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State/Territory Name: Arizona

State Plan Amendment (SPA) #: 19-0022

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S3-14-28
Baltimore, Maryland 21244-1850



Financial Management Group/ Division of Reimbursement Review

March 12, 2020

Jami Snyder, Director
Arizona Health Care Cost Containment System
801 East Jefferson Street
Phoenix, AZ 85034

RE: TN 19-022

Dear Ms. Snyder

We have reviewed the proposed amendment to Attachment 4.19-B of your Medicaid State plan submitted under transmittal number (TN) 19-022. The proposed amendment updates the reimbursement methodology for outpatient differential adjusted payments.

Based upon the information provided by the State, we have approved the amendment for incorporation into the official Arizona State Plan with an effective date of October 1, 2019. A copy of the CMS-179 and the approved plan pages Supplement 2 to Attachment 4.19-B, pages 1-13 are included with this letter.

If you have any questions, please contact Brian Zolynas at (415) 744-3601 or by email at brian.zolynas@cms.hhs.gov.

Sincerely,

A solid black rectangular box used to redact the signature of the sender.

Todd McMillion
Acting Director

Enclosures

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER <u>1 9</u> — <u>0 2 2</u>	2. STATE Arizona
3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	

TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE & MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE October 1, 2019
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5. TYPE OF PLAN MATERIAL (*Check One*)

NEW STATE PLAN AMENDMENT TO BE CONSIDERED AS NEW PLAN AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (*Separate transmittal for each amendment*)

6. FEDERAL STATUTE/REGULATION CITATION 42 CFR Part 447	7. FEDERAL BUDGET IMPACT a. FFY 2020 \$ _____ b. FFY 2021 \$ _____
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8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT SUPPLEMENT 2 to attachment 4.19-B pg. 1-13	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (<i>If Applicable</i>) SUPPLEMENT 2 to attachment 4.19-B pg. 1-3
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10. SUBJECT OF AMENDMENT

Updates the State Plan OP DAP program, effective October 1, 2019.

11. GOVERNOR'S REVIEW (*Check One*)


GOVERNOR'S OFFICE REPORTED NO COMMENT OTHER, AS SPECIFIED
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. REGIONAL OFFICIAL 	16. RETURN TO Dana Hearn 801 E. Jefferson, MD#4200 Phoenix, Arizona 85034
13. TYPED NAME Dana Hearn	
14. TITLE Assistant Director	
15. DATE SUBMITTED 12/30/2019	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED December 30, 2019	18. DATE APPROVED March 12, 2020
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PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL October 1, 2019	20. SIGNATURE OF REGIONAL OFFICIAL 
21. TYPED NAME Todd McMillion	22. TITLE Acting Director, Financial Management Group Division of Reimbursement Review

23. REMARKS
Box 8 pages changed from 1-6 to 1-13.

State: ARIZONA

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES-
OTHER TYPES OF CARE

The following is a description of methods and standards for determining Differential Adjusted Payments for providers registered with AHCCCS as integrated clinics and AHCCCS registered physicians, physician's assistants, and registered nurse practitioners, and outpatient hospitals and sub-acute behavioral health residential treatment facilities. The purpose of the Differential Adjusted Payment is to distinguish facilities which have committed to supporting designated actions that improve patients' care experience, improve members' health, and reduce cost of care growth. The Differential Adjusted Payment Schedule represents a positive adjustment to the AHCCCS Fee-For-Service rates. These payment adjustments will occur for all dates of service in Contract Year Ending (CYE) 2020 (October 1, 2019 through September 30, 2020) only. All DAP increases are not applicable to IHS/638 facility reimbursement at the All-inclusive Rate.

1) Integrated Clinics

A. Applicability

Providers must meet the following criteria to qualify for the differential adjusted payment (select 10.0%) as an integrated clinic:

1. Must be registered with AHCCCS as Integrated Clinic and licensed by the Arizona Department of Health Services as an Outpatient Treatment Center that provides both behavioral health services and physical health services.
2. During the period October 1, 2017 through September 30, 2018, claims for behavioral health services make up at least 40% of the provider's total claims
3. By May 1, 2019, must have executed an agreement with a qualifying health information exchange organization and electronically transfer information, including both a registration event as well as an encounter summary, to a qualifying health information exchange organization.
4. By May 15, 2019, the clinic must have executed an agreement with a qualifying HIE organization and electronically submitted actual patient identifiable information, including both a registration event as well as an encounter summary, to the production environment of the qualifying HIE organization. The clinic must maintain this HIE requirement through September 30, 2020. If a clinic is in the process of integrating a new Practice Management and Electronic Health Record system, then it may have until September 1, 2019 to electronically submit actual patient identifiable information, including both a registration event as well as an encounter summary, to the production environment of the qualifying HIE organization.

