

December 17, 2020

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 #20-029, "IP DAP"**

Dear Mr. Wong:

Enclosed is State Plan Amendment (SPA) #20-029, IP DAP, which updates the State Plan to update the Inpatient DAP program, effective October 1, 2020. Please see below for information regarding the fiscal analysis, as well as public comment and Tribal Consultation requirements:

Public Comment:

- <https://www.azahcccs.gov/AHCCCS/PublicNotices/>
- [https://www.azahcccs.gov/AHCCCS/Downloads/PublicNotices/rates/DAP\\_Final\\_Note\\_CYE2021\\_Revised\\_09282020.pdf](https://www.azahcccs.gov/AHCCCS/Downloads/PublicNotices/rates/DAP_Final_Note_CYE2021_Revised_09282020.pdf);

Tribal Consultation:

- <https://www.azahcccs.gov/AmericanIndians/TribalConsultation/meetings.html>
- [https://www.azahcccs.gov/AmericanIndians/Downloads/Consultations/Meetings/2020/MASTER\\_SLIDESHOWSpecialTCDAP.pdf](https://www.azahcccs.gov/AmericanIndians/Downloads/Consultations/Meetings/2020/MASTER_SLIDESHOWSpecialTCDAP.pdf)
- [https://www.azahcccs.gov/AmericanIndians/Downloads/Consultations/Meetings/2020/08132020\\_QuarterlyTribalConsultation.pdf](https://www.azahcccs.gov/AmericanIndians/Downloads/Consultations/Meetings/2020/08132020_QuarterlyTribalConsultation.pdf)

Fiscal Analysis:

	FFS Estimates	Federal Funds	
IP DAP-	5,753,300	4,478,900	77.85%

\*Estimate is based on all populations blended FMAP for FFY21.

\*\*Estimate assumes COVID PHE increased FMAP for 3 of 4 quarters in FFY21.

If you have any questions about the enclosed SPA, please contact Alex Demyan at (602) 417-4130.

Sincerely,



Dana Flannery  
Assistant Director  
Arizona Health Care Cost Containment System (AHCCCS)



## INSTRUCTIONS FOR COMPLETING FORM CMS-179

Use Form CMS-179 to transmit State plan material to the regional office for approval. A separate typed transmittal form should be completed for each plan/amendment submitted.

**Block 1 - Transmittal Number** - Enter the State Plan Amendment transmittal number. Assign consecutive numbers on a **calendar year** basis (e.g., 92-001, 92-002, etc.).

**Block 2 - State** -Type the name of the State submitting the plan material.

**Block 3 - Program Identification** -Title XIX of the Social Security Act (Medicaid).

**Block 4 - Proposed Effective Date** - Enter the proposed effective date of material.

**Block 5 -Type of Plan Material** - Check the appropriate box.

**Block 6 - Federal Statute/Regulation Citation** - Enter the appropriate statutory/regulatory citation.

**Block 7 - Federal Budget Impact - 7(a)** - Enter 1st **Federal Fiscal Year** (FFY) impacted by the SPA & estimated Federal share of the cost of the SPA (in thousands) for 1st FFY. **7(b)** - Enter 2nd FFY impacted by the SPA & estimated Federal share of the cost for 2nd FFY. See SMM section 13026.

**Block 8 - Page No.(s) of Plan Section or Attachment** - Enter the page number(s) of plan material transmitted. If additional space is needed, use bond paper.

**Block 9 - Page No.(s) of the Superseded Plan Section or Attachment (if Applicable)** - Enter the page number(s) (including the transmittal sheet number) that is being superseded. If additional space is needed, use bond paper.

**Block 10 - Subject of Amendment** - Briefly describe plan material being transmitted.

**Block 11 - Governor's Review** - Check the appropriate box. See SMM section 13026 B.

**Block 12 - Signature of State Agency Official** -Authorized State official signs this block.

**Block 13 -Typed Name** -Type name of State official who signed block 12.

**Block 14 -Title** -Type title of State official who signed block 12.

**Block 15 - Date Submitted** - Enter the date you mail plan material to RO.

**Block 16 - Return To** -Type the name and address of State official to whom this form should be returned.

**Block 17–23 (FOR REGIONAL OFFICE USE ONLY).**

**Block 17 - Date Received** - Enter the date plan material is received in RO. See ROM section 6003.2.

**Block 18 - Date Approved** - Enter the date RO approved the plan material.

**Block 19 - Effective Date of Approved Material** - Enter the date the plan material becomes effective. If more than one effective date, list each provision and its effective date in Block 23 or attach a sheet.

**Block 20 - Signature of Regional Official** -Approving RO official signs this block.

**Block 21 -Typed Name** -Type approving official's name.

**Block 22 -Title** -Type approving official's title.

**Block 23 - Remarks** - Use this block to reference pen and ink changes, a partial approval, more than one effective date, etc. If additional space is needed, use bond paper.

