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State/Territory Name: Arizona

State Plan Amendment (SPA) #: AZ-23-0019

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, MD 21244-1850



Financial Management Group

January 24, 2024

Carmen Heredia, Director
Arizona Health Care Cost Containment System
801 E. Jefferson
Phoenix, AZ 85034

RE: Arizona State Plan Amendment Transmittal Number 23-0019

Dear State Medicaid Director Heredia:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 23-0019. This amendment, effective October 1, 2023, updates the inpatient hospital Differential Adjusted Payment (DAP) program for contract year ending 2024.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(13), 1902(a)(30), 1903(a), and 1923 of the Social Security Act and the implementing Federal regulations at 42 CFR 447 Subpart C. This is to inform you that Medicaid State plan amendment TN 23-0019 is approved effective October 1, 2023. We are enclosing the CMS-179 and the amended plan pages.

If you have any questions, please call Mark Wong at (415) 744-3561 or mark.wong@cms.hhs.gov.

Sincerely,

A solid black rectangular box redacting the signature of the sender.

Rory Howe
Director

Enclosures

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER 23 — 0019	2. STATE AZ
3. PROGRAM IDENTIFICATION: TITLE <u>19</u> OF THE SOCIAL SECURITY ACT	
4. PROPOSED EFFECTIVE DATE October 1, 2023	
6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars) a. FFY <u>24</u> \$ 6,451,7400 6,451,700 b. FFY <u>25</u> \$ <u>0</u>	
7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Attachment 4.19-A, pages 28, 28(a)-(z)	8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) Attachment 4.19-A, pages 28, 28(a)-(z)

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

5. FEDERAL STATUTE/REGULATION CITATION
42 CFR Part 447

9. SUBJECT OF AMENDMENT
Updates the Inpatient Differential Adjusted Payment (DAP) Program for FFY 2024.

10. GOVERNOR'S REVIEW (Check One)

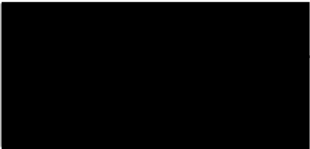
GOVERNOR'S OFFICE REPORTED NO COMMENT

COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

OTHER, AS SPECIFIED:

11. SIGNATURE OF STATE AGENCY OFFICIAL



12. TYPED NAME
Alex Demyan

13. TITLE
Assistant Director

14. DATE SUBMITTED: 10/30/23

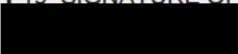
15. RETURN TO

Alex Demyan
801 E. Jefferson St., MD #4200
Phoenix, AZ 85034

FOR CMS USE ONLY

16. DATE RECEIVED October 30, 2023	17. DATE APPROVED January 24, 2024
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PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL October 1, 2023	19. SIGNATURE OF APPROVING OFFICIAL 
20. TYPED NAME OF APPROVING OFFICIAL Rory Howe	21. TITLE OF APPROVING OFFICIAL Director, Financial Management Group

22. REMARKS

Pen-and-ink change made to Box 6 by CMS with state concurrence.

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A. Overview

As of October 1, 2023, through September 30, 2024 (Contract Year Ending (CYE) 2024), 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 reimbursement rates. These payment adjustments will occur for all dates of discharge in CYE 2024 (October 1, 2023 through September 30, 2024) 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 (DAP), a hospital providing inpatient hospital services must meet one of the following criteria:

1. Hospitals Subject to APR-DRG reimbursement (Up to 3.0%)

Hospitals, Provider Type 02, are eligible for DAP increases on all inpatient services under the following criteria:

Domain / % Increase	Description
<p>a.</p> <p>Health Information Exchange Participation</p> <p>(1.5%)</p>	<p>Hospitals that meet the following milestones are eligible to earn a 1.5% DAP.</p> <ul style="list-style-type: none"> i. Milestone #1: No later than April 1, 2023, the hospital must have in place an active participation agreement with the Health Information (HIE) organization and submit a signed Health Information Exchange Statement of Work (HIE SOW) to the HIE. The HIE SOW must contain each facility, including AHCCCS ID(s) and corresponding National Provider Identifier (NPI), that the hospital requests to participate in the DAP. ii. Milestone #2: No later than May 1, 2023, the hospital must have actively accessed, and continue to access on an ongoing basis, patient health information via the HIE organization, utilizing one or more HIE services, such as the HIE Portal, ADT Alerts, Clinical Notifications, or an interface that delivers patient data into the hospital's EHR system. iii. Milestone #3: No later than May 1, 2023, hospitals that utilize external reference labs for any lab result processing must submit necessary provider authorization forms to the qualifying HIE organization, if required by the external reference lab, to have all outsourced lab test results flow to the