B. Exemptions:

IHS and 638 tribally owned and/or operated Integrated Clinics are exempt from this initiative at this time based on payments primarily at the federally-mandated all-inclusive rate.

C. Payment Methodology

TN No. 19-022

Supersedes

TN No. 18-019

Approval Date: March 12, 2020Effective Date: October 1, 2019

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For the contracting year October 1, 2019 through September 30, 2020, Differential Adjusted Rates will be paid for select physical health services and will provide an increase of 10% over the AHCCCS Fee-For-Service rates for the same services. The physical health services that qualify for the Differential Adjusted Rate are published on the Agency's website and effective as of October 1, 2019:

https://www.azahcccs.gov/AHCCCS/Downloads/PublicNotices/rates/FinalNoticeOfPublicInformationDifferentialAdjustedPaymentsEffectiveOctober_1_2019-September_30_2020_DatesOfService.pdf

2) Physicians, Physician Assistants, and Registered Nurse Practitioners

A. Applicability

Providers must meet the following criteria to qualify for the differential adjusted payment (up to 1.0%) as a physician, physician assistant, or registered nurse practitioner:

1. Provider must be an AHCCCS registered physician, physician assistant, or registered nurse practitioner
2. Provider must have written at least 80 prescriptions for AHCCCS members
3. Based on approved and adjudicated AHCCCS claims and encounters for July 1, 2018 through December 31, 2018 dispense dates, 65% of the provider's total AHCCCS prescriptions must be Electronic Prescriptions (E-Prescriptions)
4. AHCCCS will compute claims and encounters for this purpose as of May 1, 2019 to determine which providers meet the minimum threshold

E-Prescription statistics will be identified by the AHCCCS provider ID for the prescribing provider, and computed by AHCCCS based on the following factors:

- i. Only approved and adjudicated AHCCCS claims and encounters for July 1, 2018 through December 31, 2018 dispense dates will be utilized in the computations.
- ii. AHCCCS will compute claims and encounters for this purpose as of May 1, 2019 to determine which providers meet the minimum threshold.
- iii. AHCCCS will not consider any other data when determining which providers qualify for the DAP increase.
- iv. E-Prescriptions include those prescriptions generated through a computer-to-computer electronic data interchange protocol, following a national industry standard and identified by Origin Code 3.
- v. Refills of original prescriptions whereby the original prescriptions meet the definition of E-Prescriptions shall not be counted as E-Prescriptions.

The DAP will apply to claims for covered AHCCCS services where the rendering provider ID on the claim is the same as the prescribing provider ID that was identified and found to meet the criteria described above.

B. Payment Methodology

TN No. 19-022

Supersedes

TN No. 18-019

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Physicians, physician assistants, and registered nurse practitioners meeting the above criteria will qualify for a 1% increase on all services billed on the CMS Form 1500.

3) Dental Providers

A. Overview:

The following is a description of methods and standards for determining Differential Adjusted Payments (up to 1.0%) for providers registered with AHCCCS as dental providers. The purpose of the Differential Adjusted Payment is to distinguish facilities which have committed to supporting designated actions that improve patients' care experience, improve members' health, and reduce cost of care growth. The Differential Adjusted Payment Schedule represents a positive adjustment to the AHCCCS Fee-For-Service rates. These payment adjustments will occur for all dates of service in Contract Year Ending (CYE) 2020 (October 1, 2019 through September 30, 2020) only.

B. Applicability

Dental Providers (Provider Types D1, D2, D3, D4, 07, 54) are eligible for a DAP increase under the following criteria.

i. Dental Sealants for Children Performance Measure

A provider that meets the criteria for the dental sealants for children performance measure will qualify for a 1.0% DAP increase. Providers that increased the number of AHCCCS child members from 5 through 15 years of age to whom they provided dental sealants from CYE 2017 to CYE 2018 are considered to meet this measure. AHCCCS will review only approved and adjudicated claims and encounter data in order to compute a count of the number of AHCCCS members who are children aged 5 through 15 years who received a dental sealant for each time period. AHCCCS will compute claims and encounters for this purpose as of May 1, 2019. Providers with a computed increase to their count will qualify for the DAP increase.