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**Section XI – Inpatient Differential Adjusted Payment**

**A. Overview:**

As of October 1, 2020 through September 30, 2021 (Contract Year Ending (CYE) 2021 ), AHCCCS-registered Arizona hospitals (other than the facilities described in section C. below) which meet Agency established value based performance metrics requirements in section B. below will receive a Differential Adjusted Payment described in section D. below. The Differential Adjusted Payment Schedule represents a positive adjustment to the AHCCCS Fee-For-Service rates. These payment adjustments will occur for all dates of discharge in CYE 2021 (October 1, 2020 through September 30, 2021 ) only. The purpose of the 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.

**B. Applicability**

To qualify for the Inpatient Differential Adjusted Payment, a hospital providing inpatient hospital services must meet one of the following criteria:

1. Hospitals (provider type 02) receiving APR-DRG reimbursement are eligible for DAP increases under the following criteria. (Up to 3.5%; Up to 13.5% on Select Services)

**a. Health Information Exchange Participation**

Hospitals that did not participate in CYE 2020 DAP, or Hospitals that were in the category of “Providers That Did Not Participate in CYE 2019 DAP” within the CYE 2020 DAP Final Public Notice, Section 1.a.i, are eligible to participate in this DAP initiative. Participants in this initiative cannot participate in the Health Information Exchange Performance initiative described in 1.b.

Participation in a qualifying Health Information Exchange (HIE) organization qualifies the hospital for a 2.5% DAP increase for services. Participation means that by May 27 , 2020 , the hospital (both those addressed in sections 1 and 2 below) must have submitted a Letter of Intent (LOI) to AHCCCS and the HIE, in which it agrees to achieve the following milestones by the specified dates, or maintain its participation in the milestone activities if they have already been achieved:

- i. Milestone #1: No later than May 27, 2020 the hospital must have in place an active participation agreement with a qualifying HIE organization and submit a LOI to AHCCCS and the HIE, in which it agrees to achieve the following milestones by the specified dates, or maintain

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- its participation in the milestone activities if they have already been achieved.
- ii. Milestone #2: No later than June 1, 2020 the hospital must electronically submit the following actual patient identifiable information to the production environment of a qualifying HIE organization: admission, discharge, and transfer information (generally known as ADT information), including data from the hospital emergency department if the provider has an emergency department.
- iii. Milestone #3: No later than August 1, 2020 the hospital must electronically submit the following actual patient identifiable information to the production environment of a qualifying HIE organization: laboratory and radiology information (if the provider has these services), transcription, medication information, immunization data, and discharge summaries that include, at a minimum, discharge orders, discharge instructions, active medications, new prescriptions, active problem lists (diagnosis), treatments and procedures conducted during the stay, active allergies, and discharge destination.
- iv. Milestone #4: Complete the following COVID-19 related milestones, if they are applicable:
1. By September 1, 2020, or within 30 days of initiating COVID-19 lab testing, submit all COVID-19 lab test codes and the associated LOINC codes to qualifying HIE to ensure proper processing of lab results within the HIE system.
  2. By September 1, 2020, or within 30 days of initiating COVID-19 antibody testing, submit all COVID-19 antibody test codes and the associated LOINC codes to the qualifying HIE to ensure proper processing of lab results within the HIE system.
  3. Within 30 days of initiating COVID-19 immunizations, submit all COVID-19 immunization codes and the associated LOINC codes to the qualifying HIE to ensure proper processing of immunizations within the HIE system.
  4. By October 1, 2020, hospitals that utilize external reference labs for any lab result processing must submit necessary provider authorization forms to the qualifying HIE, if required by the external reference lab, to have all outsourced lab test results flow to the qualifying HIE on their behalf.
- v. Milestone #5: No later than November 1, 2020 the hospital must approve and authorize a formal scope of work (SOW) with a qualifying HIE organization to initiate and complete a Phase 1 data quality improvement effort, as defined by the qualifying HIE organization in collaboration with the qualifying HIE organization.
- vi. Milestone #6: No later than January 1, 2021 the hospital must complete the Phase 1 initial data quality profile with a qualifying HIE organization.

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vii. Milestone #7: No later than May 1, 2021 the hospital must complete the Phase 1 final data quality profile with a qualifying HIE organization.

For any milestone that includes electronic submission of patient information, the information transferred to the qualifying HIE must be actual patient data; the transfer of test data does not fulfill these requirements. It must include all patient data, including behavioral health data and data covered by 42 CFR Part 2.

