

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 July 1, 2017.

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 July 1, 2017 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 \$131,930 for the time period of July 1, 2017 through June 30, 2018.
- b. AHCCCS' Managed Care Organizations will be required to pass-through these rate increases effective with dates of service on and after July 1, 2017 to Nursing Facility providers.
- c. The AHCCCS Nursing Facility fee schedule will be updated as illustrated below:

<i>Rates Effective 07/01/2017</i>				
Revenue Code	Description	Urban Rate	Rural Rate	Flagstaff
0183	LOA/Therapeutic	\$155.01	\$150.18	\$151.27
0185	LOA/Nursing Home	\$155.01	\$150.18	\$151.27
0191	Subacute Care Level I	\$155.01	\$150.18	\$151.27
0192	Subacute Care Level II	\$169.46	\$163.66	\$164.83
0193	Subacute Care Level III	\$201.01	\$194.58	\$195.98

<i>Percentage Increase Effective 07/01/2017</i>				
Revenue Code	Description	Urban Rate	Rural Rate	Flagstaff
0183	LOA/Therapeutic	0.3%	0.3%	1.0%
0185	LOA/Nursing Home	0.3%	0.3%	1.0%
0191	Subacute Care Level I	0.3%	0.3%	1.0%
0192	Subacute Care Level II	0.3%	0.3%	1.0%
0193	Subacute Care Level III	0.3%	0.3%	1.0%

- 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. In addition to the rates and providers detailed in this notice, there are other provider rates that will be adjusted for July 1, 2017 for similar reasons and AHCCCS intends to publish a Public Notice notifying those providers of proposed rate activity effective July 1, 2017, later in the month of June.
- f. Written comments may be sent to the following address and must be received no later than 5:00 p.m. on June 30, 2017:
 - Meggan Harley, Contracts and Purchasing Administrator
 - Arizona Health Care Cost Containment System
 - 701 E. Jefferson St. Phoenix, Arizona 85034
- g. 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. 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.