C. Exemptions:

IHS and 638 tribally owned and/or operated facilities are exempt from this initiative at this time based on payments primarily at the federally-mandated all-inclusive rate.

D. Payment Methodology

For the contracting year October 1, 2019 through September 30, 2020, Differential Adjusted Rates will provide an increase of 1% over the AHCCCS Fee-For-Service rates for eligible providers.

4) Home and Community Based Services Providers

A. Overview

TN No. 19-022

Supersedes

TN No. 18-019

Approval Date: March 12, 2020

Effective Date: October 1, 2019

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The following is a description of methods and standards for determining Differential Adjusted Payments (up to 1.0%) for providers registered with AHCCCS as HCBS providers. The purpose of the Differential Adjusted Payment is to distinguish facilities which have committed to supporting designated actions that improve patients' care experience, improve members' health, and reduce cost of care growth. The Differential Adjusted Payment Schedule represents a positive adjustment to the AHCCCS Fee-For-Service rates. These payment adjustments will occur for all dates of service in Contract Year Ending (CYE) 2020 (October 1, 2019 through September 30, 2020) only.

B. Applicability

Home and Community Based Services (HCBS) Providers (Provider Types A3, FI, IC, 23, 39, 40, 46, 77, and 95) are eligible for a DAP increase under the following criteria.

a. Electronic Visit Verification Readiness Survey

AHCCCS has requested HCBS Providers respond to an Electronic Visit Verification (EVV) readiness survey. A provider that completes the EVV survey in its entirety by May 28, 2019 will qualify for a 1.0% DAP increase. The DAP increase will be applicable to select Attendant Care, Companion Care, Habilitation, Home Health (aid, therapy, nursing services), Homemaker, Personal Care, Respite, and Skills Training services that are provided with place of service (POS) Home, Assisted Living Facility, and Other. See Attachment B for the specific list of codes which are proposed to increase for purposes of DAP (code list updated May 20, 2019).

Attachment B located on page 15 of AHCCCS's DAP public notice linked here and are effective as of October 1, 2019:

https://www.azahcccs.gov/AHCCCS/Downloads/PublicNotices/rates/FinalNoticeOfPublicInformationDifferentialAdjustedPaymentsEffectiveOctober_1_2019-September_30_2020_DatesOfService.pdf

C. Exemptions:

IHS and 638 tribally owned and/or operated Integrated Clinics are exempt from this initiative at this time based on payments primarily at the federally-mandated all-inclusive rate.

D. Payment Methodology

For the contracting year October 1, 2019 through September 30, 2020, Differential Adjusted Rates will provide an increase of 1.0% over the AHCCCS Fee-For-Service rates for eligible providers.

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5) Behavioral Health Outpatient Clinics and Integrated Clinics

A. Overview

The following is a description of methods and standards for determining Differential Adjusted Payments for providers registered with AHCCCS as integrated clinics and AHCCCS registered outpatient hospitals and behavioral health outpatient clinics. The purpose of the Differential Adjusted Payment is to distinguish facilities which have committed to supporting designated actions that improve patients' care experience, improve members' health, and reduce cost of care growth. The Differential Adjusted Payment Schedule represents a positive adjustment to the AHCCCS Fee-For-Service rates. These payment adjustments will occur for all dates of service in Contract Year Ending (CYE) 2020 (October 1, 2019 through September 30, 2020) only.

B. Applicability

Behavioral Health Outpatient Clinics, Provider Type 77, and Integrated Clinics, Provider Type IC are eligible for DAP increases (up to 7%) under the following criteria:

b. Partnerships with Schools to Provide Behavioral Health Services

A clinic that meets the criteria for partnering with schools to provide behavioral health services will qualify for a 1.0% DAP increase. Partnership is defined as a provider that has memoranda of agreement or understanding (MOA or MOU) with three or more schools in place as of May 15, 2019 that allow for the clinic to provide behavioral health services to school-aged children in the school setting. On May 15, 2019, AHCCCS will review such documents as have been submitted by each provider by e-mail to FFSRates@azahcccs.gov in order to determine the number of qualifying MOAs or MOUs for each provider. Providers with three or more MOAs or MOUs that meet this requirement will qualify for the DAP increase.

