

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) proposed rates for designated fee schedules to be effective for dates of service beginning October 1, 2017.
3. **The public information relating to the topic:**
 - a. This Notice of Public Information describes proposed changes to the Arizona Health Care Cost Containment System (AHCCCS) Fee-For-Service (FFS) rates to be effective October 1, 2017. The AHCCCS Administration is proposing changes to the FFS rates specified in this Notice 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. The estimated increase in FFS payments as a result of the proposed rate changes is expected to be approximately \$1,261,956 for the time period of October 1, 2017 through September 30, 2018. More detailed information regarding the proposed fee schedule changes is included below.

Additionally, this Notice describes proposed changes to the AHCCCS pharmacy dispensing fee for 340B providers effective for dates of service on and after January 1, 2018.

The following fee schedules will be updated as described below:

- Hospice per diem rates will be updated to match the *Medicaid Hospice Payment Rates* for Arizona published by Medicare.
- Inpatient Hospital APR-DRG outlier cost-to-charge ratios will be updated to match the Medicare IPPS 2017 ratios.
- Physician Drug Schedule rates will be updated to address changes in drug prices which will result in a 4.8% aggregate increase.
- Ambulance rates that are based on the Arizona Ground Ambulance Service Rate Schedule published by the Arizona Department of Health Services (ADHS), Bureau of Emergency Medical Services, will be updated in accordance with state law, which will result in a 2.7% aggregate increase.
- FFS Emergency Ground Ambulance Fee Schedule rates (other than those based on rates established by the Arizona Department of Health Services, Bureau of Emergency Medical Services) will be updated to adjust the base reimbursement rates for ambulance trips and associated mileage for an increase of 3.3% in aggregate in order to ensure access to care.
- Long-Term Acute Care Hospital and Rehabilitation Hospital per diem rates will be updated for changes in hospital case mix indices and outlier cost-to-charge ratios will be updated to match Medicare 2017 ratios for an aggregate increase of 0.5%.
- Outpatient Behavioral Health Fee Schedule rates will be updated for an aggregate increase of 0.1% reflecting changes in the relative values of services and in order to ensure access to care.

The following fee schedules will be updated for a 0% aggregate fiscal impact, reflecting changes to the Medicare fee schedules on which they are based:

- Ambulatory Surgical Center Fee Schedule rates
- Physician Fee Schedule rates
- Clinical Laboratory Fee Schedule rates
- Durable Medical Equipment, Prosthetics, Orthotics and Supplies Fee Schedule rates
- Outpatient Hospital Fee Schedule rates.

The following fee schedules will remain unchanged:

- Air Ambulance Transportation Fee Schedule rates
- AzEIP Speech Therapy Fee Schedule rates
- Dental Fee Schedule rates
- Freestanding Dialysis Facility composite rates
- Freestanding Emergency Department Fee Schedule rates
- Inpatient Behavioral Health Fee Schedule rates
- Non-Emergency Transportation Fee Schedule rates
- Treat & Refer Fee Schedule rates

The following fees schedules will remain unchanged with the exception of Value Based Purchasing Differential Adjusted rates. For more information on Value Based Purchasing Differential Adjusted rates, see the Notice of Public Information on the AHCCCS website: <https://www.azahcccs.gov/AHCCCS/Downloads/PublicNotices/rates/ValueBasedPaymentPublicComment.pdf>

- Home and Community Based Services Fee Schedule rates
- Nursing Facility Fee Schedule rates

For drugs dispensed by 340B covered entity pharmacies other than hospitals and outpatient facilities owned or operated by licensed hospitals, effective for dates of service on and after January 1, 2018, the AHCCCS dispensing fee will be \$8.75.

- b. Comments regarding the proposed AHCCCS FFS rates may be submitted electronically at FFSRates@azahcccs.gov or in writing to:

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

All comments must be received no later than 5:00 p.m. on September 15, 2017.

- c. Individual FFS rates reflecting the changes to reimbursement described above can be obtained from the AHCCCS website at: <https://www.azahcccs.gov/PlansProviders/RatesAndBilling/FFS/AHCCCSProviderRateAnalysis2016.html>
- d. 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.