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	<p>qualifying HIE on their behalf.</p> <p>iv. Milestone #4: No later than May 1, 2023, 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.</p> <p>v. Milestone #5: No later than May 1, 2023, the hospital must have or obtain a unique Object Identifier (OID) created by a registration authority, the hospital, and HL7. The OID is a globally unique International Organization for Standardization identifier for the hospital.</p> <p>vi. Milestone #6: No later than July 1, 2023, the hospital must sign a DAP SOW amendment to include HIE integration requirements. which will include the steps and expectations and timeline to transition to the hospital's HIE connection to the new HIE platform. The hospital must continue to meet the HIE integration requirements through September 30, 2024.</p> <p>For any milestone that includes electronic submission of patient information, the information transferred to the HIE must be actual patient data; the transfer of test data does not fulfill these requirements. All electronic submissions must be received through standard HL7 and or CCD document architecture. It must include all patient data, including behavioral health data and data covered by 42 CFR Part 2. All electronic submissions must be received through standard HL7 document architecture. It must include all patient data, including behavioral health data and data covered by 42 CFR Part 2. Data is expected to be live throughout the year, any downtime will be reported and an effort to provide data to the HIE is required for the period in which the data was not received.</p> <p>If a hospital has already achieved one or more of the CYE 2024 milestones as of April 1, 2023, the HIE SOW must include a commitment by the hospital to maintain its participation in those milestone activities for the period April 1, 2023 through September 30, 2024.</p>
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<p>b. Social Determinants of Health Closed Loop Referral Platform (0.5%)</p>	<p>In relation to this DAP initiative only, the Social Determinants of Health Closed Loop Referral System is CommunityCares. Hospitals that meet the following milestones are eligible to earn a 0.5% DAP.</p> <p>i. Milestone #1: No later than April 1, 2023, the hospital must submit a signed Health Information Exchange Statement of Work (HIE SOW) and the CommunityCares Access Agreement indicating SDOH participation to the HIE organization. The HIE SOW must contain each facility, including AHCCCS ID(s) and corresponding NPI(s), that the hospital requests to participate in the DAP.</p> <p>ii. Milestone #2:</p> <p>(For Hospitals that have participated in the DAP SDOH requirements for CYE 23)</p> <ol style="list-style-type: none"> 1. No later than September 30, 2023, initiate use of the CommunityCares referral system operated by the HIE organization or are engaged and have completed an onboarding launch plan that outlines the extended onboarding timeline, required steps, and commitment to completion of onboarding by 12/31/2023. 2. After go-live and through September 30, 2024, the hospital must regularly utilize the CommunityCares referral system operated by the HIE organization. This will be measured by facilitating at least 10 referrals per month including closed-loop referral, tracked out-of-network referrals (utilizing CommunityCares resource directory), or tracked internal cases (referrals for social services provided by the hospital) per registered AHCCCS ID that resulted from utilizing a social-needs screening tool in CommunityCares or within the hospital's EHR. Closed-loop referrals, out-of-network referrals, and internal cases all need to be documented/tracked within the CommunityCares platform. The referral is created by the provider or support staff member and sent directly to a social service provider. All referrals entered into the system by the hospital will be counted toward volume requirements, tracked monthly. <p>(For hospitals that have not participated in DAP SDOH requirements in CYE 2023)</p> <ol style="list-style-type: none"> 1. No later than November 1, 2023, complete the CommunityCares Access Agreement and the HIE Participant Agreement, as required and
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	<p>2. No later than April 1, 2024, have onboarding completed by working with the HIE to submit all HIE requirements prior to gaining access to the system.</p> <p>If a hospital has achieved one or more of the CYE 2024 milestones as of April 1, 2023, the HIE SOW must include a commitment by the hospital to maintain its participation in those milestone activities for the period of April 1, 2023, through September 30, 2024.</p>
<p>c.</p> <p>Arizona Health Directives Registry (AzHDR) (0.5%)</p>	<p>Hospitals that meet the following milestones are eligible to earn a 0.5% DAP.</p> <p>i. Milestone #1: No later than April 1, 2023, the hospital must submit a signed Health Information Exchange Statement of Work (HIE SOW) indicating AzHDR participation to the HIE. The HIE SOW must contain each facility, including AHCCCS ID(s) and corresponding NPI(s), that the hospital requests to participate in the DAP.</p> <p>1.</p> <p>ii. Milestone #2:</p> <p>1. For hospitals that have participated in DAP HIE requirements in CYE 2023:</p> <p>a. No later than September 30, 2023, initiate use of the AzHDR platform operated by the HIE organization.</p> <p>b. After all the onboarding requirements have been met and the provider has access to the platform (Go-Live), the hospital must regularly utilize the AzHDR platform which will be measured by facilitating at least 10 patient document uploads or queries of advance directives per month per registered AHCCCS ID from the Go-Live date through September 30, 2024. Both uploads entered into the system and queries of the system by the hospital will be counted toward volume requirements, tracked monthly, and reported as a final deliverable by June 1, 2024. Uploading is defined by submitting a document or multiple documents for a patient into the registry and a query is defined as querying for documents within the Registry.</p> <p>2. For hospitals that have not participated in DAP HIE requirements in CYE 2023:</p> <p>a. No later than November 1, 2023, complete the AzHDR Participant Agreement, and</p>