c. Autism Centers of Excellence

A clinic that meets the criteria to be considered an Autism Center of Excellence (COE) will qualify for a 3.0% DAP increase. An Autism COE is defined as a provider that has been identified as such by any AHCCCS MCO in the "Value Based Providers/Centers of Excellence" attachment to its "Provider Network Development and Management Plan," submitted by November 15, 2018. Providers that have been identified as an Autism COE in this manner will qualify for the DAP increase.

d. Provision of Services to Members in a Difficult to Access Location

A clinic that meets the criteria for provision of services to members in a difficult to access location that cannot be accessed by ground transportation due to the nature and extent of the surrounding Grand Canyon terrain will qualify for a DAP increase of **3.0%** on all claims. Provision of services is defined as a provider that has an MOA or MOU with a tribal government to access tribal territory in order to provide behavioral health

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services to members located in the Grand Canyon. The signed MOA or MOU must be in place by **May 31, 2019** and submitted to AHCCCS by e-mail to FFSRates@azahcccs.gov. On **May 31, 2019**, AHCCCS will review such documents as have been submitted by each provider in order to determine providers that meet this requirement and will qualify for this DAP increase.

B. Exemptions

IHS and 638 tribally owned and/or operated facilities, including hospital and nursing facilities are exempt from this initiative.

C. Payment Methodology

For Behavioral Health Outpatient Clinics, Provider Type 77, and Integrated Clinics, Provider Type IC, all payment rates for Fee for Service services will be increased by: 1.0% if they meet the school-based behavioral health services requirement, 3.0% if they meet the criteria to be considered an Autism Center for Excellence, 3.0% if the clinic meets the criteria for provision of services to members in a difficult to access location that cannot be accessed by ground transportation due to the nature and extent of the surrounding Grand Canyon terrain.

6) Critical Access Hospitals

A. Applicability

Hospitals designated as a Critical Access Hospital (CAH) by May 1, 2019 are eligible for DAP increases (up to 28.5%) under the following criteria.

- a. Participation in a qualifying HIE organization qualifies the CAH for a 8.0% DAP increase for outpatient services. Participation means that by May 15, 2019, the CAH must have submitted a LOI to AHCCCS and the HIE, in which it agrees to achieve the following milestones by the specified dates, or maintain its participation in the milestone activities if they have already been achieved:
 - i. Base requirement: The hospital must already have in place an active participation agreement with a qualifying HIE organization and must maintain the data submission requirements of the CYE 2019 DAP requirements throughout CYE 2020.
 - ii. Milestone #1: No later than July 1, 2019 the hospital must submit actual patient identifiable immunization data to the production environment of a qualifying HIE organization.
 - iii. Milestone #2: No later than October 1, 2019 the hospital must approve and authorize a formal SOW with a qualifying HIE organization to initiate and complete a data quality profile to be produced by a qualifying HIE organization.
 - iv. Milestone #3: No later than December 31, 2019 the hospital must complete the initial data quality profile with a qualifying HIE organization.

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- v. Milestone #4: No later than March 31, 2020 the hospital must complete the data quality scope of work by producing the final data quality profile with a qualifying HIE organization.

For criteria (a)(iii), (a)(iv), and (a)(v), the information transferred to the qualifying HIE must be actual patient data; the transfer of test data does not fulfill these requirements. It must include all patient data, including behavioral health data and data covered by 42 CFR Part 2.

In order to receive the 8.0% DAP increase for HIE participation a hospital must submit an LOI to the HIE and AHCCCS by May 15, 2019 at the following email addresses: FFSRates@azahcccs.gov, and ceo@healthcurrent.org

If a hospital has already achieved one or more of the CYE 2020 milestones as of May 15, 2019, the LOI must include a commitment by the hospital to maintain its participation in those milestone activities for the period May 15, 2019 through September 30, 2020. If a hospital submits an LOI and receives the 8.0% DAP increase for CYE 2020, but fails to achieve one or more of the milestones by the specified date, or fails to maintain its participation in the milestone activities, that hospital will be ineligible to receive DAP for dates of service from October 1, 2020 through September 30, 2021 (CYE 2021) if a DAP is available at that time.

