DEPARTMENT OF HEALTH & HUMAN SERVICES Centers for Medicare & Medicaid Services San Francisco Regional Office 90 Seventh Street, Suite 5-300 (5W) San Francisco, CA 94103-6706



DIVISION OF MEDICAID & CHILDREN'S HEALTH OPERATIONS

JUN 1 2 2013

Tom Betlach, Director Arizona Health Care Cost Containment System 801 East Jefferson Street Phoenix, AZ 85034

Dear Mr. Betlach:

Enclosed is an approved copy of Arizona State Plan Amendment (SPA) No. 13-003. This amendment updates the State Plan to reflect reimbursements under the Arizona Medicaid Fee Schedule that will comply with Section 1902(a)(13) as amended by Section 1202 of the Affordable Care Act and implementing regulations effective January 1, 2013.

Enclosed are the following approved State Plan pages to be incorporated within your approved State Plan:

- Attachment 4.19-B, page 5(a)
- Attachment 4.19-B, page 5(d-g)

As we are working in partnership to implement this important provision, we would greatly appreciate if you can inform us when your state begins to pay the increased rates to your providers. Additionally, to the extent you have information regarding the number of providers receiving the enhanced payments, we would appreciate that information as well.

If you have any questions, please have your staff contact Cheryl Young at (415) 744-3598 or at cheryl.young@cms.hhs.gov.

Sincerely,

Gloria Nagle, Ph.D., MPA

Associate Regional Administrator

Conald have - acting

Division of Medicaid & Children's Health Operations

cc: Wakina Scott HeeYoung Ansell

TD ANOMITTAL AND NOTICE OF ADDDOVAL OF	1. TRANSMITTAL NUMBER:	2. STATE			
TRANSMITTAL AND NOTICE OF APPROVAL OF	13-003	Arizona			
STATE PLAN MATERIAL	13-003	Arizona			
FOR: Centers for Medicare and Medicaid Services	3. PROGRAM IDENTIFICATION: TIT				
1 Old Centers for Medicare and Medicard Services	SOCIAL SECURITY ACT (MEDIC.	AID)			
TO DECIONAL ADMINISTRATOR	4 DRODOGED EFFECTIVE DATE				
TO: REGIONAL ADMINISTRATOR	4. PROPOSED EFFECTIVE DATE				
CENTERS FOR MEDICARE AND MEDICAID SERVICES	January 1, 201	13			
DEPARTMENT OF HEALTH AND HUMAN SERVICES					
5. TYPE OF PLAN MATERIAL (Check One):					
<u> </u>					
☐ NEW STATE PLAN ☐ AMENDMENT TO BE (CONSIDERED AS NEW PLAN				
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)					
6. FEDERAL STATUTE/REGULATION CITATION:	7. FEDERAL BUDGET IMPACT:				
Section 1902(a)(13), 1902(a)(62) and 1928					
42 CFR 447.405, 447.410, 447.415, and 42 CFR 441 Subpart L	\$ FFY 2013 (1/1/13-9/30/13): \$4	.692.931			
	\$ FFY 2014 (10/1/13-9/30/14): \$6	257 242			
(Vaccines for Children Program)	\$ FFY 2015 (10/1/14-12/31/14): \$1				
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:	9. PAGE NUMBER OF THE SUPERS				
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT.					
D	OR ATTACHMENT (If Applicable)	•			
Page 5a 5(a) of Attachment 4.19-B	D 5 . 5(a) a C A44-ala				
Pages 5d-5g 5(d-g) of Attachment 4.19-B	Page 5a 5(a) of Attachi	ment 4.19-B			
10. SUBJECT OF AMENDMENT:	<u> </u>				
Updates the State Plan to reflect that reimbursements under t	ha Arizana Madigaid Ega Sahadula 1	vill comply with Section			
		will comply with Section			
1902(a)(13), as amended by Section 1202 of the Affordable Care Ac	t and implementing regulations.				
11. GOVERNOR'S REVIEW (Check One):					
GOVERNOR'S OFFICE REPORTED NO COMMENT	☑ OTHER, AS SPEC	CIFIED:			
COMMENTS OF GOVERNOR'S OFFICE ENCLOSED	_				
NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL					
12. SIGNATURE OF STATE AGENCY OFFICIAL:	16. RETURN TO:				
12. SIGINITORE OF STREET STREET.					
	Monica Coury				
1//6/24-2	801 E. Jefferson, MD#4200				
10 min	Phoenix, Arizona 85034				
13. TYPED NAME:	Thoema, Arizona 63654				
Monica Coury					
14. TITLE:					
Assistant Director					
15. DATE SUBMITTED:					
March 18, 2013					
FOR REGIONAL OF					
17. DATE RECEIVED:	18. DATE APPROVED: JUN 1	1 2012			
March 18, 2013	J. J	1 5019			
PLAN APPROVED – ON	E COPY ATTACHED	다. 선생님 전 10 kg			
19. EFFECTIVE DATE OF APPROVED MATERIAL:	20. SIGNATURE OF REGIONAL OF	FICIAL:			
January 1, 2013	Worded 1000-ac	this			
21. TYPED NAME: Gloria Nagle	22. TITLE: Associate Regional Admir				
	Division of Medicaid & Children's Hea				
23. REMARKS:					
Box 6: Additional citations made by CMS on 6/7/13 via email.					
Box 7: Budget Impact estimates revised to reflect FFY by State on 4/30/13 per CMS request.					
		역 경기 전기 전경 전기 전기			
Box 8-9: Corrections made to page references made by CMS on 6/7/13 v	ia viilatt.	· •			
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METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES OTHER TYPES OF CARE