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	<p>b. No later than April 1, 2024, have onboarding completed by working with the HIE to submit all HIE requirements prior to gaining access to the platform.</p> <p>If a hospital has achieved one or more of the CYE 2024 milestones as of April 1, 2023, the HIE SOW must include a commitment by the hospital to maintain its participation in those milestone activities for the period of April 1, 2023, through September 30, 2024.</p>
<p>d. Naloxone Distribution Program (0.5%)</p>	<p>Hospitals with an Emergency Department that meet the following milestones are eligible to earn a 0.5% DAP increase on all inpatient services.</p> <ul style="list-style-type: none"> i. Milestone #1: No later than April 30, 2023, the hospital must submit a Letter of Intent (LOI) to AHCCCS to the following email address: AHCCCSdap@azahcccs.gov, indicating that they will participate in the Naloxone Distribution Program (NDP). The LOI must contain each facility, including AHCCCS ID(s) and corresponding NPI(s), that the hospital requests to participate in the DAP. ii. Milestone #2: No later than November 30, 2023, develop and submit a facility policy that meets AHCCCS/ADHS standards for a NDP. iii. Milestone #3: No later than January 1, 2024, begin distribution of Naloxone to individuals at risk of overdose as identified through the facilities' policy.

2. Other Hospitals and Inpatient Facilities (Up to 4.5%)

Psychiatric Hospitals, with the exception of public hospitals, Provider Type 71; 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 on all inpatient services under the following criteria. For purposes of Section 2, other inpatient facilities will be referred to as hospitals.

Domain / % Increase	Description
<p>a.</p> <p>Health Information</p>	<p>Hospitals that meet the following milestones are eligible to earn a 1.5% DAP.</p> <ul style="list-style-type: none"> i. Milestone #1: No later than April 1, 2023, the hospital must have in place an active participation agreement with the Health Information Exchange (HIE)

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<p>Exchange Participation</p> <p>(1.5%)</p>	<p>organization and submit a signed Health Information Exchange Statement of Work (HIE SOW) to the HIE.</p> <p>ii. Milestone #2: No later than May 1, 2023, the hospital must have actively accessed, and continue to access on an ongoing basis, patient health information via the HIE organization, utilizing one or more HIE services, such as the HIE Portal, ADT Alerts, Clinical Notifications, or an interface that delivers patient data into the hospital's EHR system.</p> <p>iii. Milestone #3: No later than May 1, 2023, hospitals that utilize external reference labs for any lab result processing must submit necessary provider authorization forms to the qualifying HIE organization, if required by the external reference lab, to have all outsourced lab test results flow to the qualifying HIE on their behalf.</p> <p>iv. Milestone #4: No later than May 1, 2023, 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.</p> <p>v. Milestone #5: No later than May 1, 2023, the hospital must have or obtain a unique Object Identifier (OID) created by a registration authority, the hospital, and HL7. The OID is a globally unique International Organization for Standardization identifier for the hospital.</p> <p>vi. Milestone #6: Milestone #6: No later than July 1, 2023, the hospital must sign a DAP SOW amendment to include HIE integration requirements. which will include the steps and expectations and timeline to transition to the hospital's HIE connection to the new HIE platform. The hospital must continue to meet the HIE integration requirements through September 30, 2024.</p> <p>For any milestone that includes electronic submission of patient information, the information transferred to the qualifying HIE must be actual patient data; the</p>
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	<p>transfer of test data does not fulfill these requirements. All electronic submissions must be received through standard HL7 and or CCD document architecture. It must include all patient data, including behavioral health data and data covered by 42 CFR Part 2. Data is expected to be live throughout the year, any downtime will be reported and an effort to provide data to the HIE is required for the period in which the data was not received.</p> <p>If a hospital has already achieved one or more of the CYE 2024 milestones as of April 1, 2023, the HIE SOW must include a commitment by the hospital to maintain its participation in those milestone activities for the period April 1, 2023 through September 30, 2024.</p>
<p>b. Social Determinants of Health Closed Loop Referral Platform (0.5%)</p>	<p>In relation to this DAP initiative only, the Social Determinants of Health Closed Loop Referral System is CommunityCares. Hospitals that meet the following milestones are eligible to earn a 0.5% DAP.</p> <ul style="list-style-type: none"> i. Milestone #1: No later than April 1, 2023, the hospital must submit a signed Health Information Exchange Statement of Work (HIE SOW) and the CommunityCares Access Agreement indicating SDOH participation to the HIE organization. The HIE SOW must contain each facility, including AHCCCS ID(s) and corresponding NPI(s), that the hospital requests to participate in the DAP. ii. Milestone #2: <ol style="list-style-type: none"> 1. For hospitals that have participated in DAP SDOH requirements in CYE 2023: <ol style="list-style-type: none"> a. No later than September 30, 2023, initiate use of the CommunityCares referral system operated by the HIE organization or are engaged and have completed an onboarding launch plan that outlines the extended onboarding timeline, required steps, and commitment to completion of onboarding by 12/31/2023. b. After go-live, and through September 30, 2024, the hospital must regularly utilize the CommunityCares referral system operated by the HIE organization. This will be measured by facilitating at least 10 referrals per month, including closed-loop referral, tracked out-of-network referrals (utilizing CommunityCares resource directory), or tracked internal cases (referrals for social services provided by the hospital) per registered AHCCCS ID that resulted from utilizing a social-needs screening tool in CommunityCares or within the hospital's EHR. Closed-loop referrals, out-of-network referrals, and internal cases all need to be documented/tracked within the CommunityCares platform. The referral is created by

