

FINAL NOTICE OF CHANGES IN PAYMENT RATES

As required by 42 U.S.C. 1396a (a)(13)(A)(iii), the Arizona Health Care Cost Containment System Administration (AHCCCS) is publishing the final rates for nursing facility services with dates of service on or after January 1, 2017:

01/01/2017-09/30/2017						
Revenue Code	Description	Urban Rate	Rural Rate	Value-Based Urban Rate	Value-Based Rural Rate	Increase
0183	LOA/Therapeutic	\$154.54	\$149.73	\$156.08	\$151.23	3.5%
0185	LOA/Nursing Home	\$154.54	\$149.73	\$156.08	\$151.23	3.5%
0191	Subacute Care Level I	\$154.54	\$149.73	\$156.08	\$151.23	3.5%
0192	Subacute Care Level II	\$168.95	\$163.16	\$170.64	\$164.79	3.5%
0193	Subacute Care Level III	\$200.40	\$193.99	\$202.40	\$195.93	3.5%

In addition, AHCCCS is increasing fee-for-service rates for Home and Community-Based Services effective January 1, 2017, as proposed in the Notice of Public Information posted to the AHCCCS website on December 14, 2016. AHCCCS is taking this action to address the increased labor costs resulting from the Arizona minimum wage increase and employee benefit provisions of A.R.S. § 23-363 as approved by voters as Proposition 206 on November 8, 2016, and 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. As noted in the December 14, 2016 Notice of Public Information, AHCCCS will also be adjusting capitation rates paid to managed care contractors to reflect these additional costs.

As of the date of this notice, the validity of Proposition 206 under the Arizona State Constitution is still the subject of pending litigation. Given the uncertainty regarding the pending litigation, AHCCCS may post additional public notices relating to these rates in the future. Interested parties are advised to monitor the AHCCCS website for updated information.

Dated December 29, 2016