When AHCCCS reimburses for the following public and private provider services, payment is the lesser of the provider's charge or the capped fee amount established by AHCCCS. The current Arizona Medicaid Fee Schedule is located at www.azahcccs.gov/commercial/ProviderBilling/rates/rates.aspx.

For both private and public providers, AHCCCS reimburses the following services as described in Attachment 3.1-A Limitations, using this methodology:

- Clinic Services, including Freestanding Ambulatory Surgery Centers and Freestanding Dialysis Centers
- Freestanding Birth Centers
- Migrant Health Center, Community Health Center and Homeless Health Center Services
- Home Health Services, including Durable Medical Equipment, Supplies and Prosthetic Devices
- Behavioral Health Services
- Family Planning Services
- Physician Services: Effective CYs 2013 and 2014, reimbursement rates for services meeting the requirements of 42 CFR 447.400(a) can be found at Attachment 4.19-B, pages 5(d-g).
- Nurse-Midwife services
- Pediatric and Family Nurse Practitioner Services

TN No. <u>13-003</u> Supersedes TN No. <u>11-018</u> Approval Date _____ Effective Date <u>January 1, 2013</u>

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES OTHER TYPES OF CARE

Attachment 4.19-B: Physician Services 42 CFR 447.405 Amount of Minimum Payment

The state reimburses for services provided by physicians meeting the requirements of 42 CFR 447.400(a) at the Medicare Part B fee schedule rate using the Medicare physician fee schedule rate in effect in calendar years 2013 and 2014 or, if greater, the payment rates that would be

applicable in those years using the calendar year 2009 Medicare physician fee schedule conversion factor. If there is no applicable rate established by Medicare, the state uses the rate specified in a fee schedule established and announced by CMS.
□ The rates reflect all Medicare site of service and locality adjustments.
The rates do reflect Medicare site-of-service adjustments. There are no locality adjustments applicable to Arizona.
☐ The rates do not reflect site of service adjustments, but reimburse at the Medicare rate applicable to the office setting.
☑ The rates reflect all Medicare geographic/locality adjustments.
The rates do reflect the Medicare geographic adjustment for Arizona. There are no locality adjustments applicable to Arizona.
☐ The rates are statewide and reflect the mean value over all counties for each of the specified evaluation and management and vaccine billing codes.
The following formula was used to determine the mean rate over all counties for each code:

