

AHCCCS Value Based Purchasing (VBP) Activity

AHCCCS is providing the following value based purchasing (VBP) decisions:

For the contracting year October 1, 2017 through September 30, 2018 [Contract Year Ending (CYE) 2018], select AHCCCS-registered Arizona providers which meet Agency established value based performance metrics requirements will receive a VBP Differential Adjusted Payment. The AHCCCS Administration is implementing these VBP Differential Adjusted rates 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. AHCCCS will implement value based purchasing differential adjusted rates for the following providers:

- Hospitals Subject to APR-DRG Reimbursement
- Other Hospitals and Inpatient Facilities
- Nursing Facilities
- Integrated Clinics
- Physicians, Physician Assistants, and Registered Nurse Practitioners

VBP Differential Adjusted Payments are currently in place for select hospitals, Nursing Facilities and Integrated Clinics for dates of service beginning October 1, 2016. These adjusted payments expire after September 30, 2017, dates of service. The VBP Differential Adjusted Payments in this Notice for CYE 2018 will be effective with dates of service beginning October 1, 2017 (with some exceptions noted below), and all noted providers (based on distinct Provider Types) will have the opportunity to be considered for meeting the criteria described further below.

CYE 2018 VBP Differential Adjusted Rates:

The VBP Differential Adjusted Payment Schedule represents a positive adjustment to the AHCCCS Fee-For-Service rates. The purpose of the VBP Differential Adjusted Payment is to distinguish providers which have committed to supporting designated actions that improve patients' care experience, improve members' health, and reduce cost of care growth. These fee schedules will be limited to dates of service in CYE 2018.

AHCCCS MCOs (including Regional Behavioral Health Authorities - RBHAs) will be required to pass-through VBP Differential Adjusted Payment increases to their contracted rates to match the corresponding AHCCCS Fee-For-Service rate increase percentages.

Hospitals Subject to APR-DRG Reimbursement (Provider Type 02) - Participation in the Network, the state's health information exchange (HIE), qualifies the hospital for a 0.5% VBP Differential Adjusted Payment increase for both inpatient and outpatient services:

- "Participation in the Network" means: By May 15, 2017, the hospital must have executed an agreement with a qualifying health information exchange organization and electronically submit laboratory, radiology, transcription, and medication information, plus admission, discharge, and transfer information (including data from the hospital emergency department) to a qualifying health information exchange organization

If AHCCCS continues this increase beyond CYE 2018, it is anticipated that hospitals qualifying for the VBP Differential Adjusted Payment may qualify for an additional increase for inpatient and outpatient services effective October 1, 2018, if the hospital holds the following certification by April 30, 2018:

- Pediatric Prepared Emergency Care certification

Other Hospitals and Inpatient Facilities (Psychiatric 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) - Participation in the Network, the state's health information exchange (HIE), qualifies the hospital for a 0.5% VBP Differential Adjusted Payment increase for both inpatient and outpatient services, effective with dates of admission from January 1, 2018 through September 30, 2018:

- "Participation in the Network" means: By October 1, 2017, the hospital must have executed an agreement with and electronically submitted admission, discharge, and transfer information, as well as data from the facility's emergency department if appropriate, to a qualifying health information exchange organization. Facilities must have an executed agreement and initiate activity with the state's HIE by May 15, 2017 to meet this October 1, 2017 deadline. Additionally, the Network will conduct a readiness assessment of all interested facilities and will determine, based on the results of the assessment, whether or not the facility is approved to proceed with connectivity and meeting the program deadlines.

Nursing Facilities (Provider Type 22) - Vaccination rates for pneumococcal and influenza vaccines at or above the statewide average based on Medicare Compare data qualifies the Nursing Facility for up to a 2% VBP Differential Adjusted Payment increase:

- **Percent of long-stay residents assessed and given, appropriately, the pneumococcal vaccine** based on the facility's performance results on Medicare Nursing Home Compare for this Quality Measure: Facility results will be compared to the accompanying Arizona Average results for the measure, for the most recently published rate as of April 30, 2017. Nursing Facilities that meet or exceed the Medicare Nursing Home Compare Arizona Average for the pneumococcal vaccine measure qualify for a 1% VBP Differential Adjusted Payment increase

AND/OR

- **Percent of long-stay residents assessed and given, appropriately, the influenza vaccine** based on the facility's performance results on Medicare Nursing Home Compare for this Quality Measure: Facility results will be compared to the accompanying Arizona Average results for the measure, for the most recently published rate as of April 30, 2017. Nursing Facilities that meet or exceed the Medicare Nursing Home Compare Arizona Average for the Influenza vaccine measure qualify for a 1% VBP Differential Adjusted Payment increase

Nursing Facilities will be eligible for a 1% increase for meeting each variable, thus having the potential to earn up to a 2% VBP Differential Adjusted Payment increase if both criteria are met.

Integrated Clinics (Provider Type IC) – AHCCCS registration as an Integrated Clinic, with claims for behavioral health services accounting for at least 40% of total claims, qualifies the IC for a 10% VBP Differential Adjusted Payment increase for select codes:

- An Integrated Clinic is a provider licensed by the Arizona Department of Health Services as an Outpatient Treatment Center which provides both behavioral health services and physical health services.

- Utilizing claims and encounter data for dates of service from October 1, 2015 through September 30, 2016, AHCCCS will compute claims for behavioral health services as a percentage of total claims as of May 15, 2017 to determine which providers meet the 40% minimum threshold
 - Only approved and adjudicated AHCCCS claims and encounters will be utilized in the computations
 - AHCCCS will not consider any other data when determining which providers qualify for the VBP Differential Adjusted Payment increase
- The VBP 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 those dates of service in CYE 2018 that coincide with the provider's registration as an IC

Physical health services which qualify for the increase include Evaluation and Management (E&M) codes, vaccine administration codes, and a global obstetric code. See the attachment for the specific list of codes which are proposed to increase for purposes of VBP

If AHCCCS continues this increase beyond CYE 2018, it is anticipated that, in order to qualify for a VBP Differential Adjusted Payment increase, the IC provider will be required to have an executed agreement with the Network, the state's HIE, and submit data to the Network.

