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State/Territory Name: Arizona

State Plan Amendment (SPA) #: AZ-22-0028

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 AND HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, MD 21244-1850



Financial Management Group

December 5, 2022

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

RE: Arizona State Plan Amendment 22-0028

Dear Ms. Snyder:

We have reviewed the proposed amendment to Attachment 4.19-D of your Medicaid State plan submitted under transmittal number (TN) 22-0028. This amendment updates the nursing facility Differential Adjusted Payment (DAP) program effective October 1, 2022.

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 22-0028 is approved effective October 1, 2022. We are enclosing the CMS-179 and the amended plan pages.

If you have any questions, please call Mark Wong at (415) 744-3561 or mark.wong@cms.hhs.gov.

Sincerely,



Rory Howe
Director

Enclosures

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


1. TRANSMITTAL NUMBER 22 - 0028	2. STATE AZ
3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT	
4. PROPOSED EFFECTIVE DATE October 1, 2022	
5. FEDERAL STATUTE/REGULATION CITATION 42 CFR Part 447, Subpart C	6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars) a. FFY <u>23</u> \$ <u>506,700</u> b. FFY: <u>24</u> \$ <u>0</u>
7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Attachment 4.19-D, page 9(b)-(d)	8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) Attachment 4.19-D, page 9(b)-(d)

TO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

9. SUBJECT OF AMENDMENT
Updates the state plan Nursing Facility (NF) Differential Adjusted Payment (DAP), effective October 1, 2022.

10. 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

11. SIGNATURE OF STATE AGENCY OFFICIAL


12. TYPED NAME
Dana F annery

13. TITLE
Ass stant D rector

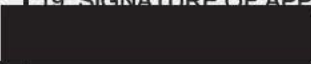
14. DATE SUBMITTED: October 19, 2022

15. RETURN TO
Dana F annery
801 E. Jefferson St., MD # 4200
Phoen x, AZ 85034

FOR CMS USE ONLY

16. DATE RECEIVED October 19, 2022	17. DATE APPROVED December 5, 2022
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PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL October 1, 2022	19. SIGNATURE OF APPROVING OFFICIAL 
20. TYPED NAME OF APPROVING OFFICIAL Rory Howe	21. TITLE OF APPROVING OFFICIAL Director, Financial Management Group

22. REMARKS

STATE OF ARIZONA
METHODS AND STANDARDS FOR ESTABLISHING FEE FOR SERVICE PAYMENT RATES
FOR LONG TERM CARE FACILITIES

Nursing Facility Differential Adjusted Payment

As of October 1, 2022 through September 30, 2023 (Contract Year Ending (CYE) 2023), provider type 22 nursing facilities that are located in Arizona with Arizona Medicaid utilization that meet AHCCCS established value-based performance metrics requirements below will receive one or both of the Differential Adjusted Payments described below. The Differential Adjusted Payment Schedule represents a positive adjustment to the AHCCCS Fee-For-Service reimbursement rates. These payment adjustments will occur for all dates of service in CYE 2023 only. 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.

a. Health Information Exchange

Nursing facilities that meet the following milestones are eligible to participate in this DAP initiative and earn a 1.0% DAP increase. In order to qualify, by April 1, 2022 the facility must have submitted a LOI to the HIE, in which it agrees to achieve the following milestones by the specified dates:

- i. *Milestone #1:* No later than April 1, 2022, the facility must have in place an active participation agreement with a qualifying HIE organization and submit a LOI to 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.
- ii. *Milestone #2:* No later than April 1, 2022, facilities that utilize external reference labs for any lab result processing must submit necessary provider authorization forms to the qualifying HIE, if required by the external reference lab, to have all outsourced lab test results flow to the qualifying HIE organization on their behalf.
- iii. *Milestone #3:* No later than December 31, 2022, the facility must electronically submit the following actual patient identifiable information to the production environment of a qualifying HIE organization: admission, discharge and transfer information (generally known as ADT information) from within the nursing facility; continuity of care documents reflecting a summary of care within the nursing facility including (if applicable): laboratory and radiology information; medication information; immunization data; active problem lists (diagnosis); social history; treatments and procedures conducted during the stay; advanced directives; active allergies; and basic patient demographic data including assigned provider, emergency contact and payer. For facilities that have not participated in DAP HIE requirements in CYE 2022, the deadline for this milestone will be April 1, 2023.
- iv. *Milestone #4:* By the facility's go-live date for new data suppliers, or within 30 days of initiating the respective COVID-19 related services for current data

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suppliers, the facility must complete the following COVID-19 related milestones, if they are applicable:

1. Related to COVID-19 testing services, submit all COVID-19 lab test codes and the associated LOINC codes to the qualifying HIE organization to ensure proper processing of lab results within the HIE system.
 2. Related to COVID-19 antibody testing services, submit all COVID-19 antibody test codes and the associated LOINC codes to the qualifying HIE organization to ensure proper processing of lab results within the HIE system.
 3. Related to COVID-19 immunization services, submit all COVID-19 immunization codes and the associated CDC-recognized code sets to the qualifying HIE organization to ensure proper processing of immunizations within the HIE system.
- v. Milestone #5: No later than April 1, 2023, the facility must have actively accessed, and continue to access on an ongoing basis, patient health information via a qualifying HIE organization, utilizing one or more HIE services, such as the HIE Portal, ADT Alerts, Clinical Notifications, or an interface that delivers patient data into the facility's EHR.

For any milestone that includes electronic submission of patient information, 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 C.F.R. Part 2.

In order to receive the 1.0% DAP increase for HIE participation a facility must submit a LOI to the HIE by April 1, 2022 to the following email address: DAP@healthcurrent.org

If a facility has already achieved one or more of the CYE 2023 milestones as of April 1, 2022, the LOI must include a commitment by the facility to maintain its participation in those milestone activities for the period April 1, 2022 through September 30, 2023. The LOI must list each facility that the Nursing Facility requests to participate in this DAP initiative and must include the AHCCCS IDs for each listed facility. In all cases, the Nursing Facility must submit the AHCCCS IDs for each listed facility as part of the LOI or must email the associated AHCCCS IDs to the email addresses noted.

If a facility submits a LOI and receives the 1.0% DAP increase for CYE 2023 but fails to achieve one or more of the HIE milestones by the specified date or fails to maintain its participation in the HIE milestone activities, that facility will be ineligible to receive an HIE DAP for dates of service from October 1, 2023 through September 30, 2024 (CYE 2024) if a DAP is available at that time.

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b. Urinary Tract Infection Performance Measure (1.0%)

Nursing facilities that meet or fall below the statewide average percentage for the Urinary Tract Infection (UTI) performance measure will qualify for a 1.0% DAP increase. On March 15, 2022, AHCCCS will download data from the Medicare Provider Data Catalog website for the percent of long-stay residents with a UTI. Facility results will be compared to the Arizona average results for the measure. Facilities with percentages less than or equal to the statewide average score will qualify for the DAP increase.

Exemptions

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

Payment Methodology

For provider type 22 nursing facilities, the fee-for-service payment rates will be increased by 1.0% if they meet the UTI requirements and by 1.0% if they meet the HIE requirements. A Provider Type 22 facility meeting both UTI and HIE requirements will receive a combined 2.0% increase. These increases do not apply to supplemental payments.

Facilities which submitted an LOI and received an increase for CYE 2022 but failed to achieve one or more milestones in the LOI or failed to maintain its participation in the milestone activities are ineligible to receive a DAP in CYE 2023.