



DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services

Region IX

Division of Medicaid & Children's Health Operations

90 Seventh Street, Suite 5-300 (5W)

San Francisco, CA 94103-6706

DEC 3 2010

Thomas J. Betlach, Director
Arizona Health Care Cost Containment System
801 East Jefferson Street
Phoenix, AZ 85034

Dear Mr. Betlach:

Enclosed is an approved copy of Arizona State Plan Amendment (SPA) No. 10-010B, regarding the outpatient hospital fee schedule. This SPA updates the outpatient hospital reimbursement rates for the rate year beginning October 1, 2010. The update reflects State legislative enactment of a rate freeze in which the inflation factors will not be applied. This SPA also updates the reimbursement effectiveness dates in Attachment 4.19-B for laboratory services and certain EPSDT services.

In the future, when the State submits a SPA that may impact Indians or Indian health providers, CMS will look for evidence of the State's tribal consultation process for that SPA. Pursuant to section 1902 (a) (73) of the Act added by section 5006 (e) of the Recovery and Reinvestment Act of 2009, the State must submit evidence to CMS regarding the solicitation of advice prior to submission of the SPA. This consultation must include all federally recognized tribes, Indian Health Service and Urban Indian Organizations within the state.

If you have any questions, please have your staff contact Cheryl Young at (415) 744-3598.

Sincerely,

Gloria Nagle, Ph.D., MPA
Associate Regional Administrator
Division of Medicaid & Children's Health Operations

cc: Michele Bowser, CMS Center for Medicaid and State Operations (two copies)
Jessica Schubel
HeeYoung Ansell