

## **Fee For Service Payments**

### **AHCCCS Update**

In May 2011, AHCCCS announced 5% provider rate reductions, which were scheduled to go into effect for dates of services on and after October 1, 2011. The federal government continues to review the proposed rate reduction. Under federal law, AHCCCS is entitled to - and intends to - implement the reductions for dates of services after October 1, 2011, even if federal approval occurs at a later date, as such approvals are retroactive.

Because federal approval was expected shortly after the October 1, 2011 date, AHCCCS began holding payments for claims with dates of service on and after October 1, 2011, to avoid administrative cost and confusion. However, to date, the federal government still has not rendered a decision on the rate reductions.

In consideration of the burden that holding claims will place on smaller healthcare providers, AHCCCS will immediately begin making payments for non-hospital claims for dates of service on and after October 1, 2011, at the rates under review by the federal government.

AHCCCS expects eventual federal approval of the rate reductions, but it is no longer clear that approval will be in the immediate future. In the unlikely event that the federal government does not approve the rate reductions, AHCCCS will take appropriate action to reprocess claims at the rate ultimately approved by the federal government. Continue checking the AHCCCS website for updated information.