

NOTICE OF PUBLIC INFORMATION-PUBLIC NOTICE

1. **Name of the Agency:** Arizona Health Care Cost Containment System (AHCCCS)
2. **The topic of the public information notice:** AHCCCS Fee-For-Service (FFS) proposed rates for designated fee schedules to be effective for dates of service beginning October 1, 2019.
3. **The public information relating to the topic:**
 - a. This Notice of Public Information describes proposed changes to the Arizona Health Care Cost Containment System (AHCCCS) Fee-For-Service (FFS) rates to be effective October 1, 2019. The AHCCCS Administration is proposing changes to the FFS rates specified in this Notice to assure that payments are consistent with efficiency, economy, and quality of care and are sufficient to enlist enough providers so that care and services are available at least to the extent that such care and services are available to the general population in the geographic area. The estimated increase in FFS payments as a result of the proposed rate changes is expected to be approximately \$8,248,500 for the time period of October 1, 2019 through September 30, 2020. More detailed information regarding the proposed fee schedule changes is included below.

The following fee schedules will be updated as described below:

- Hospice per diem rates will be updated to match the *Medicaid Hospice Payment Rates* for Arizona published by Medicare.
- Inpatient Hospital APR-DRG outlier cost-to-charge ratios will be updated to match the Medicare Inpatient Prospective Payment System 2019 ratios.
- For FFY 2020 dates of services, hospitals subject to APR-DRG reimbursement (Provider Type 02) may qualify for a Differential Adjusted Payment on codes J7296 - J7298, J7300 - J7301, and J7307 billed on the 1500 or UB-04 forms. The Differential Adjusted Payment represents a 10% increase over the AHCCCS Fee For-Service rates and managed care organization contracted rates for these codes.
- Physician Drug Schedule rates will be updated to address changes in drug prices which will result in a 1.3% aggregate increase.
- Ambulance rates that are based on the Arizona Ground Ambulance Service Rate Schedule published by the Arizona Department of Health Services (ADHS), Bureau of Emergency Medical Services, will be updated in accordance with state law, which will result in a 0.2% aggregate increase.
- FFS Emergency Ground Ambulance Fee Schedule rates (other than those based on rates established by the Arizona Department of Health Services, Bureau of Emergency Medical Services) will be updated for a 1.1% increase in rates.
- Air Ambulance Transportation Fee Schedule rates will be updated for an increase of 8.1%.
- Hospital APR-DRG Fee Schedule rates will be updated for an increase of 0.5%.
- Long-Term Acute Care Hospital and Rehabilitation Hospital inpatient per diem rates will be updated for changes in hospital case mix indices and outlier cost-to-charge ratios will be updated to match Medicare 2019 ratios for an aggregate increase of 0.1%.
- Outpatient Behavioral Health Fee Schedule rates are adjusted as follows:
 - Fee schedules for FFS and Managed Care Organizations (MCOs) will include a 2.6% increase to the Behavioral Health Residential Facilities' rates.
 - FFS Fee Schedule rates that are not applicable to MCOs will be updated for an aggregate increase of 23.1% as a result of adjustments to reflect market rates in order to ensure access to care.
 - MCO Capped Fee Schedule rates will be updated for an aggregate increase of 1.1%.
- Nursing Facility per diem rates will incorporate funding provided by the legislature for an increase of 2.6%.

- Home and Community Based Services rates will incorporate funding provided by the legislature for an increase of 5.0%

The following fee schedules will be updated to reflect changes to the Medicare fee schedules on which they are based:

- Ambulatory Surgical Center Fee Schedule rates for an aggregate change of -3.6%.
- Clinical Laboratory Fee Schedule rates for an aggregate change of -0.4%.

The following fee schedules will remain unchanged:

- AzEIP Speech Therapy Fee Schedule rates
- Dental Fee Schedule rates
- Freestanding Birthing Center rates
- Freestanding Dialysis Facility composite rates
- Freestanding Emergency Department Fee Schedule rates
- Inpatient Behavioral Health Fee Schedule rates
- Outpatient Hospital Fee Schedule rates
- Non-Emergency Transportation Fee Schedule rates
- Physician Fee Schedule rates

Comments regarding the proposed AHCCCS FFS rates may be submitted electronically at FFSRates@azahcccs.gov.

All comments must be received no later than 5:00 p.m. on August 12, 2019.

- b. Individual FFS rates reflecting the changes to reimbursement described above can be obtained from the AHCCCS website at:
https://www.azahcccs.gov/PlansProviders/RatesAndBilling/FFS/AHCCCSprovider_rateanalysis.html
- c. Many public libraries offer access to the internet. In addition, the information can be obtained at the Offices of the AHCCCS Administration, 701 E. Jefferson, Phoenix, AZ 85034.