In order to receive the 2.5% DAP increase for HIE participation a hospital must submit an LOI to the HIE and AHCCCS by May 27, 2020 at the following email addresses:

[FFSRates@azahcccs.gov](mailto:FFSRates@azahcccs.gov), and

[ceo@healthcurrent.org](mailto:ceo@healthcurrent.org)

If a hospital has already achieved one or more of the CYE 2021 milestones as of May 27, 2020, the LOI must include a commitment by the hospital to maintain its participation in those milestone activities for the period May 27, 2020 through September 30, 2021. The LOI must list each facility that hospital requests to participate in this DAP initiative and must include the AHCCCS IDs for each listed facility. If a LOI was submitted in alignment with the Preliminary Public Notice, dated March 6, 2020, a new LOI is not required; the hospital is presumed to be included in DAP under these Final Public Notice requirements unless the hospital submits a written request to AHCCCS and the HIE requesting that their LOI be retracted. In all cases, the hospital must submit the AHCCCS IDs for each listed facility as part of the LOI or must email the associated AHCCCS IDs to the email addresses noted.

If a hospital submits an LOI and receives the 2.5% DAP increase for CYE 2021, but fails to achieve one or more of the milestones by the specified date, or fails to maintain its participation in the milestone activities, that hospital will be ineligible to receive DAP for dates of service from October 1, 2021 through September 30, 2022 (CYE 2022) if a DAP is available at that time.

**b. Health Information Exchange Performance**

Hospitals that were in the category of "Returning CYE 2019 DAP Participants" within the CYE 2020 DAP Final Public Notice, Section 1.a.ii. are eligible to participate in this DAP initiative. Participants in this initiative cannot participate

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in the Health Information Exchange Participation initiative described in 1.a. of this Notice.

Hospitals that meet the following milestones and performance criteria are eligible to participate in this DAP initiative and earn up to a 2.5% DAP increase. In order to qualify, by May 27, 2020 the hospital must have submitted a LOI to AHCCCS and the HIE, in which it agrees to achieve the following milestones by the specified dates, or maintain its participation in the milestone activities if they have already been achieved:

- i. Milestone #1: No later than May 27, 2020 the hospital must have in place an active participation agreement with a qualifying HIE organization and submit a LOI to AHCCCS and the HIE, in which it agrees to achieve the following milestones by the specified dates, or maintain its participation in the milestone activities if they have already been achieved.
- ii. Milestone #2: No later than June 1, 2020 the hospital must electronically submit the following actual patient identifiable information to the production environment of a qualifying HIE organization: admission, discharge and transfer information (generally known as ADT information), including data from the hospital emergency department if the provider has an emergency department, laboratory and radiology information (if the provider has these services), transcription, medication information, immunization data, and discharge summaries that include, at a minimum, discharge orders, discharge instructions, active medications, new prescriptions, active problem lists (diagnosis), treatments and procedures conducted during the stay, active allergies, and discharge destination.
- iii. Milestone #3: Complete the following COVID-19 related milestones, if they are applicable:
  1. By September 1, 2020, or within 30 days of initiating COVID-19 lab testing, submit all COVID-19 lab test codes and the associated LOINC codes to qualifying HIE to ensure proper processing of lab results within the HIE system.
  2. By September 1, 2020, or within 30 days of initiating COVID-19 antibody testing, submit all COVID-19 antibody test codes and the associated LOINC codes to the qualifying HIE to ensure proper processing of lab results within the HIE system.
  3. Within 30 days of initiating COVID-19 immunizations, submit all COVID-19 immunization codes and the associated LOINC

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codes to the qualifying HIE to ensure proper processing of immunizations within the HIE system.

4. By October 1, 2020, hospitals that utilize external reference labs for any lab result processing must submit necessary provider authorization forms to the qualifying HIE, if required by the external reference lab, to have all outsourced lab test results flow to the qualifying HIE on their behalf.

iv. Milestone #4: No later than November 1, 2020 the hospital must approve and authorize a formal SOW to initiate and complete a Phase 2 data quality improvement effort, as defined by the qualifying HIE organization and in collaboration with the qualifying HIE organization.

v. Milestone #5: No later than January 1, 2021 the hospital must complete the Phase 2 initial data quality profile with a qualifying HIE organization.

vi. Milestone #6: No later than May 1, 2021 the hospital must complete the Phase 2 final data quality profile with a qualifying HIE organization.

vii. Performance Criteria: Hospitals that meet each of the following HIE data quality performance criteria will be eligible to receive DAP increases described below in 1.b.vii of this Notice.

1. Demonstrate a 10% improvement from baseline measurements in the initial data quality profile, based on July 2019 data, to the final data quality profile, based on March 2020 data.

2. Meet a minimum performance standard of at least 60% based on March 2020 data.

3. If performance meets or exceeds an upper threshold of 90% based on March 2020 data the hospital meets the criteria, regardless of the percentage improvement from the baseline measurements.

viii. DAP HIE Data Quality Standards 2021 Measure Categories: Hospitals that meet the standards, as defined in Attachment A of this notice, [https://azahcccs.gov/AHCCCS/Downloads/PublicNotices/rates/DAP Financial Notice\\_CYE2021\\_Revised\\_09282020.pdf](https://azahcccs.gov/AHCCCS/Downloads/PublicNotices/rates/DAP_Financial_Notice_CYE2021_Revised_09282020.pdf), qualify for a 0.5% DAP increase for each category of the five measure categories, for a total potential increase of 2.5% if criteria are met for all categories.

