.

Proposed Methodology

- AHCCCS has decided to keep the definitions broad and inclusive as it relates to the legislative language but has made changes to the methodology based on feedback from the stakeholders.
- All FQHC/RHCs located in counties with a population less than 500,000 persons are eligible for the CHC OBGYN funding.
- The primary criteria being used to determine tiers is now the ADHS hospital birth data.
- AHCCCS will use the most recent calendar year birth data at the time of payment calculation to determine FQHC/RHC qualifying tiers
- Hospital assignment to the FQHC/RHC will be confirmed by AHCCCS when reporting template is submitted by the FQHC/RHC. The hospital used for determination of the tier shall represent the hospital that had the largest portion of the FQHC/RHC on-call hours for the reporting period.

Proposed Methodology

As a result of the change in methodology, AHCCCS is now proposing two tiers for the payment methodology using the ADHS birth data.

Tier 1- FQHC/RHC assigned hospital has 750 or less births in the reporting year.

- For providers that qualify for this tier, a factor of 1.0 will be used in the payment calculation

Tier 2- FQHC/RHC assigned hospital has greater than 750 births in the reporting year.

- For providers that qualify for this tier, a factor of 0.5 will be used in the payment calculation

As noted in the prior workgroup meeting and slides, no FQHC/RHC located in Maricopa and Pima County qualify for these funds.

Proposed Methodology- ADHS Data

The table to the right provides details from the ADHS calendar year 2022 birth data for all hospitals that had reported births in counties with populations less than 500,000 persons.

Location	Birth	County
BANNER PAGE HOSPITAL	110	Coconino
BANNER PAYSON MEDICAL CENTER	130	Gila
LITTLE COLORADO MEDICAL CENTER	147	Navajo
COBRE VALLEY REGIONAL MEDICAL CENTER	230	Gila
VALLEY VIEW MEDICAL CENTER	416	Mohave
HAVASU REGIONAL MEDICAL CENTER	492	Mohave
MT. GRAHAM REGIONAL MEDICAL CENTER	500	Graham
VERDE VALLEY MEDICAL CENTER	500	Yavapai
CANYON VISTA MEDICAL CENTER	538	Cochise
CARONDELET HOLY CROSS HOSPITAL	572	Santa Cruz
KINGMAN REGIONAL MEDICAL CENTER	633	Mohave
BANNER CASA GRANDE MEDICAL CENTER	754	Pinal
SUMMIT HEALTHCARE REGIONAL MEDICAL CENTER	823	Navajo
YAVAPAI REGIONAL MEDICAL CENTER-EAST	950	Yavapai
FLAGSTAFF MEDICAL CENTER	1,012	Coconino
BANNER IRONWOOD MEDICAL CENTER	1,251	Pinal
YUMA REGIONAL MEDICAL CENTER	2,925	Yuma

Proposed Methodology- ADHS Data

- An example of the proposed methodology with the tier factors is shown below.
 - The Total Payment Factor % = Hospital Tier %
 - Maximum Unreimbursed Costs of On-Call OBGYN = Total Payment Factor % * Unreimbursed Costs of On-Call OBGYN
 - OBGYN Program Payment = Maximum Unreimbursed Costs of On-Call OBGYN * (Total OBGYN Payment Allocation / Maximum Unreimbursed Costs of On-Call OBGYN)
 - CHC #6 Example- $\$300,000 * (\$2,500,000 / \$4,300,000) = \$145,349$

<u>Community Health Center</u>	<u>FQHC/RHC Tier</u>	<u>Total Payment Factor %</u>	<u>Unreimbursed Costs of On Call OBGYN</u>	<u>Maximum Unreimbursed Costs of On Call OBGYN</u>	<u>OBGYN Program Payment (58.1%)</u>
CHC #1	1	100%	\$3,000,000	\$3,000,000	\$1,744,186
CHC #2	1	100%	\$750,000	\$750,000	\$436,047
CHC #3	2	50%	\$600,000	\$300,000	\$174,419
CHC #4	1	100%	\$900,000	\$900,000	\$523,256
CHC #5	2	50%	\$300,000	\$150,000	\$87,209
CHC #6	1	100%	\$250,000	\$250,000	\$145,349
			\$5,800,000	\$4,300,000	\$2,500,000

Reporting Template

AHCCCS has drafted a reporting template to be completed by all eligible entities each year to be eligible for the program.

