



Region IX

Division of Medicaid & Children's Health Operations

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

San Francisco, CA 94103-6706

FEB 24 2011

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. 10-011B. This SPA implements a mid-year outpatient hospital reimbursement rate reduction effective for claims with dates of service between April 1, 2011 and September 30, 2011. In that period, reimbursement will be reduced by 5 percent of the payment that otherwise would have been made under the methodology in effect as of October 1, 2010. This SPA is effective April 1, 2011.

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