

Janice K. Brewer, Governor
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Our first care is your health care
ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM

March 5, 2010

Dear Arizona Hospital CFO:

Pursuant to Arizona Administrative Code, R9-22-712.40 and R9-22-701, AHCCCS has begun work on the rebase of the Outpatient Fee Schedule.

AHCCCS will be using a crosswalk to map Federal Fiscal Year 2008 billed charges from claims and encounters (Managed Care Contractors' post-adjudicated claims) to the cost-to-charge ratio of the most appropriate cost center available from your hospital's Medicare Cost Report(s). AHCCCS will be utilizing your Medicare Cost Report(s) for the period of October 1, 2007 – September 30, 2009.

The attached spreadsheet (two tabs at bottom) contains the standard crosswalk that will be used for our rebase. If you believe that the associations between revenue center and department are not appropriate for your hospital, you can alter the spreadsheet, using the revenue codes and departments listed. Should you decide to alter the spreadsheet for your hospital, please ensure that the changes are appropriate for any and all Medicare Cost Reports that span October 1, 2007 – September 30, 2009.

If you are satisfied with the attached crosswalk, you do not need to respond. All requested revisions to the crosswalk spreadsheets should be sent to me at JeanEllen.Schulik@azahcccs.gov by April 2, 2010. If AHCCCS receives no changes from your hospital by that date, the attached crosswalk will be used to map your charges.

I appreciate your time and attention to this very important matter.

Sincerely,

Jean Ellen Schulik
Manager, Rates and Reimbursement
AHCCCS Department of Healthcare Management