In the reporting template, AHCCCS is requesting the following:

- Provider Details
- Staffing Details
- Visit Count Details
- Cost Details

AHCCCS is requesting this information to ensure the entity qualifies for payment, reports unreimbursed costs, and provided information to meet the legislative requirements for reporting.

Reporting Template- Worksheet A

Worksheet A: Provider Information

WORKSHEET A

PROVIDER INFORMATION - COMMUNITY HEALTH CENTERS PROVIDING ON-CALL OBSTETRIC AND GYNECOLOGICAL (OBGYN) SERVICES 1/

Fiscal Period: July 1, 2022 - June 30, 2023

CHC Name: _____

#	AHCCCS Servicing Provider ID	Servicing Provider Name	Servicing Provider County	Name of Hospital or Birthing Center Served
Site 1				
Site 2				
Site 3				
Site 4				
Site 5				

1/ Please list the requested information for each health center that provided or contracted for on-call OBGYN services during the period.

Reporting Template- Worksheet B

Worksheet B: On-Call OBGYN Practitioners and On-Call Hours

WORKSHEET B
PRACTITIONERS RENDERING ON-CALL OBGYN SERVICES 1/

Fiscal Period: July 1, 2022 - June 30, 2023

CHC Name: _____

#	Practitioner Staff		Locums and Physicians Under Agreement		Total	
	Number of Practitioners	# of Hours On-Call	Number of Practitioners	# of Hours On-Call	Number of Practitioners	# of Hours On-Call
Site 1					-	-
Site 2					-	-
Site 3					-	-
Site 4					-	-
Site 5					-	-
Total	-	-	-	-	-	-

1/ Please include requested data for physicians and mid-level practitioners, including nurse widwives, that each health center arranged to deliver on-call OBGYN services during the period.

REVISED Reporting Template- Worksheet B

Worksheet B: On-Call OBGYN Practitioners and On-Call Hours

WORKSHEET B
PRACTITIONERS RENDERING ON-CALL OBGYN SERVICES 1/

Fiscal Period: July 1, 2022 - June 30, 2023
 CHC Name: _____

#	Practitioner Staff		Locums and Physicians Under Agreement		Total	
	Number of Practitioners	# of Hours On-Call	Number of Practitioners	# of Hours On-Call	Number of Practitioners	# of Hours On-Call
Site 1					-	-
Site 2					-	-
Site 3					-	-
Site 4					-	-
Site 5					-	-
Total	-	-	-	-	-	-

1/ Please include requested data for physicians and mid-level practitioners, including nurse widwives, that each health center arranged to deliver on-call OBGYN services during the period.

2/Maximum Amount of Allowable hours per day is capped at 24 hours for reporting purposes for a given FQHC/RHC. i.e- If two practitioners are on-call during the same day and work a combined 30 hours, the FQHC/RHC can only report 24 hours.

Reporting Template- Worksheet C

Worksheet C: Services Provided by Health Center

WORKSHEET C
ON-CALL OBGYN SERVICES DELIVERED

Fiscal Period: July 1, 2022 - June 30, 2023
CHC Name: _____

VISIT COUNTS 1/				
#	Delivery	Non-Delivery Emergency Procedure Visit 2/	Non-Delivery Other Visit	Total
Visits that Resulted in Some Level of Reimbursement 3/				
Site 1				-
Site 2				-
Site 3				-
Site 4				-
Site 5				-
Subtotal	-	-	-	-
Visits that Resulted in \$0 in Reimbursement 4/				
Site 1				-
Site 2				-
Site 3				-
Site 4				-
Site 5				-
Total	-	-	-	-
Total				
Site 1	-	-	-	-
Site 2	-	-	-	-
Site 3	-	-	-	-
Site 4	-	-	-	-
Site 5	-	-	-	-
Total	-	-	-	-

- Please count each unique instance of furnishing a patient with on-call OBGYN services under any of the service categories.
- Include non-delivery visits that were billed with codes 99281 - 99285 for on call antepartum or postpartum services.
- Include visits that resulted in any amount of reimbursement from any source, whether or not the reimbursement fully covered the cost of service.
- Include visits that did not result in any amount of reimbursement from any source.