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1. Data source and data site information must be submitted on all ADT transactions. (0.5%)
2. Event type must be properly coded on all ADT transactions. (0.5%)
3. Patient class must be properly coded on all appropriate ADT transactions. (0.5%)
4. Patient demographic information must be submitted on all ADT transactions. (0.5%)
5. Overall completeness of the ADT message. (0.5%)

For any milestone that includes electronic submission of patient information, the information transferred to the qualifying HIE must be actual patient data; the transfer of test data does not fulfill these requirements. It must include all patient data, including behavioral health data and data covered by 42 C.F.R. Part 2.

In order to receive up to a 2.5% DAP increase for HIE performance a hospital must submit an LOI to the HIE and AHCCCS by May 27, 2020 at the following email addresses:

FFSRates@azahcccs.gov, and

ceo@healthcurrent.org

If a hospital has already achieved one or more of the CYE 2021 milestones as of May 27, 2020, the LOI must include a commitment by the hospital to maintain its participation in those milestone activities for the period May 27, 2020 through September 30, 2021. The LOI must list each facility that hospital requests to participate in this DAP initiative and must include the AHCCCS IDs for each listed facility. If a LOI was submitted in alignment with the Preliminary Public Notice, dated March 6, 2020, a new LOI is not required; the hospital is presumed to be included in DAP under these Final Public Notice requirements unless the hospital submits a written request to AHCCCS and the HIE requesting that their LOI be retracted. In all cases, the hospital must submit the AHCCCS IDs for each listed facility as part of the LOI or must email the associated AHCCCS IDs to the email addresses noted.

If a hospital submits an LOI and receives up to a 2.5% DAP increase for CYE 2021, but fails to achieve one or more of the milestones by the specified date, or fails to maintain its participation in the milestone activities, that hospital will

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be ineligible to receive DAP for dates of service from October 1, 2021 through September 30, 2022 (CYE 2022) if a DAP is available at that time.

**ii. c. Sepsis Care Performance Measure**

Hospitals that meet or exceed the state-wide average for the Sepsis Care performance measure will qualify for a 1.0% DAP increase. On May 12, 2020, AHCCCS will download data from the Medicare Hospital Compare website for the Early Management Bundle, Severe Sepsis/Septic Shock (SEP-1) performance measure. This measure reflects the percentage of patients who received appropriate care for severe sepsis and septic shock. Facility results will be compared to the Arizona average results for the measure. Hospitals that meet or exceed the state-wide average percentage will qualify for the DAP increase.

A pediatric hospital will qualify to receive this DAP increase if it submits a letter to AHCCCS attesting it is a participant in the Improving Pediatric Sepsis Outcomes (IPSO) collaborative for 2020 at the following address: FFSRates@azahcccs.gov.

**d. Long-Acting Reversible Contraception**

For dates of services from October 1, 2020 through September 30, 2021, hospitals subject to APR-DRG reimbursement (Provider Type 02) may qualify for a DAP on codes J7296 - J7298, J7300 - J7301, and J7307 billed on the 1500 or UB-04 forms for long-acting reversible contraception devices. The DAP represents a 10.0% increase on the specific codes.

2. Psychiatric Hospitals, with the exception of public hospitals, Provider Type 71; Secure Residential Treatment Centers (17+ beds), Provider Type B1; Non-Secure Residential Treatment Centers (17+ beds), Provider Type B3; Subacute Facilities (1-16 Beds), Provider Type B5; Subacute Facilities (17+ beds), Provider Type B6; Rehabilitation Hospitals, Provider Type C4; Long Term Acute Care Hospitals, Provider Type C4 are eligible for DAP increases under the following criteria. For purposes of Section 2, other inpatient facilities will be referred to as hospitals. (Up to 4.5%)

**a. Health Information Exchange Participation**

Hospitals that did not participate in CYE 2020 DAP, or Hospitals that were in the category of "Providers That Did Not Participate in CYE 2019 DAP" within the CYE 2020 DAP Final Public Notice, Section 2.a.i, are eligible to participate in this DAP initiative. Participants in this initiative cannot participate in the Health Information Exchange Performance initiative described in 3.b.

