Rates Update

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Provider Type 02 Inpatient Hospital Claims – BH Primary Diagnosis

- AHCCCS amending FFS reimbursement methodology - discharge dates on/after 10/1/18
- Pay using a daily rate rather than a DRG
  - This daily rate shall be considered an administrative day rate
  - The claim shall be submitted as an administrative day claim and follow the process outlined by AHCCCS for billing of administrative day claims
  - AHCCCS will amend definition of administrative day in Rule, DRG Policy Document, FFS Provider Manual
Provider Type 02 Inpatient Hospital Claims – BH Primary Diagnosis, cont.

• Current definition of admin day will be maintained – days that do not meet criteria for an acute inpatient stay

• New definition will be added that will specify that the days do meet the criteria for an acute inpatient stay and have a primary diagnosis of BH

  o Original communication:
    ▪ AHCCCS shall pay the daily rate of $816.39 on the FFS Fee Schedule (BH Inpatient Rates)
    ▪ Which shall not be used for, or confused with, the traditional administrative days reimbursement
Revised communication:
- AHCCCS shall pay a diagnosis-based daily rate of $816.39, to be loaded in PR050 without regard to revenue code
- Which shall not be used for, or confused with, the traditional administrative days reimbursement

New Communication:
- RBHAs shall continue to pay for BH primary diagnosis claims in 02 setting as they were paying effective 9/30/18
  - Per diem rates
  - Revenue code dependent
  - Do not follow this admin day/rate policy
BH Fee For Service Rates – CYE 2019

• ~38k AI members transitioned from RBHAs to AIHP for BH services 10/1/18
• ~1.6k transitioning AI members utilizing BH services
• Servicing providers paid market rates through 9/30/18 dates of service
• AHCCCS FFS rates below market rates for select BH services – varies by County
• Considering market equalization on rates
BH Fee For Service Rates – CYE 2019, cont.

- Rate changes could occur as early as 1/1/19
- Considering various options
- Looking for solutions that will have minimal impact on MCOs
- No capitation changes
BH Fee For Service Rates – CYE 2020

• AHCCCS contracted with Navigant Consulting on BH Fee Schedule review – inpatient/outpatient

• Timeline (subject to change)
  o Kick-off - 10/29/18
  o Report due to AHCCCS - 4/1/19
  o AHCCCS submit report to Legislature - 6/30/19
  o Proposed rates published - 6/30/19

• Goal: development of a sustainable and reproducible rate-setting methodology

• MCOs: consider impacts to contracts eff 10/1/19
Differential Adjusted Payments

• AHCCCS posted a Request for Information on 10/31/18 – comments due 11/30/18

• Seeking stakeholder input on Differential Adjusted Payments (DAPs) for CYE 2020 (and for 2021 as some could be pushed back/take longer)

• Provides a list of ideas AHCCCS is already considering in future years
## DAP Timeline

<table>
<thead>
<tr>
<th>Deadline</th>
<th>Key Activities</th>
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<tbody>
<tr>
<td>1/31/2019</td>
<td>Preliminary Public Notice</td>
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<tr>
<td>4/30/2019</td>
<td>Final Public Notice</td>
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<tr>
<td>5/1/2019</td>
<td>Qualifying Providers Identified</td>
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<tr>
<td>7/1/2019</td>
<td>438.6(c) Request for Approval Due to CMS</td>
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<tr>
<td>8/15/2019</td>
<td>MCO Cap Rates Due to CMS (w/prospective funding for DAPs)</td>
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<tr>
<td>10/1/2019</td>
<td>Effective Date of DAP</td>
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ACC Risk Adjustment Future Plans

• Expect to continue non-diagnostic based risk model for years 1 and 2 (CYEs 2019 & 2020)
• Implement diagnostic-based risk model for year 3 (CYE 2021)
• Intend to engage actuarial consulting firm specializing in risk adjustment
  ○ Contract beginning ~7/1/19
• More communication forthcoming from Actuarial Unit
Prop 206 – Minimum Wage

• Next increase to minimum wage is 1/1/19
  o $0.50 increase
  o Select HCBS procedure codes
  o All NF revenue codes
  o All ALF procedure codes

• Funding for increase already included in ALTCS capitation rates (both EPD and DDD)
Questions?

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Thank You.