

December 28, 2018

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 #18-020, Nursing Facility Rates**

Dear Mr. Wong:

Enclosed is State Plan Amendment (SPA) #18-020, Nursing Facility rates, which revises the State Plan to update the Nursing Facility rates, effective October 1, 2018.

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: Blake Holt, CMS  
Brian Zolynas, CMS



STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT  
**STATE: ARIZONA**

**METHODS AND STANDARDS FOR ESTABLISHING FEE-FOR-SERVICE PAYMENT  
 RATES FOR LONG TERM CARE FACILITIES**

85% for each facility, then add in the per day historic costs for property taxes and insurance to determine the statewide average capital component.

4. Total Rate

The per diem nursing facility rates are calculated by summing the primary care, indirect care, and capital cost components. These rates vary by member level of care and geographic area due to the primary care components.

5. Rate Update

Effective October 1, 2002 and each year thereafter, fee-for-service rates for nursing facilities will be updated by applying an inflation factor or factors to the rate components in effect for the prior year. This method of adjusting fee-for-service rates is consistent with the method used by AHCCCS for other medical services. For rates effective from October 1, 2011 to September 30, 2013, and from October 1, 2015 and thereafter, no inflation factor will be applied.

Below are the AHCCCS FFS Nursing Facility Per Diem Rates effective on and after ~~January 1~~October 1, 2018:

<u>Level of Care</u>	<u>Revenue Code</u>	<u>Urban Rate*</u>	<u>Rural Rate</u>	<u>Flagstaff</u>
<u>Level 1</u>	<u>191</u>	<u>\$160.78</u>	<u>\$155.77</u>	<u>\$156.90</u>
<u>Level 2</u>	<u>192</u>	<u>\$175.77</u>	<u>\$169.75</u>	<u>\$170.96</u>
<u>Level 3</u>	<u>193</u>	<u>\$208.49</u>	<u>\$201.82</u>	<u>\$203.27</u>
<u>LOA (Leave of Absence)**</u>	<u>0183, 0185</u>	<u>\$160.78</u>	<u>\$155.77</u>	<u>\$156.90</u>

<del>Level of Care</del>	<del>Revenue Code</del>	<del>Urban Rate*</del>	<del>Rural Rate</del>	<del>Flagstaff</del>
<del>1</del>	<del>0191</del>	<del>\$156.10</del>	<del>\$151.23</del>	<del>\$152.33</del>
<del>2</del>	<del>0192</del>	<del>\$170.65</del>	<del>\$164.81</del>	<del>\$165.98</del>
<del>3</del>	<del>0193</del>	<del>\$202.42</del>	<del>\$195.94</del>	<del>\$197.35</del>
<del>LOA (Leave of Absence)**</del>	<del>0183, 0185</del>	<del>\$156.10</del>	<del>\$151.23</del>	<del>\$152.33</del>

\*AHCCCS has designated nursing facilities in the Arizona counties of Pima, Pinal, and Maricopa as Urban to be paid at the AHCCCS Urban Rate. All other counties inside or outside of Arizona are designated as Rural and are paid at the AHCCCS Rural Rate (except Flagstaff, which is paid at the rate specified above).

\*\*This LOA rate only applies to reserved beds at Nursing Facilities

**III. Other Provisions**

A. Provider Appeals

Nursing facility providers have the right to request an informal rate reconsideration in accordance with the ALTCS Rules. Appeals are allowed for the following reasons:

- Extraordinary circumstances (as determined by the Director).
- Provision of specialty care services directed at members with high medical needs.
- Unique or unusually high case mix.

Appeals are made in writing to the Director. Appeals which are granted become effective no earlier than the date the appeal was requested.

B. Cost and Wage Reporting

AHCCCS uses cost and wage reports filed by the nursing facilities in the State of Arizona as a basis for these rate calculations.

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TN No. ~~18-001020~~

Supersedes

Approval Date: \_\_\_\_\_ Effective Date: ~~January-October~~ 1, 2018

TN No. ~~17-00418-001~~