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	<p>the provider or support staff member and sent directly to a social service provider. All referrals entered into the system by the hospital will be counted toward volume requirements, tracked monthly.</p> <p>2. For hospitals that have not participated in DAP SDOH requirements in CYE 2023:</p> <ol style="list-style-type: none"> a. No later than November 1, 2023, complete the CommunityCares Access Agreement and the HIE Participant Agreement, as required, and b. No later than April 1, 2024, have onboarding completed by working with the HIE to submit all HIE requirements prior to gaining access to the system. <p>If a hospital has achieved one or more of the CYE 2024 milestones as of April 1, 2023, the HIE SOW must include a commitment by the hospital to maintain its participation in those milestone activities for the period of April 1, 2023, through September 30, 2024.</p>
<p>c. Arizona Health Directives Registry (AzHDR) (0.5%)</p>	<p>Hospitals that meet the following milestones are eligible to earn a 0.5% DAP.</p> <ol style="list-style-type: none"> i. Milestone #1: No later than April 1, 2023, the hospital must submit a signed Health Information Exchange Statement of Work (HIE SOW) indicating AzHDR participation to the HIE organization. The HIE SOW must contain each facility, including AHCCCS ID(s) and corresponding NPI(s), that the hospital requests to participate in the DAP. ii. Milestone #2: <ol style="list-style-type: none"> 1. For hospitals that have participated in DAP HIE requirements in CYE 2023: <ol style="list-style-type: none"> a. No later than September 30, 2023, initiate use of the AzHDR platform operated by the HIE organization. b. After all the onboarding requirements have been met and the provider has access to the platform (Go-Live), the hospital must regularly utilize the AzHDR platform which will be measured by facilitating at least 10 patient document uploads or queries of advance directives per month per registered AHCCCS ID from the Go-Live date through September 30, 2024 Both uploads entered into the system and queries of the system by the hospital will be counted toward volume requirements, tracked monthly, and reported as a final deliverable by June 1, 2024. Uploading is defined by submitting a document or multiple documents for a patient into the registry and a query is defined as querying for documents within the Registry.

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	<p>2. For hospitals that have not participated in DAP HIE requirements in CYE 2023:</p> <ul style="list-style-type: none"> a. No later than November 1, 2023, complete the AzHDR Participant Agreement, and b. No later than April 1, 2024, have onboarding completed by working with the HIE to submit all HIE requirements prior to gaining access to the platform. <p>If a hospital has already achieved one or more of the CYE 2024 milestones as of April 1, 2023, the HIE SOW must include a commitment by the hospital to maintain its participation in those milestone activities for the period of April 1, 2023, through September 30, 2024.</p>
<p>d. Inpatient Psychiatric Facility Quality Reporting Program (2.0%)</p>	<p>Hospitals that meet the Inpatient Psychiatric Facility Quality Reporting Program (IPFQR) performance measure will qualify for a DAP increase. On March 15, 2023, 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.</p>
<p>e. Long-term Care Hospital Pressure Ulcers Performance Measure (2.0%)</p>	<p>Hospitals that meet or fall below the national average for the pressure ulcers performance measure will qualify for a 2.0% DAP increase. On March 15, 2023, AHCCCS will download the most current data from the Medicare Provider Data Catalog website for the rate of changes in skin integrity post-acute care: Pressure Ulcer/Injury. 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.</p>
<p>f. Inpatient Rehabilitation Pressure Ulcers Performance Measure (2.0%)</p>	<p>Hospitals that meet or fall below the national average for the pressure ulcers performance measure will qualify for a 2.0% DAP increase. On March 15, 2023, AHCCCS will download the most current data from the Medicare Provider Data Catalog website for the rate of changes in skin integrity post-acute care: Pressure Ulcer/Injury. 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.</p>

3. Critical Access Hospitals (up to 10.5%)

Hospitals designated as a Critical Access Hospital (CAH), Non-IHS/638 hospitals by March 15, 2023 are eligible for up to a 10.5% DAP increase on all inpatient services under the following criteria.

