**PRELIMINARY 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 of January 1, 2027 through September 30, 2027.

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

   a. This Notice describes 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, 2027 to address the increased labor costs resulting from the Arizona minimum wage increase by Proposition 206, the Flagstaff minimum wage increase mandated by Proposition 414 and later amended through action of the Flagstaff City Council, and the Tucson Minimum Wage Act increase by Proposition 206.

      - For the time period of January 1, 2027 through September 30, 2027 rates will be increased by 0.83% for Statewide, 0.82% for Flagstaff, and 0.89% for Tucson.
      - The total change in FFS payments as a result of the proposed changes is an estimated increase of $307,720.

   b. AHCCCS' Managed Care Organizations will be required to implement these rate increases effective for the above dates of service to Nursing Facility providers.

   c. The AHCCCS Nursing Facility fee schedule will be updated as illustrated below:

| Rates Effective 01/01/2027 | | | | | |
|---|---|---|---|---|---|
| **Revenue Code** | **Description** | **Urban Rate** | **Rural Rate** | **Flagstaff** | **Tucson** |
| 0183 | LOA/Therapeutic | $214.03 | $207.36 | $213.42 | $215.25 |
| 0185 | LOA/Nursing Home | $214.03 | $207.36 | $213.42 | $215.25 |
| 0191 | Subacute Care Level I | $214.03 | $207.36 | $213.42 | $215.25 |
| 0192 | Subacute Care Level II | $233.99 | $225.97 | $232.55 | $235.32 |
| 0193 | Subacute Care Level III | $277.54 | $268.66 | $276.51 | $279.12 |

| Percentage Increase Effective 01/01/2027 | | | | | |
|---|---|---|---|---|---|
| **Revenue Code** | **Description** | **Urban Rate** | **Rural Rate** | **Flagstaff** | **Tucson** |
| 0183 | LOA/Therapeutic | 0.83% | 0.83% | 0.82% | 0.89% |
| 0185 | LOA/Nursing Home | 0.83% | 0.83% | 0.82% | 0.89% |
| 0191 | Subacute Care Level I | 0.83% | 0.83% | 0.82% | 0.89% |
| 0192 | Subacute Care Level II | 0.83% | 0.83% | 0.82% | 0.89% |
| 0193 | Subacute Care Level III | 0.83% | 0.83% | 0.82% | 0.89% |

   d. 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.

e. The Flagstaff increase indicated above will apply to claims associated with one of the following zip codes: 86001, 86004, and 86005.

f. The Tucson rates specified above will apply to the following zip codes: 85641, 85701, 85704, 85705, 85706, 85707, 85708, 85709, 85710, 85711, 85712, 85713, 85714, 85715, 85716, 85718, 85719, 85723, 85724, 85726, 85730, 85745, 85746, 85747, 85748, 85749, and 85756.

g. The changes proposed for the rates in this Notice are proposed to ensure 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.

h. More information regarding these changes to reimbursement can be obtained at the Offices of the AHCCCS Administration, 150 N. 18th Ave. Phoenix, AZ 85007.

i. Comments regarding the proposed AHCCCS FFS rates may be submitted electronically at FFSRates@azahcccs.gov. All comments must be received no later than 5:00 p.m. on December 5, 2026.