

December 12, 2017

Mark Wong
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 #17-017, Nursing Facilities Differential Adjusted Payments

Dear Mr. Wong:

Enclosed is State Plan Amendment (SPA) #17-017, Nursing Facilities Differential Adjusted Payments, which revises the State Plan to create implement differential adjusted payments for nursing facilities, effective October 1, 2017.

If you have any questions about the enclosed SPA, please contact Kyle Sawyer at (602) 417-4211.

Sincerely,



Elizabeth Lorenz
Assistant Director
Arizona Health Care Cost Containment System (AHCCCS)

cc: Jessica Woodard, CMS
Brian Zolynas, CMS

STATE OF ARIZONA
METHODS AND STANDARDS FOR ESTABLISHING FEE-FOR-SERVICE PAYMENT RATES
FOR LONG TERM CARE FACILITIES

F. Nursing Facility ~~Value-Based Purchasing (VBP)~~ Differential Adjusted Payment

As of October 1, 2017~~6~~ through September 30, 2018~~7~~ (Contract Year Ending (CYE) 2018~~7~~), nursing facilities that are located in Arizona with Arizona Medicaid utilization that meet AHCCCS established value based performance metrics requirements in subsection 1 below will receive a ~~Value-Based Purchasing (VBP)~~ Differential Adjusted Payment described in subsection 2 below. The ~~VBP~~ Differential Adjusted Payment Schedule represents a positive adjustment to the AHCCCS Fee-For-Service rates. These payment adjustments will occur for all dates of service in CYE 2018~~7~~ only. The purpose of the ~~VBP~~ Differential Adjusted Payment is to distinguish facilities which have committed to supporting designated actions that improve patients' care experience, improve members' health, and reduce cost of care growth.

1. To qualify for the ~~VBP~~ Differential Adjusted Payment, a nursing facility must meet the following criteria:

- a) Must be an AHCCCS registered provider type 22; and
- b) Must meet or exceed the Arizona average for the percentage of long stay residents assessed and given, appropriately, the pneumococcal vaccine ~~during the performance period of April 1, 2015 through December 31, 2015~~ for the most recently published rate as of April 30, 2017; and/or
- b)c) Must meet or exceed the Arizona average for the percentage of long stay residents assessed and given, appropriately, the influenza vaccine for the most recently published rate as of April 30, 2017
- d) AHCCCS shall use the nursing facility's performance results published on the Medicare Nursing Home Compare Website (<https://data.medicare.gov/Nursing-Home-Compare/Quality-Measures-Long-Stay/iqd3-nsf3>) to determine the facilities that meet the performance standards described in subsection 1(b) ~~and 1(c)~~ for the performance period of April 1, 2015 through December 31, 2015.

2. Nursing facilities that meet the requirements described in subsection 1 shall be eligible to receive a differential adjusted payment. Eligible nursing facilities will receive a 1% increase in payment to its fee-for-service reimbursement rate for October 1, 2017~~6~~ through September 30, 2018~~7~~ for meeting either subsection 1(b) or subsection 1(c). Eligible nursing facilities which meet both subsection 1(b) and 1(c) will receive a 2% increase to its fee-for-service reimbursement rate for October 1, 2017 through September 30, 2018

Exemptions:

IHS and 638 tribally owned and/or operated facilities, including nursing facilities are exempt from this initiative based on payments primarily at the all-inclusive rate.

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TN No. ~~16-012-C~~17-017

Supersedes _____ Approval Date: _____

Effective Date: October 1, 2017~~6~~

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