Domain / % Increase	Description
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<p>a.</p> <p>Health Information Exchange Participation (8.0%)</p>	<p>Hospitals that meet the following milestones and performance criteria are eligible to participate in this DAP initiative and earn a 8.0% DAP.</p> <ul style="list-style-type: none"> i. Milestone #1: No later than April 1, 2023, the hospital must have in place an active participation agreement with the Health Information Exchange (HIE) organization and submit a signed Health Information Exchange Statement of Work (HIE SOW) to the HIE. The HIE SOW must contain each facility, including AHCCCS ID(s) and corresponding National Provider Identifier(s) (NPI), that the hospital requests to participate in the DAP. ii. Milestone #2: No later than May 1, 2023, the hospital must have actively accessed, and continue to access on an ongoing basis, patient health information via the HIE organization, utilizing one or more HIE services, such as the HIE Portal, ADT Alerts, Clinical Notifications, or an interface that delivers patient data into the facility's EHR system. iii. Milestone #3: No later than May 1, 2023, hospitals that utilize external reference labs for any lab result processing must submit necessary provider authorization forms to the qualifying HIE organization, 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 May 1, 2023, 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. v. Milestone #5: No later than May 1, 2023, the hospital must have or obtain a unique Object Identifier (OID) created by a registration authority, the hospital, and HL7. The OID is a globally unique International Organization for Standardization identifier for the hospital.
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	<p>vi. Milestone #6: No later than July 1, 2023, the hospital must sign a DAP SOW amendment to include HIE integration requirements. which will include the steps and expectations and timeline to transition to the hospital's HIE connection to the new HIE platform. The hospital must continue to meet the HIE integration requirements through September 30, 2024.</p> <p>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. All electronic submissions must be received through standard HL7 and or CCD document architecture. It must include all patient data, including behavioral health data and data covered by 42 CFR Part 2. Data is expected to be live throughout the year, any downtime will be reported and an effort to provide data to the HIE is required for the period in which the data was not received.</p> <p>If a hospital has already achieved one or more of the CYE 2023 milestones as of April 1, 2023, the HIE SOW must include a commitment by the hospital to maintain its participation in those milestone activities for the period April 1, 2023 through September 30, 2024.</p>
<p>b.</p> <p>Social Determinants of Health Closed Loop Referral Platform</p> <p>(1.0%)</p>	<p>In relation to this DAP initiative only, the Social Determinants of Health Closed Loop Referral System is CommunityCares. Hospitals that meet the following milestones are eligible to earn a 1.0% DAP.</p> <p>i. Milestone #1: No later than April 1, 2023, the hospital must submit a signed Health Information Exchange Statement of Work (HIE SOW) and the CommunityCares Access Agreement indicating SDOH participation to the HIE organization. The HIE SOW must contain each facility, including AHCCCS ID(s) and corresponding NPI(s), that the hospital requests to participate in the DAP.</p> <p>ii. Milestone #2:</p> <p>1. For hospitals that have participated in DAP SDOH requirements in CYE 2023:</p> <p>a. No later than September 30, 2023, initiate use of the CommunityCares referral system operated by the HIE organization or are engaged and have completed an onboarding launch plan that outlines the extended onboarding timeline, required steps, and commitment to completion of onboarding by 12/31/2023.</p>