TN No. 13-003 Supersedes TN No. <u>N/A</u>

Approval Date JUN 1 1 2013 Effective Date January 1, 2013

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES OTHER TYPES OF CARE

Method of Payment

TREEHOU OF LAYMENT				
☑ The state has adjusted its fee schedule to make payment at the higher rate for each E&M and vaccine administration code.				
Arizona will use a fee schedule calculated by the state based on the January 2013 release in conjunction with the 2009 conversion factor. Arizona will not further adjust the fee schedule to account for Medicare changes throughout the year.				
☐ The state reimburses a supplemental amount equal to the difference between the Medicaid rate in effect on July 1, 2009 and the minimum payment required at 42 CFR 447.405.				
Supplemental payment is made: ☐ monthly ☐ quarterly ☐ semi-annually ☐ annually				
Primary Care Services Affected by this Payment Methodology				
☐ This payment applies to all Evaluation and Management (E&M) billing codes 99201 through 99499.				
☑ The State did not make payment as of July 1, 2009 for the following codes and will not make payment for those codes under this SPA (specify codes).				
90465-90468, 99261-99263, 99271-99275, 99289-99290, 99293-99303, 99311-99313, 99321- 99323, 99331-99333, 99351-99353, 99361-99362, 99371-99373, 99376, 99406-99409, 99431- 99433, 99435-99436, 99438, 99440, 99444, 99450, 99455-99456.				
☑ The state will make payment under this SPA for the following codes which have been added to the fee schedule since July 1, 2009 (specify code and date added).				
90460; 99224-99226: added January 1, 2011;				
99485-99486: added January 1, 2013;				
TN No. 13-003 Supersedes Approval Date JUN 1 1 2013 Effective Date January 1, 2013 TN No. N/A				

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES OTHER TYPES OF CARE

Physician Services - Vaccine Administration

For calendar years (CYs) 2013 and 2014, the state reimburses vaccine administration services furnished by physicians meeting the requirements of 42 CFR 447.400(a) at the lesser of the state regional maximum administration fee set by the Vaccines for Children (VFC) program or the Medicare rate in effect in CYs 2013 and 2014 or, if higher, the rate using the CY 2009 conversion factor.
☐ Medicare Physician Fee Schedule rate
⊠ State regional maximum administration fee set by the Vaccines for Children program
□ Rate using the CY 2009 conversion factor
Documentation of Vaccine Administration Rates in Effect 7/1/09
The state uses one of the following methodologies to impute the payment rate in effect at 7/1/09 for code 90460, which was introduced in 2011 as a successor billing code for billing codes 90465 and 90471.
\boxtimes The imputed rate in effect at 7/1/09 for code 90460 equals the rate in effect at 7/1/09 for billing codes 90465 and 90471 times their respective claims volume for a 12 month period which encompasses July 1, 2009. Using this methodology, the imputed rate in effect for code 90460 at 7/1/09 is: $$15.97$.
☐ A single rate was in effect on 7/1/09 for all vaccine administration services, regardless of billing code. This 2009 rate is:
☐ Alternative methodology to calculate the vaccine administration rate in effect 7/1/09:
Note: This section contains a description of the state's methodology and specifies the affected billing codes.
TN No. 13-003 Supersedes Approval Date JUN 1 1 2013 Effective Date January 1, 2013 TN No. N/A

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES OTHER TYPES OF CARE

Effective Date of Payment

TÑ No. <u>N/A</u>

Effective Date of Ta	y ment			
ending on _December	er 31, 2014	but not prior to I	ered on and after January December 31, 2014. All erBilling/rates/rates.aspx	rates are
ending on _December	nethodology appli er 31, 2014	but not prior to l	ered on and after Januar December 31, 2014. Al erBilling/rates/rates.aspx	l rates are
TN No. <u>13-003</u> Supersedes	Approval Date_	JUN 1 1 2013	Effective Date Januar	y 1, 2013