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**State/Territory Name: AZ** 

State Plan Amendment (SPA) #:18-020

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#### 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**

February 21, 2019

Jami Snyder, Director Arizona Health Care Cost Containment System 801 E. Jefferson Phoenix, AZ 85034

RE: Arizona SPA 18-0020

Dear Ms. Snyder:

We have reviewed the proposed amendment to Attachment 4.19-D of your Medicaid state plan submitted under transmittal number (TN) 18-0020. This amendment updates nursing facility rates effective October 1, 2018.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(13), 1902(a)(30), and 1903(a) 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 18-0020 is approved effective October 1, 2018. We are enclosing the CMS-179 and the amended plan pages.

If you have any questions, please call Mark Wong at (415) 744-3561.

Sincerely,

Kristin Fan Director

**Enclosures** 

TRANSMITTAL AND NOTICE OF APPROVAL OF	1. TRANSMITTAL NUMBER:	2. STATE			
STATE PLAN MATERIAL	18-020	Arizona			
STATE I DAN MATERIAL	a o				
FOR: Centers for Medicare and Medicaid Services	3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)				
TO: REGIONAL ADMINISTRATOR	4. PROPOSED EFFECTIVE DATE				
CENTERS FOR MEDICARE AND MEDICAID SERVICES	October 1, 2018				
DEPARTMENT OF HEALTH AND HUMAN SERVICES					
5. TYPE OF PLAN MATERIAL (Check One):					
☐ NEW STATE PLAN ☐ AMENDMENT TO BE C	CONSIDERED AS NEW PLAN				
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)					
6. FEDERAL STATUTE/REGULATION CITATION:	7. FEDERAL BUDGET IMPACT:	***************************************			
42 CFR Part 447	FFY 19: \$929,700				
	FFY 20: \$932,500				
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION				
	OR ATTACHMENT (If Applicable):				
Attachment 4.19-D, Page 8	Attachment 4.19-D, Page8				
Attachment 4.17-D, 1 age 0	Attachment 1.17 B,	1 ugeo			
		=			
10. SUBJECT OF AMENDMENT:		9) _			
Updates the NF rates effective 10/1/18		e 8			
11. 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:				
12. SIGNATURE OF STATE AGENCY OFFICIAL:	16. RETURN TO:				
	Elizabeth Lorenz				
u.	801 E. Jefferson, MD#4200				
	Phoenix, Arizona 85034				
V					
12 TVDED MAME.	- P				
13. TYPED NAME: Elizabeth Lorenz					
14. TITLE:		B B			
Assistant Director					
15. DATE SUBMITTED:					
12/28/18		8			
FOR REGIONAL OF	FICE USE ONLY				
17. DATE RECEIVED:	18. DATE APPROVED: FEB 2 1	2019			
PLAN APPROVED – ONE COPY ATTACHED					
19. EFFECTIVE DATE OF APPROYED MATERIAL:	20. SIGNATURE OF REGIONAL OFF	ICIAL:			
21. TYPED NAME: Kristin Fan	22. TITLE: Director, FMG				
23. REMARKS:					

# STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT STATE: ARIZONA

## METHODS AND STANDARDS FOR ESTABLISHING FEE-FOR-SERVICE PAYMENT RATES FOR LONG TERM CARE FACILITIES

85% for each facility, then add in the per day historic costs for property taxes and insurance to determine the statewide average capital component.

#### 4. Total Rate

The per diem nursing facility rates are calculated by summing the primary care, indirect care, and capital cost components. These rates vary by member level of care and geographic area due to the primary care components.

#### 5. Rate Update

Effective October 1, 2002 and each year thereafter, fee-for-service rates for nursing facilities will be updated by applying an inflation factor or factors to the rate components in effect for the prior year. This method of adjusting fee-for-service rates is consistent with the method used by AHCCCS for other medical services. For rates effective from October 1, 2011 to September 30, 2013, and from October 1, 2015 and thereafter, no inflation factor will be applied.

Below are the AHCCCS FFS Nursing Facility Per Diem Rates effective on and after October 1, 2018:

Level of Care	Revenue Code	Urban Rate*	Rural Rate	Flagstaff
Level l	191	\$160.78	\$155.77	\$156.90
Level 2	192	\$175.77	\$169.75	\$170.96
Level 3	193	\$208.49	\$201.82	\$203.27
LOA (Leave of Absence)**	0183, 0185	\$160.78	\$155.77	\$156.90

<sup>\*</sup>AHCCCS has designated nursing facilities in the Arizona counties of Pima, Pinal, and
Maricopa as Urban to be paid at the AHCCCS Urban Rate. All other counties inside or outside
of Arizona are designated as Rural and are paid at the AHCCCS Rural Rate (except Flagstaff, which is paid at the rate
specified above).

#### \*\*This LOA rate only applies to reserved beds at Nursing Facilities

#### III. Other Provisions

#### A. <u>Provider Appeals</u>

Nursing facility providers have the right to request an informal rate reconsideration in accordance with the ALTCS Rules. Appeals are allowed for the following reasons:

- Extraordinary circumstances (as determined by the Director).
- Provision of specialty care services directed at members with high medical needs.
- Unique or unusually high case mix.

Appeals are made in writing to the Director. Appeals which are granted become effective no earlier than the date the appeal was requested.

#### B. Cost and Wage Reporting

AHCCCS uses cost and wage reports filed by the nursing facilities in the State of Arizona as a basis for these rate calculations.

TN No. <u>18-020</u> Supersedes TN No. 18-001

Approval Date FEB 2 1 2019 Effective Date: October 1, 2018