

October 31, 2014

Cheryl Young
Division of Medicaid and Children's Health Operations
U.S. Department of Health & Human Services
Centers for Medicare & Medicaid Services
90 Seventh Street, Suite 5-300 (5W)
San Francisco, CA 94103-6707

RE: Arizona SPA #14-013-C, Other Provider rates

Dear Ms. Young:

Enclosed is State Plan Amendment (SPA) #14-013-C, Other Provider Rates, which updates rates for Other Provider services as of October 1, 2014.

If you have any questions about the enclosed SPA, please contact Theresa Gonzales at (602) 417-4732.

Sincerely,



Monica H. Coury
Assistant Director
Office of Intergovernmental Relations

cc: Mark Wong, CMS

State: ARIZONA
METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES
OTHER TYPES OF CARE

Rate Update

Rates in effect on September 30, 2014, are updated effective October 1, 2014 in the following manner:

- Laboratory and X-ray Services – Page 2 of Att. 4.19-B: -1.1% in aggregate
- Behavioral Health Services in Att. 3.1-A Limitations: 4(b)(ii), 6(d)(viii), 9, and 13d – Page 5a of Att. 4.19-B: +2.0% uniformly
- Physician Services – Page 5a of Att. 4.19-B: 0.0% in aggregate
- Dental Services – Page 5b of Att. 4.19-B: 0.0% uniformly
- Transportation Services – Page 5b of Att. 4.19-B: Emergency Ground Ambulance Services +11.3% in aggregate; all other transportation services 0.0% uniformly
- Clinic Services – Page 5a of Att. 4.19-B: +4.3% in aggregate
- Family Planning Services – Page 5a of Att. 4.19-B: +5.6% in aggregate
- Nurse-Midwife Services – Page 5a of Att. 4.19-B: +0.2% in aggregate
- Pediatric and Family Nurse Practitioner Services – Page 5a of Att. 4.19-B: +0.5% in aggregate
- Other types of care furnished by all Licensed Practitioners in Att. 3.1-A, item 6d – Page 5b of Att. 4.19-B: +0.2% in aggregate
- Diagnostic, Screening and Preventive Services – Page 5b of Att. 4.19-B: +0.5% in aggregate
- Respiratory Care Services – Page 5b of Att. 4.19-B: -1.9% in aggregate
- Physical Therapy, Occupational Therapy, and Speech Therapy Services – Page 5b of Att. 4.19-B: +1.0% in aggregate
- Prosthetic devices – Page 5b of Att. 4.19-B: +0.6% in aggregate
- Medical Supplies, Equipment and Appliances – Page 5a of Att. 4.19-B: DMEPOS +0.7% in aggregate
- Case Management Services – Page 6 of Att. 4.19-B: +2.0% uniformly
- Home Health Services provided in the eligible person's home – Page 5a of Att. 4.19-B: +2.0 uniformly
- Private Duty Nursing Services when provided in the eligible person's home. – Page 5b of Att. 4.19-B: +2.0 uniformly

Payments for services provided by the Indian Health Services or Tribal 638 Health facilities are not subject to any of the rate updates described above.

State: ARIZONA
METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES
OTHER TYPES OF CARE

The following is a description of methods and standards for determining the payment rates for ambulance transportation services included in the transportation bullet listed in Attachment 4.19-B, page 5b. Except as otherwise noted below, AHCCCS uses a uniform methodology in reimbursing both governmental and private providers for ambulance emergency and non-emergency transportation services.

1) Ground Ambulance Rates set by the Arizona Department of Health Services (ADHS)
ADHS regulates ambulance companies in Arizona (except for those owned and operated by American Indian tribes and federal agencies) licensing and rate setting. ADHS sets rates based on data submitted by providers including direct and indirect costs, reimbursable and non reimbursable charges, utilization data, and public payer settlements. ADHS offers annual provider rate adjustments based upon the Arizona Ambulance Inflation factor (AIF). The AIF is comprised of the average annual change in the CPI-U for transportation (50%) and for medical care (50%). The transportation category is composed of such things as motor vehicles (new and used), motor fuel, parts and equipment, maintenance and repair and public transportation. The medical care category is composed of such things as medical care commodities, medical care services – professional, hospital and related services.

For dates of service prior to October 1, 2009, AHCCCS will reimburse ambulance companies at 80.0% of the ADHS established rate. For dates of service beginning October 1, 2009 through March 31, 2011, AHCCCS will reimburse those providers at 76% of the ADHS established rate. For dates of service beginning April 1, 2011 through September 30, 2011, AHCCCS will reimburse those providers at 72.2% of the ADHS established rate. For dates of service beginning October 1, 2011 through September 30, 2012, AHCCCS will reimburse those providers at 68.6% of the ADHS established rate in effect as of July 7, 2011. For dates of service beginning October 1, 2012 through September 30, 2013, AHCCCS will reimburse those providers at 68.6% of the ADHS established rate in effect as of August 2, 2012 and are posted at:

<http://www.azahcccs.gov/commercial/Downloads/FFSrates/Transportation/Transrateswebsite20130724.xlsx>

For dates of service beginning October 1, 2013 through September 30, 2014, AHCCCS will reimburse those providers at 68.6% of the ADHS established rate in effect as of August 2, 2013 and are posted at:

<http://www.azahcccs.gov/commercial/Downloads/FFSrates/Transportation/Transrateswebsite20131001.xls>

For dates of service beginning October 1, 2014 through September 30, 2015, AHCCCS will reimburse those providers at 74.74% of the ADHS established rate in effect as of August 2, 2014 and are posted at:

<http://www.azahcccs.gov/commercial/Downloads/FFSrates/Transportation/Transrateswebsite20141001.xlsx>

2) Ground Ambulance Rates set by AHCCCS
AHCCCS establishes ground ambulance rates for out-of-state companies, companies operated by American Indian tribes, and federal agencies such as the National Park Service that operates ambulances in Grand Canyon National Park and Lake Meade National Recreation Area. Rates were initially established in 1994 based on the average (mean) reimbursement rates paid by commercial insurance companies. AHCCCS adjusts ground ambulance rates periodically based on the Consumer Price Index for Medical Services, the Consumer Price Index for Other Medical Services and the price of gasoline in Arizona. Rates are posted on the AHCCCS website at <http://www.azahcccs.gov/commercial/ProviderBilling/rates/Transportationrates.aspx>

3) Air Ambulance Rates
AHCCCS establishes reimbursement rates for air ambulance services. A cost study of Air Ambulance Costs was conducted in 2000 to establish the initial rates for specialty and non-specialty transports. Air Ambulance rates are adjusted periodically based on the Consumer Price Index for Other Medical Professionals, the CPI for Transportation, and the Federal Aviation Administration forecast of jet fuel prices. Rates are posted on the AHCCCS website at <http://www.azahcccs.gov/commercial/ProviderBilling/rates/Transportationrates.aspx>

TN No. [12-00514-013C](#)

Supersedes

Approval Date: _____ Effective Date: [April 1, 2012](#) [October 1, 2014](#)

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