DISABLED & ELDERLY HEALTH PROGRAMS GROUP

JUL 02 2013

Mr. Tom Betlach, Director
Arizona Health Care Cost Containment System
801 East Jefferson, MD 4100
Phoenix, AZ  85034

RE: Implementation of Section 1202 of the Affordable Care Act Primary Care Payment Increase

Dear Mr. Betlach:

The Centers for Medicare & Medicaid Services (CMS) has reviewed Arizona’s methodologies submitted on March 29, 2013, and finds them compliant with the requirements outlined in 42 C.F.R. §438.804(a)(1)(i)-(ii) for purposes of implementing the increase in primary care physician payments in a managed care delivery system.

As Arizona has elected to reimburse its MCOs for the enhanced primary care payments retroactively on a non-risk basis, the final step to implement the primary care increase and authorize Federal Financial Participation for these payments is to submit contract amendment(s) for approval to ensure compliance with 42 C.F.R. §438.6(c)(5)(vi). The contract amendment must identify the primary care payment increase as a payment arrangement separate and apart from the risk-based capitation payments to its MCOs.

If you require additional technical assistance to complete the implementation process for this provision, please contact Cheryl Young in the San Francisco Regional Office at (415) 744-3598 or Nicole Kaufman in the Central Office at (410) 786-6604. In addition, questions may be submitted to CMCSPPACAQuestions@cms.hhs.gov.

Sincerely,

Nancy Klimon, DrPH
Director, Division of Integrated Health Systems

cc: Don Novo
    Gloria Nagle
    Cheryl Young
    Carolyn Kenline
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    Shelli Silver