

## NOTICE OF PUBLIC INFORMATION-PUBLIC NOTICE

1. **Name of the Agency:** Arizona Health Care Cost Containment System (AHCCCS)
2. **The topic of the public information notice:**

AHCCCS Fee-For-Service (FFS) per diem rates for Nursing Facilities to be effective for dates of service on and after January 1, 2019.

3. **The public information relating to the topic:**

- a. This Notice describes proposed changes to the Arizona Health Care Cost Containment System (AHCCCS) Fee-For-Service (FFS) per diem rates for Nursing Facilities to be effective for dates of service on and after January 1, 2019 to address the increased labor costs resulting from the Arizona minimum wage increase and employee benefit provisions mandated by Proposition 206, and the Flagstaff minimum wage increase mandated by Proposition 414 and later amended through action of the Flagstaff City Council. The total change in FFS payments as a result of the proposed changes is an estimated increase of \$243,585 for the time period of January 1, 2019 through September 30, 2019.
- b. AHCCCS' Managed Care Organizations will be required to pass-through these rate increases effective with dates of service on and after January 1, 2019 to Nursing Facility providers.
- c. The AHCCCS Nursing Facility fee schedule will be updated as illustrated below:

| <b><i>Rates Effective 01/01/2019</i></b> |                         |                   |                   |                  |
|--|-------------------------|-------------------|-------------------|------------------|
| <b>Revenue Code</b>                      | <b>Description</b>      | <b>Urban Rate</b> | <b>Rural Rate</b> | <b>Flagstaff</b> |
| 0183                                     | LOA/Therapeutic         | \$161.89          | \$156.84          | \$158.96         |
| 0185                                     | LOA/Nursing Home        | \$161.89          | \$156.84          | \$158.96         |
| 0191                                     | Subacute Care Level I   | \$161.89          | \$156.84          | \$158.96         |
| 0192                                     | Subacute Care Level II  | \$176.98          | \$170.92          | \$173.20         |
| 0193                                     | Subacute Care Level III | \$209.93          | \$203.21          | \$205.93         |

| <b><i>Percentage Increase Effective 01/01/2019</i></b> |                         |                   |                   |                  |
|--|-------------------------|-------------------|-------------------|------------------|
| <b>Revenue Code</b>                                    | <b>Description</b>      | <b>Urban Rate</b> | <b>Rural Rate</b> | <b>Flagstaff</b> |
| 0183   | LOA/Therapeutic         | 0.7%              | 0.7%              | 1.3%             |
| 0185   | LOA/Nursing Home        | 0.7%              | 0.7%              | 1.3%             |
| 0191   | Subacute Care Level I   | 0.7%              | 0.7%              | 1.3%             |
| 0192   | Subacute Care Level II  | 0.7%              | 0.7%              | 1.3%             |
| 0193   | Subacute Care Level III | 0.7%              | 0.7%              | 1.3%             |

In addition, the increase in reimbursement will be applied to claims for Nursing Facility per diems for specialty services for which AHCCCS does not establish a capped fee-for-service fee schedule rate.

- d. The changes proposed for the rates in this Notice are proposed to assure 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.
- e. Written comments may be sent to the following address and must be received no later than 5:00 p.m. on December 28, 2018:

Meggan Harley, Contracts and Purchasing Administrator  
Arizona Health Care Cost Containment System  
701 E. Jefferson St. Phoenix, Arizona 85034

- f. More information regarding these changes to reimbursement can be obtained from the AHCCCS website at:  
[https://www.azahcccs.gov/PlansProviders/RatesAndBilling/FFS/AHCCCSprovider\\_rateanalysis.html](https://www.azahcccs.gov/PlansProviders/RatesAndBilling/FFS/AHCCCSprovider_rateanalysis.html). Many public libraries offer access to the internet. In addition, the information can be obtained at the Offices of the AHCCCS Administration, 701 E. Jefferson, Phoenix, AZ 85034.