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Participation in a qualifying Health Information Exchange (HIE) organization qualifies the hospital for a 2.5% DAP increase for both inpatient and outpatient services. Participation means that by May 27, 2020, the hospital must have submitted a LOI to AHCCCS and the HIE, in which it agrees to achieve the following milestones by the specified dates, or maintain its participation in the milestone activities if they have already been achieved:

- i. Milestone #1: No later than May 27, 2020 the hospital must have in place an active participation agreement with a qualifying HIE organization and submit a LOI to AHCCCS and the HIE, in which it agrees to achieve the following milestones by the specified dates, or maintain its participation in the milestone activities if they have already been achieved.
- ii. Milestone #2: No later than June 1, 2020 the hospital must electronically submit the following actual patient identifiable information to the production environment of a qualifying HIE organization: admission, discharge, and transfer information (generally known as ADT information), including data from the hospital emergency department if the provider has an emergency department.
- iii. Milestone #3: No later than August 1, 2020 the hospital must electronically submit the following actual patient identifiable information to the production environment of a qualifying HIE organization: laboratory and radiology information (if the provider has these services), transcription, medication information, immunization data, and discharge summaries that include, at a minimum, discharge orders, discharge instructions, active medications, new prescriptions, active problem lists (diagnosis), treatments and procedures conducted during the stay, active allergies, and discharge destination.
- iv. Milestone #4: Complete the following COVID-19 related milestones, if they are applicable:
  1. By September 1, 2020, or within 30 days of initiating COVID-19 lab testing, submit all COVID-19 lab test codes and the associated LOINC codes to qualifying HIE to ensure proper processing of lab results within the HIE system.
  2. By September 1, 2020, or within 30 days of initiating COVID-19 antibody testing, submit all COVID-19 antibody test codes and the associated LOINC codes to the qualifying HIE to ensure proper processing of lab results within the HIE system.

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3. Within 30 days of initiating COVID-19 immunizations, submit all COVID-19 immunization codes and the associated LOINC codes to the qualifying HIE to ensure proper processing of immunizations within the HIE system.
4. By October 1, 2020, hospitals that utilize external reference labs for any lab result processing must submit necessary provider authorization forms to the qualifying HIE, if required by the external reference lab, to have all outsourced lab test results flow to the qualifying HIE on their behalf.
- v. Milestone #5: No later than November 1, 2020 the hospital must approve and authorize a formal SOW with a qualifying HIE organization to initiate and complete a Phase 1 data quality improvement effort, as defined by the qualifying HIE organization and in collaboration with the qualifying HIE organization.
- vi. Milestone #6: No later than January 1, 2021 the hospital must complete the Phase 1 initial data quality profile with a qualifying HIE organization.
- vii. Milestone #7: No later than May 1, 2021 the hospital must complete the Phase 1 final data quality profile with a qualifying HIE organization.

For any milestone that includes electronic submission of patient information, the information transferred to the qualifying HIE must be actual patient data; the transfer of test data does not fulfill these requirements. It must include all patient data, including behavioral health data and data covered by 42 C.F.R. Part 2.

In order to receive the 2.5% DAP increase for HIE participation a hospital must submit an LOI to the HIE and AHCCCS by May 27, 2020 at the following email addresses:

FFSRates@azahcccs.gov, and  
ceo@healthcurrent.org

If a hospital has already achieved one or more of the CYE 2021 milestones as of May 27, 2020, the LOI must include a commitment by the hospital to maintain its participation in those milestone activities for the period May 27, 2020 through September 30, 2021. The LOI must list each facility that hospital requests to participate in this DAP initiative and must include the AHCCCS IDs for each listed facility. If a LOI was submitted in alignment with the Preliminary Public Notice, dated March 6, 2020, a new LOI is not required; the hospital is presumed to be included in DAP under these Final Public Notice requirements

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unless the hospital submits a written request to AHCCCS and the HIE requesting that their LOI be retracted. In all cases, the hospital must submit the AHCCCS IDs for each listed facility as part of the LOI or must email the associated AHCCCS IDs to the email addresses noted.

If a hospital submits an LOI and receives the 2.5% DAP increase for CYE 2021, but fails to achieve one or more of the milestones by the specified date, or fails to maintain its participation in the milestone activities, that hospital will be ineligible to receive DAP for dates of service from October 1, 2021 through September 30, 2022 (CYE 2022) if a DAP is available at that time.

**b. Health Information Exchange Performance**

Hospitals that were in the category of “Returning CYE 2019 Participants” within the CYE 2020 DAP Final Public Notice, Section 3.a.ii. are eligible to participate in this DAP initiative. Participants in this initiative cannot participate in the Health Information Exchange Participation initiative.