Hospitals which submitted an LOI and received a DAP increase for CYE 2019 but failed to achieve one or more milestone or failed to maintain its participation in the milestone activities are ineligible to receive DAP in CYE 2020.

- b. Critical Access Hospitals which meet all of the criteria in subsection (a) above, have a Level I-IV trauma center as of May 15, 2019, and are located less than five miles from Interstate 10 will receive an additional 20.0% DAP increase for outpatient services.
- c. Hospitals that hold a Pediatric-Prepared Emergency Care certification will qualify for a 0.5% DAP increase. By May 1, 2019, the hospital must have obtained a Pediatric-Prepared Emergency Care certification from the AzAAP. AHCCCS does not intend to consider this metric for a DAP increase for CYE 2021

B. Exemptions:

IHS and 638 tribally owned and/or operated facilities, including hospital and nursing facilities are exempt from this initiative.

C. Payment Methodology

For critical access hospitals, payment rates for outpatient services will be increased by 8.0% if they meet the HIE requirements, by 28.0% if they meet both the HIE requirements and the Level I-IV Trauma Center and Interstate 10 requirements, and by 0.5% if they hold the Pediatric-Prepared Emergency Care certification. These increases do not apply to supplemental payments.

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7) Hospitals Subject to APR-DRG Reimbursements and Other Hospitals

A. Applicability

To qualify for the Differential Adjusted Payment, a hospital providing hospital services must meet one of the following criteria:

- a. Hospitals (provider type 02) receiving APR-DRG reimbursement are eligible for DAP increases (up to 4%) under the following criteria.

i. Health Information Exchange Participation

Participation in a qualifying Health Information Exchange (HIE) organization qualifies the hospital for a 2.5% DAP increase for services. Participation means that by May 15, 2019, the hospital (both those addressed in sections 1 and 2 below) must have submitted a Letter of Intent (LOI) to AHCCCS and the HIE, in which it agrees to achieve the following milestones by the specified dates, or maintain its participation in the milestone activities if they have already been achieved:

1. Providers That Did Not Participate in CYE 2019 DAP:
 - a. Milestone #1: No later than July 31, 2019 the hospital must execute an agreement with a qualifying HIE organization.
 - b. Milestone #2: No later than October 31, 2019 the hospital must approve and authorize a formal scope of work (SOW) with a qualifying HIE organization to develop and implement the data exchange necessary to meet the requirements of Milestones #3 and #4.
 - c. Milestone #3: No later than March 31, 2020 the hospital must electronically submit actual patient identifiable admission, discharge, and transfer information (generally known as ADT information), including data from the hospital emergency department if the provider has an emergency department, to the production environment of a qualifying HIE organization.
 - d. Milestone #4: No later than June 30, 2020 the hospital must electronically submit actual patient identifiable laboratory and radiology information (if the provider has these services), transcription, medication information, and discharge summaries that include, at a minimum, discharge orders, discharge instructions, active medications, new prescriptions, active problem lists (diagnosis), treatments/procedures conducted during the stay, active allergies, and discharge destination to the production environment of a qualifying HIE organization.
2. Returning CYE 2019 DAP Participants:

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- a. Base requirement: The hospital must already have in place an active participation agreement with a qualifying HIE organization and must maintain the data submission requirements of the CYE 2019 DAP requirements throughout CYE 2020.
- b. Milestone #1: No later than July 1, 2019 the hospital must submit actual patient identifiable immunization data to the production environment of a qualifying HIE organization.
- c. Milestone #2: No later than October 1, 2019 the hospital must approve and authorize a formal SOW with a qualifying HIE organization to initiate and complete a data quality profile to be produced by a qualifying HIE organization.
- d. Milestone #3: No later than December 31, 2019 the hospital must complete the initial data quality profile with a qualifying HIE organization.
- e. Milestone #4: No later than March 31, 2020 the hospital must complete the data quality scope of work by producing the final data quality profile with a qualifying HIE organization.

For criteria (1)(c), (1)(d), and (2)(b), the information transferred to the qualifying HIE must be actual patient data; the transfer of test data does not fulfill these requirements. It must include all patient data, including behavioral health data and data covered by 42 CFR Part 2.