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	<p>b. After go-live, and through September 30, 2024, the hospital must regularly utilize the CommunityCares referral system operated by the HIE organization. This will be measured by facilitating at least 10 referrals per month, including closed-loop referral, tracked out-of-network referrals (utilizing CommunityCares resource directory), or tracked internal cases (referrals for social services provided by the hospital) per registered AHCCCS ID that resulted from utilizing the social-needs screening tool in CommunityCares or within the hospital's EHR. Closed-loop referrals, out-of-network referrals, and internal cases all need to be documented/tracked within the CommunityCares platform. The referral is created by the provider or support staff member and sent directly to a social service provider. All referrals entered into the system by the hospital will be counted toward volume requirements and tracked monthly.</p> <p>2. For hospitals that have not participated in DAP SDOH requirements in CYE 2023:</p> <p>a. No later than November 1, 2023, complete the CommunityCares Access Agreement and the HIE Participant Agreement, as required, and</p> <p>b. No later than April 1, 2024, have onboarding completed by working with the HIE to submit all HIE requirements prior to gaining access to the system.</p> <p>If a hospital has achieved one or more of the CYE 2024 milestones as of April 1, 2023, the HIE SOW must include a commitment by the hospital to maintain its participation in those milestone activities for the period of April 1, 2023, through September 30, 2024.</p>
<p>c.</p> <p>Arizona Health Directives Registry (AzHDR)</p> <p>(1.0%)</p>	<p>Hospitals that meet the following milestones are eligible to earn a 1.0% DAP.</p> <p>i. Milestone #1: No later than April 1, 2023, the hospital must submit a signed Health Information Exchange Statement of Work (HIE SOW) indicating AzHDR participation to the HIE organization. The HIE SOW must contain each facility, including AHCCCS ID(s) and corresponding NPI(s), that the hospital requests to participate in the DAP.</p> <p>ii. Milestone #2:</p> <p>1. For hospitals that have participated in DAP HIE requirements in CYE 2023:</p>

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	<ul style="list-style-type: none"> a. No later than September 30, 2023, initiate use of the AzHDR platform operated by the HIE organization. b. After all the onboarding requirements have been met and the provider has access to the platform (Go-Live), the hospital must regularly utilize the AzHDR platform which will be measured by facilitating at least 10 patient document uploads or queries of advance directives per month per registered AHCCCS ID from the Go-Live date through September 30, 2024. Both uploads entered into the system and queries of the system by the hospital will be counted toward volume requirements, tracked monthly, and reported as a final deliverable by June 1, 2024. Uploading is defined by submitting a document or multiple documents for a patient into the registry and a query is defined as querying for documents within the Registry. <p>2. For hospitals that have not participated in DAP HIE requirements in CYE 2023:</p> <ul style="list-style-type: none"> a. No later than November 1, 2023, complete the AzHDR Participant Agreement, and b. No later than April 1, 2024, have onboarding completed by working with the HIE to submit all HIE requirements prior to gaining access to the platform. <p>If a hospital has already achieved one or more of the CYE 2024 milestones as of April 1, 2023, the HIE SOW must include a commitment by the hospital to maintain its participation in those milestone activities for the period of April 1, 2023, through September 30, 2024.</p>
<p>d. Naloxone Distribution Program (0.5%)</p>	<p>Hospitals with an Emergency Department that meet the following milestones are eligible to earn a 0.5% DAP increase on all inpatient services.</p> <ul style="list-style-type: none"> i. Milestone #1: No later than April 30, 2023, the hospital must submit a Letter of Intent (LOI) to AHCCCS to the following email address: AHCCCSdap@azahcccs.gov, indicating that they will participate in the Naloxone Distribution Program (NDP). The LOI must contain each facility, including AHCCCS ID(s) and corresponding NPI(s), that the hospital requests to participate in the DAP. ii. Milestone #2: No later than November 30, 2023, develop and submit a facility policy that meets AHCCCS/ADHS standards for a NDP.

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	iii. Milestone #3: No later than January 1, 2024, begin distribution of Naloxone to individuals at risk of overdose as identified through the facilities' policy.
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C. IHS/638 Facilities: DAP for IHS and 638 tribally owned and/or operated hospitals are described on page 28(o).

D. Payment Methodology

For hospitals receiving APR-DRG reimbursement (described in Section B.1 above), fee-for-service reimbursement rates may be increased up to a maximum of 3.0%. Reimbursement rates for inpatient services will be increased by 1.5% if they meet the HIE requirements, by 0.5% if they meet the AzHDR requirements, by 0.5% if they meet the SDOH closed loop referral platform requirements, and by 0.5% if they meet the Naloxone Distribution Program. These increases do not apply to supplemental payments.

For other hospitals and inpatient facilities (described in Section B.2 above), fee-for-service reimbursement rates may be increased up to a maximum of 4.5%. Payment rates for inpatient services will be increased by 1.5% if they meet the HIE requirements detailed in B.2.a., by 0.5% if they meet the SDOH closed loop referral platform requirements in B.2.b, and by 0.5% if they meet the AzHDR requirements detailed in B.2.c. For inpatient psychiatric facilities, payment rates for services will be increased by 2.0% if they meet the Quality Reporting requirements detailed in B.2.d. For Long-Term Care Hospitals, payment rates for services will be increased by 2.0% if they meet the Pressure Ulcers Performance requirements detailed in B.2.e. For Inpatient Rehabilitation Hospitals, payment rates for services will be increased by 2.0% if they meet the Pressure Ulcers Performance requirements detailed in B.2.f. These increases do not apply to supplemental payments.