Hospitals that meet the following milestones and performance criteria are eligible to participate in this DAP initiative and earn up to a 2.5% DAP increase. In order to qualify, by May 27, 2020 the hospital must have submitted a LOI to AHCCCS and the HIE, in which it agrees to achieve the following milestones by the specified dates, or maintain its participation in the milestone activities if they have already been achieved:

- i. Milestone #1: No later than May 27, 2020 the hospital must have in place an active participation agreement with a qualifying HIE organization and submit a LOI to AHCCCS and the HIE, in which it agrees to achieve the following milestones by the specified dates, or maintain its participation in the milestone activities if they have already been achieved.
- ii. Milestone #2: No later than June 1, 2020 the hospital must electronically submit the following actual patient identifiable information to the production environment of a qualifying HIE organization: admission, discharge and transfer information (generally known as ADT information), including data from the hospital emergency department if the provider has an emergency department, laboratory and radiology information (if the provider has these services), transcription, medication information, immunization data, and discharge summaries that include, at a minimum, discharge orders, discharge instructions, active medications, new prescriptions, active problem lists (diagnosis), treatments and procedures conducted during the stay, active allergies, and discharge destination.

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- iii. Milestone #3 Complete the following COVID-19 related milestones, if they are applicable:
1. By September 1, 2020, or within 30 days of initiating COVID-19 lab testing, submit all COVID-19 lab test codes and the associated LOINC codes to qualifying HIE to ensure proper processing of lab results within the HIE system.
  2. By September 1, 2020, or within 30 days of initiating COVID-19 antibody testing, submit all COVID-19 antibody test codes and the associated LOINC codes to the qualifying HIE to ensure proper processing of lab results within the HIE system.
  3. Within 30 days of initiating COVID-19 immunizations, submit all COVID-19 immunization codes and the associated LOINC codes to the qualifying HIE to ensure proper processing of immunizations within the HIE system.
  4. By October 1, 2020, hospitals that utilize external reference labs for any lab result processing must submit necessary provider authorization forms to the qualifying HIE, if required by the external reference lab, to have all outsourced lab test results flow to the qualifying HIE on their behalf.
- iv. Milestone #4: No later than November 1, 2020 the hospital must approve and authorize a formal SOW to initiate and complete a Phase 2 data quality improvement effort, as defined by the qualifying HIE organization and in collaboration with a qualifying HIE organization.
- v. Milestone #5: No later than January 1, 2021 the hospital must complete the Phase 2 initial data quality profile with a qualifying HIE organization.
- vi. Milestone #6: No later than May 1, 2021 the hospital must complete the Phase 2 final data quality profile with a qualifying HIE organization.
- vii. Performance Criteria: Hospitals that meet each of the following HIE data quality performance criteria will be eligible to DAP increases described below in 2.b.vii.
1. Demonstrate a 10% improvement from baseline measurements in the initial data quality profile, based on July 2019 data, to the final data quality profile, based on March 2020 data.
  2. Meet a minimum performance standard of at least 60% based on March 2020 data.

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3. If performance meets or exceeds an upper threshold of 90% based on March 2020 data the hospital meets the criteria, regardless of the percentage improvement from the baseline measurements.
- viii. DAP HIE Data Quality Standards 2021 Measure Categories: Hospitals that meet the standards, as defined in Attachment A of this notice, [https://azahcccs.gov/AHCCCS/Downloads/PublicNotices/rates/DAP\\_Final\\_Notice\\_CYE2021\\_Revised\\_09282020.pdf](https://azahcccs.gov/AHCCCS/Downloads/PublicNotices/rates/DAP_Final_Notice_CYE2021_Revised_09282020.pdf), qualify for a 0.5% DAP increase for each category of the five measure categories, for a total potential increase of 2.5% if criteria are met for all categories.
1. Data source and data site information must be submitted on all ADT transactions. (0.5%)
  2. Event type must be properly coded on all ADT transactions. (0.5%)
  3. Patient class must be properly coded on all appropriate ADT transactions. (0.5%)
  4. Patient demographic information must be submitted on all ADT transactions. (0.5%)
  5. Overall completeness of the ADT message. (0.5%)

For any milestone that includes electronic submission of patient information, the information transferred to the qualifying HIE must be actual patient data; the transfer of test data does not fulfill these requirements. It must include all patient data, including behavioral health data and data covered by 42 C.F.R. Part 2.

In order to receive up to a 2.5% DAP increase for HIE performance a hospital must submit an LOI to the HIE and AHCCCS by May 27, 2020 at the following email addresses:

FFSRates@azahcccs.gov, and  
ceo@healthcurrent.org

If a hospital has already achieved one or more of the CYE 2021 milestones as of May 27, 2020, the LOI must include a commitment by the hospital to maintain its participation in those milestone activities for the period May 27, 2020 through September 30, 2021. The LOI must list each facility that hospital requests to participate in this DAP initiative and must include the AHCCCS IDs for each listed facility. If a LOI was submitted in alignment with the Preliminary Public Notice, dated March 6, 2020, a new LOI is not required; the hospital is presumed to be included in DAP under these Final Public Notice requirements unless the hospital submits a written request to AHCCCS and the HIE requesting that their LOI be retracted. In all cases, the hospital must submit the AHCCCS IDs for each listed facility as part of the LOI or must email the associated AHCCCS IDs to the email addresses noted.