In order to receive the 2.5% DAP increase for HIE participation a hospital (both those addressed in sections 1 and 2 above) must submit an LOI to the HIE and AHCCCS by May 15, 2019 at the following email addresses:

FFSRates@azahcccs.gov, and

ceo@healthcurrent.org

If a hospital has already achieved one or more of the CYE 2020 milestones as of May 15, 2019, the LOI must include a commitment by the hospital to maintain its participation in those milestone activities for the period May 15, 2019 through September 30, 2020.

If a hospital submits an LOI and receives the 2.5% DAP increase for CYE 2020, but fails to achieve one or more of the milestones by the specified date, or fails to maintain its participation in the milestone activities, that hospital will be ineligible to receive DAP for dates of service from October 1, 2020 through September 30, 2021 (CYE 2021) if a DAP is available at that time.

Hospitals which submitted an LOI and received a DAP increase for CYE 2019 but failed to achieve one or more milestone or failed to maintain its participation in the milestone activities are ineligible to receive DAP in CYE 2020.

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ii. Sepsis Care Performance Measure

Applicability

Hospitals that meet or exceed the state-wide average for the Sepsis Care performance measure will qualify for a 1.0% DAP increase. On April 30, 2019, AHCCCS will download data from the Medicare Hospital Compare website for the Early Management Bundle, Severe Sepsis/Septic Shock (SEP-1) performance measure. This measure reflects the percentage of patients who received appropriate care for severe sepsis and septic shock. Facility results will be compared to the Arizona average results for the measure. Hospitals that meet or exceed the state-wide average percentage will qualify for the DAP increase.

A pediatric hospital will qualify to receive this DAP increase if it is a participant in the Improving Pediatric Sepsis Outcomes (IPSO) collaborative for 2019, as identified on April 30, 2019 on the following website: [https://www.childrenshospitals.org/-/media/Files/CHA/Main/Quality and Performance/Sepsis/2018-IPSO-Enrolled-Hospitals.pdf](https://www.childrenshospitals.org/-/media/Files/CHA/Main/Quality%20and%20Performance/Sepsis/2018-IPSO-Enrolled-Hospitals.pdf).

iii. Pediatric Preparedness Certification

Hospitals that hold a Pediatric-Prepared Emergency Care certification will qualify for a 0.5% DAP increase. By May 1, 2019, the hospital must have obtained a Pediatric-Prepared Emergency Care certification from the Arizona Chapter of the American Academy of Pediatrics (AzAAP).

- b. Other hospitals and Facilities (Psychiatric Hospitals, with the exception of public hospitals, Provider Type 71; Subacute Facilities (1-16 Beds), Provider Type B5; Rehabilitation Hospitals, Provider Type C4; Long Term Acute Care Hospitals, Provider Type C4) are eligible for DAP increases (up to 4.0%) under the following criteria.

1. Health Information Exchange Participation

Participation in a qualifying HIE organization qualifies the hospital for a 2.0% DAP increase for services. Participation means that by May 15, 2019, the hospital (both those addressed in sections i. and ii. below) must have submitted a LOI to AHCCCS and the HIE, in which it agrees to achieve the following milestones by the specified dates, or maintain its participation in the milestone activities if they have already been achieved:

i. Providers That Did Not Participate in CYE 2019 DAP:

1. Milestone #1: No later than July 31, 2019 the hospital must execute an agreement with a qualifying HIE organization.

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2. Milestone #2: No later than October 31, 2019 the hospital must approve and authorize a formal SOW with a qualifying HIE organization to develop and implement the data exchange necessary to meet the requirements of Milestones #3 and #4.
3. Milestone #3: No later than March 31, 2020 the hospital must electronically submit actual patient identifiable admission, discharge, and transfer information (generally known as ADT information), including data from the hospital emergency department if the provider has an emergency department, to the production environment of a qualifying HIE organization.
4. Milestone #4: No later than June 30, 2020 the hospital must electronically submit actual patient identifiable laboratory and radiology information (if the provider has these services), transcription, medication information, and discharge summaries that include, at a minimum, discharge orders, discharge instructions, active medications, new prescriptions, active problem lists (diagnosis), treatments/procedures conducted during the stay, active allergies, and discharge destination to the production environment of a qualifying HIE organization.