For critical access hospitals (described in Section B.3 above), fee-for-service reimbursement rates may be

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increased up to a maximum of 10.5%. Reimbursement rates for inpatient services will be increased by 8.0% if they meet the HIE requirements, by 1.0% if they meet the SDOH closed loop referral platform requirements, by 1.0% if they meet the AzHDR requirements, and by 0.5% if they meet the Naloxone Distribution Program requirements. These increases do not apply to supplemental payments.

Hospitals which submitted an HIE LOI and received an increase for CYE 2023 but failed to achieve one or more milestones in the HIE LOI or failed to maintain its participation in the milestone activities are ineligible to receive the respective DAP in CYE 2024.

If a provider is receiving a DAP in CYE 2024 and cannot meet a milestone and/or cannot maintain its participation in milestone activities, the provider must immediately notify AHCCCS. This notification must be made prior to the milestone deadline and must state the reason the milestone cannot be met. When applicable, DAP participants are subject to audits, at the discretion of AHCCCS. Within 30 days of AHCCCS being notified of a missed milestone, becoming aware of the provider's failure to maintain participation, and/or determining that the provider has failed a DAP audit, AHCCCS will remove the participant's eligibility for the DAP, effective immediately and for the remainder of the year.

If a hospital receives a DAP increase for the entire CYE 2024 but it is determined subsequently that it did not meet the CYE 2024 milestones or failed to maintain its participation in the milestone activities in CYE 2024, that hospital will be ineligible to receive this DAP for CYE 2025 if a DAP is available at that time.

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The following is a description of methods and standards for determining Differential Adjusted Payments for IHS/638 Tribally owned and/or operated facilities. 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. The Differential Adjusted Payment Schedule represents a positive adjustment to the AHCCCS rates. These payment adjustments will occur for all dates of service in Contract Year Ending (CYE) 2024 (October 1, 2023 through September 30, 2024) only.

1. IHS and 638 Tribally Owned and/or Operated Facilities (Up to 3.0%)

A. Applicability

Indian Health Service and/or Tribally owned and/or operated hospitals (Provider Type 02), by March 15, 2023, are eligible for a DAP increase on all services under the following criteria.

Domain / % Increase	Description
<p>a.</p> <p>Health Information Exchange Participation</p> <p>(1.5%)</p>	<p>Hospitals that meet the following milestones are eligible to earn a 1.5% DAP.</p> <ul style="list-style-type: none"> i. Milestone #1: No later than April 1, 2023 the hospital must have in place an active participation agreement with the Health Information Exchange (HIE) organization and a signed Health Information Exchange Statement of Work (HIE SOW) to the HIE. The HIE SOW must contain each facility, including AHCCCS ID(s) and corresponding National Provider Identifier(s) (NPI), that the hospital requests to participate in the DAP. ii. Milestone #2: No later than May 1, 2023, the hospital must have actively accessed, and continue to access on an ongoing basis, patient health information via the HIE organization, utilizing one or more HIE services, such as the HIE Portal, ADT Alerts, Clinical Notifications, or an interface that delivers patient data into the hospital's EHR system. iii. Milestone #3: No later than May 1, 2023, 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 organization on their behalf. iv. Milestone #4: No later than May 1, 2023 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),

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	<p>including data from the hospital emergency department if the facility 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. If the hospital has ambulatory and/or behavioral health practices, then the facility must submit the following actual patient identifiable information to the production environment of a qualifying HIE: registration, encounter summary, and SMI data elements as defined by the qualifying HIE organization.</p> <p>1. For hospitals that have not participated in DAP HIE requirements in CYE 2023, the deadline for this milestone will be June 30, 2023.</p> <p>v. Milestone #5: No later than May 1, 2023, the hospital must have or obtain a unique Object Identifier (OID) created by a registration authority, the hospital, and HL7. The OID is a globally unique International Organization for Standardization identifier for the hospital.</p> <p>vi. Milestone #6: No later than July 1, 2023, the hospital must sign a DAP SOW amendment to include HIE integration requirements. which will include the steps and expectations and timeline to transition to the hospital's HIE connection to the new HIE platform. The hospital must continue to meet the HIE integration requirements through September 30, 2024.</p> <p>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. All electronic submissions must be received through standard HL7 or CCD document architecture. It must include all patient data, including behavioral health data and data covered by 42 CFR Part 2. Data is expected to be live throughout the year, any downtime will be reported and an effort to provide data to the HIE is required for the period in which the data was not received.</p> <p>If a hospital has already achieved one or more of the CYE 2024 milestones as of April 1, 2023 the HIE SOW must include a commitment by the hospital to maintain its participation in those milestone activities for the period April 1, 2023 through September 30, 2024.</p>
b.	Hospitals that meet the following milestones are eligible to earn a 0.5% DAP.