Physicians, Physician Assistants, and Registered Nurse Practitioners (Provider Types 08, 31, 18, 19) – Physicians, physician assistants, and registered nurse practitioners who have written at least 100 prescriptions for AHCCCS members, and who have written at least 50% of their total AHCCCS prescriptions as Electronic Prescriptions (E-Prescriptions) will qualify for a 1% VBP Differential Adjusted Payment increase for all services billed on the CMS Form 1500.

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

- Only approved and adjudicated AHCCCS claims and encounters for July 1, 2016 through December 31, 2016 dispense dates will be utilized in the computations
- AHCCCS will not consider any other data when determining which providers qualify for the VBP Differential Adjusted Payment increase
- 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
- Refills of original prescriptions whereby the original prescriptions meet the definition of E-Prescriptions shall not be counted as E-Prescriptions

The VBP Differential Adjusted Payment 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 VBP criteria described above.

If AHCCCS continues this increase beyond CYE 2018, physicians, physician assistants, and registered nurse practitioners who meet the E-Prescription criteria will see a VBP Differential Adjusted Payment *increase* for all services effective October 1, 2018. It is anticipated that physicians, physician assistants, and registered nurse practitioners who do not meet the E-Prescription criteria will see a VBP Differential Adjusted Payment *decrease* for all services effective October 1, 2018.

The following is the anticipated timeline regarding VBP Differential Adjusted Payments:

Activity	Date
Post Notice of Proposed Rulemaking (NPRM)	Week of April 10, 2017
Tribal Consultation	April 20, 2017
NPRM Public Comments Due	May 2017
Submit State Plan Amendment to CMS	May 2017
Implement VBP Differential Adjusted Payments	<ul style="list-style-type: none">• October 1, 2017 – September 30, 2018 Dates of Service for specific Provider Types included in this Public Notice• January 1, 2018 – September 30, 2018 Dates of Admission for specific Provider Types included in this Public Notice

Note: Dates are subject to change

AHCCCS anticipates that the criteria for VBP Differential Adjusted Payments could change for CYE 2019 and may differ for inpatient and outpatient services. AHCCCS also expects to expand VBP Differential Adjusted Payments to other provider types for CYE 2019. VBP Differential Adjusted Payments noted above may change based on budgetary guidelines.

Integrated Clinic (IC) Physical Health Services Codes for AHCCCS VBP Differential Adjusted Rates -
Proposed

CPT	DESCRIPTION
59400	ROUTINE OBSTETRIC CARE INCLUDING ANTEPARTUM CARE, VAGINAL DELIVERY (WITH OR WITH
90471	IMMUNIZATION ADMINISTRATION (INCLUDES PERCUTANEOUS, INTRADERMAL, SUBCUTANEOUS,
90472	IMMUNIZATION ADMINISTRATION (INCLUDES PERCUTANEOUS, INTRADERMAL, SUBCUTANEOUS,
90473	IMMUNIZATION ADMINISTRATION BY INTRANASAL OR ORAL ROUTE; ONE VACCINE (SINGLE OR
90474	IMMUNIZATION ADMINISTRATION BY INTRANASAL OR ORAL ROUTE; EACH ADDITIONAL
99201	New patient office or other outpatient visit, typically 10 minutes
99202	New patient office or other outpatient visit, typically 20 minutes
99203	New patient office or other outpatient visit, typically 30 minutes
99204	New patient office or other outpatient visit, typically 45 minutes
99205	New patient office or other outpatient visit, typically 60 minutes
99211	OFFICE OR OTHER OUTPATIENT VISIT FOR THE EVALUATION AND MANAGEMENT OF AN ESTABLISHED
99212	Established patient office or other outpatient visit, typically 10 minutes
99213	Established patient office or other outpatient visit, typically 15 minutes
99214	Established patient office or other outpatient, visit typically 25 minutes
99215	Established patient office or other outpatient, visit typically 40 minutes
99243	Patient office consultation, typically 40 minutes
99244	Patient office consultation, typically 60 minutes
99245	Patient office consultation, typically 80 minutes
99381	INITIAL COMPREHENSIVE PREVENTIVE MEDICINE EVALUATION AND MANAGEMENT OF AN INDIVIDUAL
99382	INITIAL COMPREHENSIVE PREVENTIVE MEDICINE EVALUATION AND MANAGEMENT OF AN INDIVIDUAL
99383	INITIAL COMPREHENSIVE PREVENTIVE MEDICINE EVALUATION AND MANAGEMENT OF AN INDIVIDUAL
99384	INITIAL COMPREHENSIVE PREVENTIVE MEDICINE EVALUATION AND MANAGEMENT OF AN INDIVIDUAL
99385	INITIAL COMPREHENSIVE PREVENTIVE MEDICINE EVALUATION AND MANAGEMENT OF AN INDIVIDUAL
99391	Established patient periodic preventive medicine examination infant younger than
99392	Established patient periodic preventive medicine examination, age 1 through 4 ye
99393	Established patient periodic preventive medicine examination, age 5 through 11 y
99394	Established patient periodic preventive medicine examination, age 12 through 17
99395	Established patient periodic preventive medicine examination age 18-39 years
99403	PREVENTIVE MEDICINE COUNSELING AND/OR RISK FACTOR REDUCTION INTERVENTION(S)

*Descriptions are truncated due to field length limitations in the AHCCCS mainframe