

STATE OF ARIZONA

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES
INPATIENT HOSPITAL CARE

ADDITIONAL POOL AMOUNTS

1. The methodology described in Paragraph B(1) applies to the following:

For the service period July 1, 2010 through June 30, 2011, in addition to the payments in Paragraph B(1), the Administration shall distribute up to \$2,503,350 as described in this paragraph to the following hospitals: Banner Good Samaritan.

2. The methodology described in Paragraph B(3) applies to the following:

For the service period of July 1, 2010, to June 30, 2011, in addition to the payments in Paragraph B(3), the Administration shall distribute up to \$1,113,342 under this paragraph to the following hospitals: Banner Good Samaritan. If funds are insufficient to cover all calculated distributions within any priority group described in paragraphs B(3)(a) and (b), the Administration shall adjust the distributions proportionally within that priority group.

3. The methodology described in Paragraph B(4) applies to the following:

For the service period of July 1, 2010, to June 30, 2011, in addition to the payments in Paragraph B(4), the Administration shall distribute up to \$426,998 under this paragraph to the following hospitals: Banner Good Samaritan. If funds are insufficient to cover all calculated distributions, the Administration shall adjust the distributions proportionally.

4. The methodology described in Paragraph F applies to the following:

For the service period of July 1, 2010 to June 30, 2011, in addition to the payments in Paragraph F, the Administration shall distribute up to \$18,331,976 in total funds under this paragraph to the following hospitals: Banner Good Samaritan. Any unallocated authority remaining from paragraphs B(3), B(4) or D after any necessary redistribution under paragraph E may be distributed under this paragraph.

OS Notification

State/Title/Plan Number: Arizona State Plan Amendment 11-001B

Type of Action: SPA Approval

Effective Date of SPA: February 12, 2011

Required Date for State Notification: February 16, 2012

Fiscal Impact: \$15,058,824 federal for FFY 2011

Number of Services Provided by Enhanced Coverage, Benefits or Retained Enrollment: 0

Number of Potential Newly Eligible People: 0

or

Eligibility Simplification:

Provider Payment Increase or Decrease: Increase

Delivery System Innovation: No

Number of People Losing Medicaid Eligibility: 0

Reduces Benefits: No

Detail: This amendment updates the annual Graduate Medical Education (GME) and Indirect Medical Education (IME) payment pool amounts for State fiscal year ending June 30, 2011. This amendment does not change the previously approved payment pool allocation methodology or the computation of the maximum GME and IME reimbursement each hospital is eligible to receive. The funding for all GME/IME pools will be intergovernmental transfers (IGTs) from local political subdivisions. Note that this SPA is one of three submitted SPAs which update Arizona's Medicaid GME/IME payment pools for State fiscal year 2011. Due to uncertainty regarding the IGTs for certain hospitals' GME/IME payments, three SPAs (11-001A, B, and C) were created to address those payments separately. We had approved 11-001A, for a certain group of hospitals, in July 2011. We will also continue to work with the State on 11-001C for the remaining hospitals. This SPA - 11-001B - provides for the GME/IME pool payments for which the IGT funding has just been secured. The State has obtained the necessary language from the political subdivisions to certify that these IGTs are voluntary and not required by the State, per State Medicaid Director Letter #10-010. Public notice was issued timely; tribal consultation requirement has been satisfied; funding questions have been answered satisfactorily; and there is no upper payment limit (UPL) issue (Arizona's 1115 waiver allows for an exemption from the UPL if its Medicaid fee-for-service expenditure is less than five percent of its total Medicaid expenditures; Arizona has sufficient 1115 budget neutrality room for the period to cover the GME/IME expenditures).

Other Considerations: We do not recommend the Secretary contact the Governor.

Recovery Act Impact: CMS staff has previously reviewed Arizona's political subdivision contributions to Medicaid expenditure non-federal share funding and did not identify any violation. For the political subdivision contributions funding this SPA, we have reviewed the political subdivision voluntary contribution certification language to ensure compliance with SMDL #10-010. Additionally, we are also not aware at this time of any other violations of the Recovery Act requirements, including eligibility maintenance of effort, prompt payment, and rainy day funds.

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