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If a hospital submits an LOI and receives up to a 2.5% DAP increase for CYE 2021, but fails to achieve one or more of the milestones by the specified date, or fails to maintain its participation in the milestone activities, that hospital will be ineligible to receive DAP for dates of service from October 1, 2021 through September 30, 2022 (CYE 2022) if a DAP is available at that time.

**c. Inpatient Psychiatric Facility Quality Reporting Program**

Hospitals that meet the Inpatient Psychiatric Facility Quality Reporting Program (IPFQR) performance measure will qualify for a 2.0% DAP increase. On May 12, 2020, AHCCCS will download the most current data from the QualityNet.org website to identify Medicare's Annual Payment Update (APU) recipients. APU recipients are those facilities that satisfactorily met the requirements for the IPFQR program, which includes multiple clinical quality measures. Facilities identified as APU recipients will qualify for the DAP increase.

**d. Long-Term Care Hospital Pressure Ulcers Performance Measure**

Hospitals that meet or fall below the national average for the pressure ulcers performance measure will qualify for a 2.0% DAP increase. On May 12, 2020, AHCCCS will download the most current data from the Medicare Long Term Hospital Compare website for the rate of pressure ulcers that are new or worsened. Facility results will be compared to the national average results for the measure. Hospitals that meet or fall below the national average percentage will qualify for the DAP increase.

**e. Inpatient Rehabilitation Pressure Ulcers Performance Measure**

Hospitals that meet or fall below the national average for the pressure ulcers performance measure will qualify for a 2.0% DAP increase. On May 12, 2020, AHCCCS will download the most current data from the Medicare Inpatient Rehabilitation Facility Compare website for the rate of pressure ulcers that are new or worsened. Facility results will be compared to the national average results for the measure. Hospitals that meet or fall below the national average percentage will qualify for the DAP increase.

3. Hospitals designated as a Critical Access Hospital (CAH) by May 27, 2020 are eligible for DAP increases under the following criteria.

**a. Health Information Exchange Performance**

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Hospitals that qualified under the category of “Health Information Exchange Participation” within the CYE 2020 DAP Final Public Notice, Section 2.a. are eligible to participate in this DAP initiative.

Hospitals that meet the following milestones and performance criteria are eligible to participate in this DAP initiative and earn up to a 10.0% DAP increase. In order to qualify, by May 27, 2020 the hospital must have submitted a LOI to AHCCCS and the HIE, in which it agrees to achieve the following milestones by the specified dates, or maintain its participation in the milestone activities if they have already been achieved:

- i. Milestone #1: No later than May 27, 2020 the hospital must have in place an active participation agreement with a qualifying HIE organization and submit a LOI to AHCCCS and the HIE, in which it agrees to achieve the following milestones by the specified dates, or maintain its participation in the milestone activities if they have already been achieved.
- ii. Milestone #2: No later than June 1, 2020 the hospital must electronically submit the following actual patient identifiable information to the production environment of a qualifying HIE organization: admission, discharge and transfer information (generally known as ADT information), including data from the hospital emergency department if the provider has an emergency department, laboratory and radiology information (if the provider has these services), transcription, medication information, immunization data, and discharge summaries that include, at a minimum, discharge orders, discharge instructions, active medications, new prescriptions, active problem lists (diagnosis), treatments and procedures conducted during the stay, active allergies, and discharge destination.
- iii. Milestone #3: Complete the following COVID-19 related milestones, if they are applicable:
  1. By September 1, 2020, or within 30 days of initiating COVID-19 lab testing, submit all COVID-19 lab test codes and the associated LOINC codes to qualifying HIE to ensure proper processing of lab results within the HIE system.
  2. By September 1, 2020, or within 30 days of initiating COVID-19 antibody testing, submit all COVID-19 antibody test codes and the associated LOINC codes to the qualifying HIE to ensure proper processing of lab results within the HIE system.
  3. Within 30 days of initiating COVID-19 immunizations, submit all COVID-19 immunization codes and the associated LOINC codes to the

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qualifying HIE to ensure proper processing of immunizations within the HIE system.

4. By October 1, 2020, hospitals that utilize external reference labs for any lab result processing must submit necessary provider authorization forms to the qualifying HIE, if required by the external reference lab, to have all outsourced lab test results flow to the qualifying HIE on their behalf.