Reporting Template- Worksheet D

Worksheet D: Costs Incurred by Health Center

Worksheet D

COSTS AND REIMBURSEMENT OF PROVIDING ON-CALL OBGYN SERVICES

Fiscal Period: July 1, 2022 - June 30, 2023

CHC Name: _____

1. COSTS INCURRED BY THE HEALTH CENTER

#	Practitioner Staff			Locums and Practitioners Under Agreement	Total
	Direct Care Cost 1/	General Service Cost 2/	Staff Cost	Contracted Costs	Costs
Site 1			\$ -	\$ -	\$ -
Site 2			\$ -	\$ -	\$ -
Site 3			\$ -	\$ -	\$ -
Site 4			\$ -	\$ -	\$ -
Site 5			\$ -	\$ -	\$ -
Total	\$ -	\$ -	\$ -	\$ -	\$ -

Description of any methodology used for allocating a portion of direct care costs to on-call services. If necessary, please submit additional files with backup calculations. 1/:

Description of any methodology used for allocating a portion of general service costs to on-call services. If necessary, please submit additional files with backup calculations. 2/:

2. REIMBURSEMENT RECEIVED BY THE HEALTH CENTER FOR SERVICES DELIVERED ON CALL 3/

#	By Payer			Total
	AHCCCS	Other Insurance	Hospital or Other	
Site 1				\$ -
Site 2				\$ -
Site 3				\$ -
Site 4				\$ -
Site 5				\$ -
Total	\$ -	\$ -	\$ -	\$ -

3. UNREIMBURSED COST OF ON-CALL OBGYN SERVICES

#	Cost	Reimbursement	Unreimbursed Cost
Site 1	\$ -	\$ -	\$ -
Site 2	\$ -	\$ -	\$ -
Site 3	\$ -	\$ -	\$ -
Site 4	\$ -	\$ -	\$ -
Site 5	\$ -	\$ -	\$ -
Total	\$ -	\$ -	\$ -

REVISED Reporting Template- Worksheet D

Worksheet D: Costs Incurred by Health Center

Worksheet D
COSTS AND REIMBURSEMENT OF PROVIDING ON-CALL OBGYN SERVICES

Fiscal Period: July 1, 2022 - June 30, 2023
CHC Name: _____

1. COSTS INCURRED BY THE HEALTH CENTER

#	Practitioner Staff			Locums and Practitioners Under Agreement	Total
	Direct Care Wages 1/	Direct Care Employee Related Expenses 2/	Total Direct Care Costs	Contracted Costs	Costs
Site 1			\$ -		\$ -
Site 2			\$ -		\$ -
Site 3			\$ -		\$ -
Site 4			\$ -		\$ -
Site 5			\$ -		\$ -
Total	\$ -	\$ -	\$ -	\$ -	\$ -

Description of any methodology used for allocating a portion of direct care wages and employee related expenses to on-call services. If necessary, please submit additional files with backup calculations. 1/2/:

2. REIMBURSEMENT RECEIVED BY THE HEALTH CENTER FOR SERVICES DELIVERED ON CALL 3/

#	By Payer			Total
	AHCCCS	Other Insurance	Hospital or Other	
Site 1				\$ -
Site 2				\$ -
Site 3				\$ -
Site 4				\$ -
Site 5				\$ -
Total	\$ -	\$ -	\$ -	\$ -

3. UNREIMBURSED COST OF ON-CALL OBGYN SERVICES

#	Cost	Reimbursement	Unreimbursed Cost
Site 1	\$ -	\$ -	\$ -
Site 2	\$ -	\$ -	\$ -
Site 3	\$ -	\$ -	\$ -
Site 4	\$ -	\$ -	\$ -
Site 5	\$ -	\$ -	\$ -
Total	\$ -	\$ -	\$ -

Timeline

Early April: Finalization of Methodology and Reporting Template and sent to all CHCs and posted on AHCCCS website.

May 3: Reporting Templates due to AHCCCS to finalize Year 1 payments

May 2024: Year 1 Payments made to CHCs.

Questions?