

## NOTICE OF PUBLIC INFORMATION

- 1. Name of the agency:** Arizona Health Care Cost Containment System (AHCCCS) Administration
- 2. The Subject of this notice:** AHCCCS Fee-For-Service Provider Rate Reductions
- 3. The public information relating to the subject:**

As a result of Arizona's continuing budget crisis and the projected deficit for the Medicaid Program for FY 2012 which begins on July 1, 2011, the AHCCCS Administration will reduce fee-for-service (FFS) provider rates on April 1, 2011. Provider rate reductions are authorized by HB 2010, the Health Budget Reconciliation Bill which was passed during the 2010 Legislative Session. HB 2010 authorized the AHCCCS Administration to reduce both institutional and non institutional rates up to 5% for the rate year beginning October 1, 2010.

Therefore, on April 1, 2011, the following FFS provider rates will be reduced by the percentages specified below:

### Reduced 5%:

- Inpatient hospital rates
- Cost to Charge ratios used to qualify and pay inpatient outliers
- Outpatient hospital rates
- Dental rates
- Physician fee schedule rates
  - including DME, Prosthetics, Orthotics, Supplies, and Clinical Lab
  - Including percentage for codes paid "By Report" (from 65.00% to 61.75%)
  - excluding the Physician Drug Schedule
- Dialysis center composite rates
- Arizona Department of Health Service (ADHS) Transportation rates
- Non-ADHS Transportation rates
- Behavioral Health rates (including AHCCCS inpatient psychiatric tiered per diem rates and bed holds) with the exception of:
  - 1) All other Acute Care Hospital/Level 1 Hospitalization
  - 2) All Level 1 Sub Acute Facilities
  - 3) All Level 1 Residential Treatment Centers

### Reduced 2.5%:

- In-Home service rates, including Adult Day Health (excluding services paid by DES Division of Developmental Disabilities (DDD))

### No Rate Reduction:

- Nursing Facilities rates
- Ambulatory Surgical Centers rates
- Pharmacy
- Alternative Residential Facilities
- Hospice
- Exceptions noted above

More information about the FFS provider rate reductions may be obtained from the AHCCCS website at: <http://www.azahcccs.gov/commercial/ProviderBilling/rates/rates.aspx>

- 4. A list of previous notices published in the Arizona Administrative Register relating to the notice of public information.**  
None
- 5. The name, address, and telephone number of agency personnel to whom questions and comment on the subject may be addressed:**

Written comments concerning these rate reductions may be submitted to the AHCCCS Administration. All comments must be received by close of business 5:00 p.m. no later than 30 days from the date of publication of the Notice of Public Information (NOPI) by the Secretary of State. Please direct written comments to:

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