

September 27, 2022

Brian Zolynas
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 # AZ 22-0014, DSH Budget

Dear Mr. Zolynas:

Enclosed is State Plan Amendment (SPA) # AZ 22-0014, DSH Budget. This SPA updates the DSH Budget, effective October 1, 2022.

Tribal Consultation and Public Notice Requirements for this SPA have been fulfilled and the corresponding documentation is provided below:

Tribal Consultation:

<https://www.azahcccs.gov/AmericanIndians/Downloads/Consultations/Meetings/2022/August112022QuarterlyTC.pdf>

Public Notice: <https://www.azahcccs.gov/shared/Downloads/PublicNotices/DSHFY23NOPI.pdf>

If there are any questions about the enclosed SPA, please contact Ruben Soliz at ruben.soliz@azahcccs.gov or 602-417-4355.

Sincerely,



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

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES

1. TRANSMITTAL NUMBER 22 - 0014	2. STATE AZ
3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT	
4. PROPOSED EFFECTIVE DATE October 1, 2022	
5. FEDERAL STATUTE/REGULATION CITATION 42 CFR Part 447, Section 1923 of the Social Security Act	6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars) a. FFY <u>22</u> \$ <u>0</u> b. FFY: <u>23</u> \$ <u>0</u>
7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Attachment 4.19-A Page 65	8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) Attachment 4.19-A Page 65

TO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

9. SUBJECT OF AMENDMENT
Updates the Disproportionate Share Hospital (DSH) Budget in the State Plan.

10. GOVERNOR'S REVIEW (Check One)

- GOVERNOR'S OFFICE REPORTED NO COMMENT OTHER, AS
 SPECIFIED: COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

11. SIGNATURE OF STATE AGENCY OFFICIAL



12. TYPED NAME
Dana Flannery

13. TITLE
Assistant Director

14. DATE SUBMITTED: September 27, 2022

15. RETURN TO
Dana Flannery
801 E. Jefferson St., MD # 4200
Phoenix, AZ 85034

FOR CMS USE ONLY

16. DATE RECEIVED	17. DATE APPROVED
PLAN APPROVED - ONE COPY ATTACHED	
18. EFFECTIVE DATE OF APPROVED MATERIAL	19. SIGNATURE OF APPROVING OFFICIAL
20. TYPED NAME OF APPROVING OFFICIAL	21. TITLE OF APPROVING OFFICIAL

22. REMARKS

STATE OF ARIZONA
METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES
INPATIENT HOSPITAL CARE

**DSH Exhibit 3:
AHCCCS
Disproportionate Share Hospital Payment
Methodology Pool Funding Amount**

This Exhibit contains the amount of funding for six pools in the Arizona DSH pool methodology.

For State Plan Year (SPY) 2008 and 2009, funding will be allocated among six pools (pools 1, 1A, 2, 2A, 3, and 4). For SPY 2010, funding will be allocated among seven pools (pools 1, 1A, 2, 2A, 3, 4, and 5). Thereafter, the funding will be allocated among six pools (pools 1, 1A, 2, 2A, 4, and 5).

Pools 1, 1A, 2, 2A, and 3 - Non-governmentally-operated hospitals

The funding for pools 1 and 2 will be sufficient to provide an average payment amount of \$6,000 for all hospitals qualifying for both of the two pools. No hospital in pools 1 or 2 will receive less than \$5,000. Therefore, the amount of funding for pools 1 and 2 will be determined by multiplying the number of hospitals qualifying for pools 1 and 2 by \$6,000.

The funding for pools 1A, 2A and 3 (if applicable) will be derived by subtracting the total amount allocated for pools 1 and 2 from the amount of DSH authorized by the Legislature for non-governmentally operated hospitals. Beginning SPY 2011, these remaining funds will be split with 15% for Pool 1A and 85% for Pool 2A.

- For SPY 2018, the funding for pools 1, 2, 1A, and 2A will be \$884,800.
- For SPY 2019, the funding for pools 1, 2, 1A, and 2A will be \$884,800.
- For SPY 2020, the funding for pools 1, 2, 1A, and 2A will be \$884,800.
- For SPY 2021, the funding for pools 1, 2, 1A, and 2A will be \$884,800.
- For SPY 2022, the funding for pools 1, 2, 1A, and 2A will be \$884,800.
- For SPY 2023, the funding for pools 1, 2, 1A, and 2A will be \$884,800.

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Pool 4 – Governmentally-operated hospitals

The funding for pool 4 is the amount authorized by the Legislature for governmentally operated hospitals.

- For SPY 2018, the funding for pool 4 is \$142,293,400.
- For SPY 2019, the funding for pool 4 is \$142,293,400.
- For SPY 2020, the funding for pool 4 is \$142,293,400.
- For SPY 2021, the funding for pool 4 is \$142,293,400.
- For SPY 2022, the funding for pool 4 is \$142,293,400.
- For SPY 2023, the funding for pool 4 is \$142,293,400.

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TN No. 22-0014

Supersedes

Approval Date: _____

Effective Date: October 1, 20221

TN No. 21-012 20-015