2. Returning CYE 2019 DAP Participants:

1. Base requirement: The hospital must already have in place an active participation agreement with a qualifying HIE organization and must maintain the data submission requirements of the CYE 2019 DAP requirements throughout CYE 2020.
2. Milestone #1: No later than October 1, 2019 the hospital must approve and authorize a formal SOW with a qualifying HIE organization to initiate and complete a data quality profile to be produced by a qualifying HIE organization.
3. Milestone #2: No later than January 1, 2020 the hospital must complete the initial data quality profile with a qualifying HIE organization.

For criteria (i)(3) and (i)(4), the information transferred to the qualifying HIE must be actual patient data; the transfer of test data does not fulfill these requirements. It must include all patient data, including behavioral health data and data covered by 42 CFR Part 2.

In order to receive the 2.0% DAP increase for HIE participation a hospital (both those addressed in sections i. and ii. above) must submit an LOI to the HIE and AHCCCS by May

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15, 2019 at the following email addresses: FFSRates@azahcccs.gov, and ceo@healthcurrent.org

If a hospital has already achieved one or more of the CYE 2020 milestones as of May 15, 2019, the LOI must include a commitment by the hospital to maintain its participation in those milestone activities for the period May 15, 2019 through September 30, 2020.

If a hospital submits an LOI and receives the 2.0% DAP increase for CYE 2020, but fails to achieve one or more of the milestones by the specified date, or fails to maintain its participation in the milestone activities, that hospital will be ineligible to receive DAP for dates of service from October 1, 2020 through September 30, 2021 (CYE 2021) if a DAP is available at that time.

Hospitals which submitted an LOI and received a DAP increase for CYE 2019 but failed to achieve one or more milestone or failed to maintain its participation in the milestone activities are ineligible to receive DAP in CYE 2020.

2. Inpatient Psychiatric Facility Quality Reporting Program

Hospitals that meet the Inpatient Psychiatric Facility Quality Reporting Program (IPFQR) performance measure will qualify for a 2.0% DAP increase. On April 30, 2019, AHCCCS will download the most current data from the QualityNet.org website to identify Medicare's Annual Payment Update (APU) recipients. APU recipients are those facilities that satisfactorily met the requirements for the IPFQR program, which includes multiple clinical quality measures. Facilities identified as APU recipients will qualify for the DAP increase.

3. Long-Term Care Hospital Pressure Ulcers Performance Measure

Hospitals that meet or fall below the national average for the pressure ulcers performance measure will qualify for a 2.0% DAP increase. On April 30, 2019, AHCCCS will download the most current data from the Medicare Long Term Hospital Compare website for the rate of pressure ulcers that are new or worsened. Facility results will be compared to the national average results for the measure. Hospitals that meet or fall below the national average percentage will qualify for the DAP increase.

4. Inpatient Rehabilitation Pressure Ulcers Performance Measure

Hospitals that meet or fall below the national average for the pressure ulcers performance measure will qualify for a 2.0% DAP increase. On April 30, 2019, AHCCCS will download the most current data from the Medicare Inpatient Rehabilitation Facility Compare website for the rate of pressure ulcers that are new or worsened. Facility results will be compared to the national average results for the

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METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES
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measure. Hospitals that meet or fall below the national average percentage will qualify for the DAP increase.

C) Exemptions:

IHS and 638 tribally owned and/or operated Integrated Clinics are exempt from this initiative at this time based on payments primarily at the federally-mandated all-inclusive rate.

D) Payment Methodology

For hospitals receiving APR-DRG reimbursement (described in Section 7(a) above), fee-for-service payment rates may be increased up a maximum of 4.0%. Payment rates for outpatient services will be increased by 2.5% if they meet the HIE requirements, by 1.0% if they meet the sepsis requirements, and by 0.5% if they hold the Pediatric-Prepared Emergency Care certification.

These increases do not apply to supplemental payments.

For other hospitals and facilities (described in Section 7(b) above), fee-for-service payment rates may be increased up a maximum of 4.0%. Payment rates for outpatient services will be increased by 2.0% if they meet the HIE requirements. For inpatient psychiatric facilities, payment rates for outpatient services will be increased by 2.0% if they meet the requirements detailed in b.2. For Long-Term Care Hospitals, payment rates for outpatient services will be increased by 2.0% if they meet the requirements detailed in b.3. For inpatient rehabilitation hospitals, payment rates for outpatient services will be increased by 2.0% if they meet the requirements detailed in b.4.

These increases do not apply to supplemental payments.