State: ARIZONA

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES OTHER TYPES OF CARE

5% Rate Reduction

Notwithstanding the methods and rates as otherwise described, for claims with dates of service between April 1, 2011 and September 30, 2011, all payments for the following services will be reduced by 5% of the payment that would otherwise have been made under the methodology in effect as of October 1, 2010, as described above.

- Laboratory and X-ray Services Page 2 of Att. 4.19-B
- Behavioral Health Services in Att. 3.1-A Limitations: 4(b)(ii), 6(d)(vii), 9, and 13d Page 5a of Att. 4.19-B
- Physician Services Page 5a of Att. 4.19-B
- Dental Services Page 5b of Att. 4.19-B
- Transportation Services Page 5b of Att. 4.19-B •
- Clinic Services Page 5a of Att. 4.19-B .
- Family Planning Services Page 5a of Att. 4.19-B .
- Nurse-Midwife Services Page 5a of Att. 4.19-B •
- Pediatric and Family Nurse Practitioner Services Page 5a of Att. 4.19-B .
- Other types of care furnished by all Licensed Practitioners in Att. 3.1-A, item 6d Page 5b of Att. 4.19-B .
- Diagnostic, Screening and Preventive Services Page 5b of Att. 4.19-B •
- Respiratory Care Services Page 5b of Att. 4.19-B
- Physical Therapy, Occupational Therapy, and Speech Therapy Services Page 5b of Att. 4.19-B .
- Prosthetic devises Page 5b of Att. 4.19-B
- Medical Supplies, Equipment and Appliances Page 5a of Att. 4.19-B
- Case Management Services Page 6 of Att. 4.19-B

Notwithstanding the methods and rates as otherwise described, for claims with dates of service between April 1, 2011 and September 30, 2011, all payments for the following services will be reduced by 2.5% of the payment that would otherwise have been made under the methodology in effect as of October 1, 2010, as described above.

- Home Health Services provided in the eligible person's home Page 5a of Att. 4.19-B .
- Private Duty Nursing Services when provided in the eligible person's home. Page 5b of Att. 4.19-B

For dates of service effective from October 1, 2011 to September 30, 2012, all payments for all services described above, including those that were previously only subject to a 2.5% reduction, will be at the payment rates in effect as of September 30, 2011, reduced by 5%.

TN No. 11-009C Supercedes TN No. 10-011C Approval Date: NOV 2 1 2011

Effective Date: October 1, 2011

12. Prescribed drugs, dentures, and prosthetic devices; and eyeglasses prescribed by a physician skilled in diseases of the eye or by an optometrist.

12a. Prescribed drugs.

Prescription drugs for covered transplantation services shall be provided in accordance with AHCCCS transplantation policies.

Over-the-counter or non-prescription medications are not covered unless an appropriate, alternative over-thecounter medication is available and less costly than a prescription medication.

In compliance with Section 1927(b) of the Social Security Act (the Act), the State collects drug rebates in accordance with established policy for drug rebate agreements as provided in Exhibit 12(a) to Attachment 3.1-A.

12c. Prosthetic devices.

Prosthetic devices are limited to devices prescribed by a physician or other licensed practitioner to artificially replace missing, deformed or malfunctioning portions of the body and which are medically necessary to the rehabilitation of the member.

Covered prosthetic devices for members age 21 and older do not include hearing aids, cochlear implants, bone anchored hearing aids, insulin pumps, percussive vests, microprocessors for controlled joints for the lower limbs in addition to microprocessor-controlled joints for the lower limbs, penile implants, and vacuum devices.

Orthotic devices, which are defined as devices that are prescribed by a physician or other licensed practitioner of the healing arts to support a weak or deformed portion of the body, are not covered.

12d. Eyeglasses.

Eye examinations for prescriptive lenses and the provision of prescriptive lenses under EPSDT services.

Adult services are limited to eyeglasses and contact lenses as the sole prosthetic device after a cataract extraction.

13. Other diagnostic, screening, preventive, and rehabilitative services, i.e., other than those provided elsewhere in the plan.

13a. _Diagnostic Services.

Genetic testing is not covered unless the results of the genetic tests are necessary to differentiate between treatment options. Genetic testing is not covered to determine specific diagnoses or syndromes when such determination would not definitively alter the medical treatment of the member.

13b. Screening services.

Coverage is available for evidence-based medically necessary screening services for children based on guidelines from the American Academy of Pediatrics and CDC/IACIP for immunizations.

Coverage is available for evidence-based medically necessary screening services for adults as described in the AHCCCS Medical Policy Manual

(www.azahcccs.gov/shared/MedicalPolicyManual/MedicalPolicyManual.aspx?ID=policymanuals) which are based, in part, on guidelines from the U.S. Preventive Services Task Force.