- iv. Milestone #4: No later than November 1, 2020 the hospital must approve and authorize a formal SOW to initiate and complete a Phase 2 data quality improvement effort, as defined by the qualifying HIE organization and in collaboration with the qualifying HIE organization.
- v. Milestone #5: No later than January 1, 2021 the hospital must complete the Phase 2 initial data quality profile with a qualifying HIE organization.
- vi. Milestone #6: No later than May 1, 2021 the hospital must complete the Phase 2 final data quality profile with a qualifying HIE organization.
- vii. Performance Criteria: Hospitals that meet each of the following HIE data quality performance criteria will be eligible to receive DAP increases described below in 3.a.vii.
  - 1. Demonstrate a 10% improvement from baseline measurements in the initial data quality profile, based on July 2019 data, to the final data quality profile, based on March 2020 data.
  - 2. Meet a minimum performance standard of at least 60% based on March 2020 data.
  - 3. If performance meets or exceeds an upper threshold of 90% based on March 2020 data the hospital meets the criteria, regardless of the percentage improvement from the baseline measurements.
- viii. DAP HIE Data Quality Standards 2021 Measure Categories: Hospitals that meet the standards, as defined in Attachment A of this notice, [https://azahcccs.gov/AHCCCS/Downloads/PublicNotices/rates/DAP\\_Final\\_Notice\\_CYE2021\\_Revised\\_09282020.pdf](https://azahcccs.gov/AHCCCS/Downloads/PublicNotices/rates/DAP_Final_Notice_CYE2021_Revised_09282020.pdf), qualify for a 2.0% DAP increase for each category of the five measure categories, for a total potential increase of 10.0% if criteria are met for all categories.
  - 1. Data source and data site information must be submitted on all ADT transactions. (2.0%)
  - 2. Event type must be properly coded on all ADT transactions. (2.0%)
  - 3. Patient class must be properly coded on all appropriate ADT transactions. (2.0%)

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4. Patient demographic information must be submitted on all ADT transactions. (2.0%)
5. Overall completeness of the ADT message. (2.0%)

For any milestone that includes electronic submission of patient information, the information transferred to the qualifying HIE must be actual patient data; the transfer of test data does not fulfill these requirements. It must include all patient data, including behavioral health data and data covered by 42 C.F.R. Part 2.

In order to receive up to a 10.0% DAP increase for HIE performance a hospital must submit an LOI to the HIE and AHCCCS by May 27, 2020 at the following email addresses:

FFSRates@azahcccs.gov, and  
ceo@healthcurrent.org

If a hospital has already achieved one or more of the CYE 2021 milestones as of May 27, 2020, the LOI must include a commitment by the hospital to maintain its participation in those milestone activities for the period May 27, 2020 through September 30, 2021. The LOI must list each facility that hospital requests to participate in this DAP initiative and must include the AHCCCS IDs for each listed facility. If a LOI was submitted in alignment with the Preliminary Public Notice, dated March 6, 2020, a new LOI is not required; the hospital is presumed to be included in DAP under these Final Public Notice requirements unless the hospital submits a written request to AHCCCS and the HIE requesting that their LOI be retracted. In all cases, the hospital must submit the AHCCCS IDs for each listed facility as part of the LOI or must email the associated AHCCCS IDs to the email addresses noted.

If a hospital submits an LOI and receives up to a 10.0% DAP increase for CYE 2021, but fails to achieve one or more of the milestones by the specified date, or fails to maintain its participation in the milestone activities, that hospital will be ineligible to receive DAP for dates of service from October 1, 2021 through September 30, 2022 (CYE 2022) if a DAP is available at that time.

**b. Long-Acting Reversible Contraception**

For dates of services from October 1, 2020 through September 30, 2021, hospitals subject to APR-DRG reimbursement (Provider Type 02) may qualify for a DAP on codes J7296 - J7298, J7300 - J7301, and J7307 billed on the 1500 or UB-04 forms for long-acting reversible contraception devices. The DAP represents a 10.0% increase on the specific codes.

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**C. Exemptions:** DAP for IHS and 638 tribally owned and/or operated Integrated Clinics are exempt from this initiative at this time based on payments primarily at the federally-mandated all-inclusive rate.

**D. Payment Methodology**

For hospitals receiving APR-DRG reimbursement (described in Section B(1 ) above), fee-for-service payment rates may be increased up to a maximum of 13.5 %. Payment rates for inpatient services will be increased by 2.5% if they meet the HIE requirements, by 1.0% if they meet the sepsis requirements, and by 10% on select procedure codes if they meet the long-acting reversible contraception requirements.

These increases do not apply to supplemental payments.

For other hospitals and inpatient facilities (described in Section B(b) above), fee-for-service payment rates may be increased up to a maximum of 4.5 %. Payment rates for inpatient services will be increased by 2.5 % if they meet the HIE requirements. For inpatient psychiatric facilities, payment rates for services will be increased by 2.0% if they meet the requirements detailed in B .2c. For Long-Term Care Hospitals, payment rates for services will be increased by 2.0% if they meet the requirements detailed in B .2d . For inpatient rehabilitation hospitals, payment rates for services will be increased by 2.0% if they meet the requirements detailed in B .2e .

For critical access hospitals, payment rates for inpatient services will be increased by 10 .0% if they meet the HIE requirements, and by 10% on select procedure codes if they meet the long-acting reversible contraception requirements.

These increases do not apply to supplemental payments.