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<p>Arizona Health Directives Registry (AzHDR)</p> <p>(0.5%)</p>	<ul style="list-style-type: none"> i. Milestone #1: No later than April 1, 2023, the hospital must submit a signed Health Information Exchange Statement of Work (HIE SOW) indicating AzHDR participation to the HIE organization. The HIE SOW must contain each facility, including AHCCCS ID(s) and corresponding NPI(s), that the hospital requests to participate in the DAP. <ul style="list-style-type: none"> 1. ii. Milestone #2: No later than November 1, 2023, complete the AzHDR Participant Agreement. iii. Milestone #3: No later than April 1, 2024, have onboarding completed by working with the HIE to submit all HIE requirements prior to gaining access to the platform. <p>If a hospital has achieved one or more of the CYE 2024 milestones as of April 1, 2023, the HIE SOW must include a commitment by the hospital to maintain its participation in those milestone activities for the period of April 1, 2023, through September 30, 2024.</p>
<p>c. Social Determinants of Health Closed Loop Referral System</p> <p>(0.5%)</p>	<p>In relation to this DAP initiative only, the Social Determinants of Health Closed Loop Referral System is CommunityCares. Hospitals that meet the following milestones are eligible to earn a 0.5% DAP.</p> <ul style="list-style-type: none"> i. Milestone #1: No later than April 1, 2023, the hospital must submit a signed Health Information Exchange Statement of Work (HIE SOW) and the CommunityCares Access Agreement indicating SDOH participation to the HIE organization. The HIE SOW must contain each facility, including AHCCCS ID(s) and corresponding NPI(s), that the hospital requests to participate in the DAP. ii. Milestone #2: No later than November 1, 2023, complete the CommunityCares Access Agreement and the HIE Participant Agreement, as required. iii. Milestone #3: No later than April 1, 2024, have onboarding completed by working with the HIE to submit all HIE requirements prior to gaining access to the system.

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	<p>If a hospital has achieved one or more of the CYE 2024 milestones as of April 1, 2023, the HIE SOW must include a commitment by the hospital to maintain its participation in those milestone activities for the period of April 1, 2023, through September 30, 2024.</p>
<p>d. Naloxone Distribution Program (0.5%)</p>	<p>Hospitals with an Emergency Department that meet the following milestones are eligible to earn a 0.5% DAP increase on all inpatient services.</p> <ul style="list-style-type: none"> i. Milestone #1: No later than April 30, 2023, the hospital must submit a Letter of Intent (LOI) to AHCCCS to the following email address: AHCCCSdap@azahcccs.gov, indicating that they will participate in the Naloxone Distribution Program (NDP). The LOI must contain each facility, including AHCCCS ID(s) and corresponding NPI(s), that the hospital requests to participate in the DAP. ii. Milestone #2: No later than November 30, 2023, develop and submit a facility policy that meets AHCCCS/ADHS standards for a NDP. iii. Milestone #3: No later than January 1, 2024, begin distribution of Naloxone to individuals at risk of overdose as identified through the facilities' policy.

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B. Payment Methodology

All payments may be increased up to a maximum of 3.0%. Payments will be increased by 1.5% if the IHS/Tribal 638 facility meets the HIE requirements, by 0.5% if it meets the AzHDR requirements, by 0.5% if it meets the SDOH requirements, and by 0.5% if it meets the Naloxone Distribution Program requirements. The proposed DAP for IHS/638 facilities would be applicable to the All-inclusive Rate (AIR). The DAP is not applicable to supplemental payments.

IHS/Tribal 638 facility which submitted an HIE LOI and received a DAP increase for CYE 2023 but failed to achieve one or more milestone in the LOI or failed to maintain its participation in the milestone activities are ineligible to receive DAP in CYE 2024.

If a provider is receiving a DAP in CYE 2024 and cannot meet a milestone and/or cannot maintain its participation in milestone activities, the provider must immediately notify AHCCCS. This notification must be made prior to the milestone deadline and must state the reason the milestone cannot be met. When applicable, DAP participants are subject to audits, at the discretion of AHCCCS. Within 30 days of AHCCCS being notified of a missed milestone, becoming aware of the provider's failure to maintain participation, and/or determining that the provider has failed a DAP audit, AHCCCS will remove the participant's eligibility for the DAP, effective immediately and for the remainder of the year.

If a hospital receives a DAP increase for the entire CYE 2024 but it is determined subsequently that it did not meet the CYE 2024 milestones or failed to maintain its participation in the milestone activities in CYE 2024, that hospital will be ineligible to receive this DAP for CYE 2025 if a DAP is available at that time.

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