

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

APR 30 2014

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. 13-017C. This amendment extends a rate reduction effective for claims with dates of service through September 30, 2014 for all non-institutional services except as otherwise noted. For the period specified in the SPA, reimbursement will be reduced by 5 percent of the payment that otherwise would have been made under the methodology in effect as of September 30, 2011.

The effective date of this SPA is October 1, 2013 as requested. Enclosed is the following approved State Plan page to be incorporated within your approved State Plan:

- Attachment 4.19-B, page 5c

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

Sincerely,

A handwritten signature in black ink, appearing to read "Gloria Nagle". The signature is fluid and cursive, written over a light gray background.

Gloria Nagle, Ph.D., MPA
Associate Regional Administrator
Division of Medicaid & Children's Health Operations

cc: Jessica Schubel
HeeYoung Ansell

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: Centers for Medicare and Medicaid Services		1. TRANSMITTAL NUMBER: 13-017C	2. STATE Arizona
		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE AND MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE October 1, 2013	
5. TYPE OF PLAN MATERIAL (Check One): <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION: 42 CFR 447, Subpart C		7. FEDERAL BUDGET IMPACT: FFY 14: \$ (4,224,900)	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Page 5(c) of Attachment 4.19-B		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): N/A Page 5c of Attachment 4.19-B	
10. SUBJECT OF AMENDMENT: Continues current reimbursement rates for other providers during the period October 1, 2013 to September 30, 2014.			
11. GOVERNOR'S REVIEW (Check One): <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input checked="" type="checkbox"/> OTHER, AS SPECIFIED: <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGNATURE OF STATE AGENCY OFFICIAL: 		16. RETURN TO: Monica Coury 801 E. Jefferson, MD#4200 Phoenix, Arizona 85034	
13. TYPED NAME: Monica Coury			
14. TITLE: Assistant Director			
15. DATE SUBMITTED: December 20, 2013			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED: December 20, 2013		18. DATE APPROVED: APR 30 2014	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: October 1, 2013		20. SIGNATURE OF REGIONAL OFFICIAL: 	
21. TYPED NAME: Gloria Nagle		22. TITLE: Associate Regional Administrator Division of Medicaid & Children's Health Operations	
23. REMARKS: Box 7: Added "FFY 14:" to indicate that this is the budget impact for this federal fiscal year only, since it is a one-year rate that expires on 9/30/14 per CMS email dated 4/28/14. Box 8: Deleted parentheses from page reference per State's RAI response submitted on 4/21/14. Box 9: Added superseded page per State's RAI response submitted on 4/21/14.			

State: ARIZONA
METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES
OTHER TYPES OF CARE

5% Rate Reduction

Notwithstanding the methods and rates as otherwise described, for claims with dates of service between April 1, 2011 and September 30, 2011, all payments for the following services will be reduced by 5% of the payment that would otherwise have been made under the methodology in effect as of October 1, 2010, as described above.

- Laboratory and X-ray Services – Page 2 of Att. 4.19-B
- Behavioral Health Services in Att. 3.1-A Limitations: 4(b)(ii), 6(d)(viii), 9, and 13d – Page 5a of Att. 4.19-B
- Physician Services – Page 5a of Att. 4.19-B
- Dental Services – Page 5b of Att. 4.19-B
- Transportation Services – Page 5b of Att. 4.19-B
- Clinic Services – Page 5a of Att. 4.19-B
- Family Planning Services – Page 5a of Att. 4.19-B
- Nurse-Midwife Services – Page 5a of Att. 4.19-B
- Pediatric and Family Nurse Practitioner Services – Page 5a of Att. 4.19-B
- Other types of care furnished by all Licensed Practitioners in Att. 3.1-A, item 6d – Page 5b of Att. 4.19-B
- Diagnostic, Screening and Preventive Services – Page 5b of Att. 4.19-B
- Respiratory Care Services – Page 5b of Att. 4.19-B
- Physical Therapy, Occupational Therapy, and Speech Therapy Services – Page 5b of Att. 4.19-B
- Prosthetic devices – Page 5b of Att. 4.19-B
- Medical Supplies, Equipment and Appliances – Page 5a of Att. 4.19-B
- Case Management Services – Page 6 of Att. 4.19-B

Notwithstanding the methods and rates as otherwise described, for claims with dates of service between April 1, 2011 and September 30, 2011, all payments for the following services will be reduced by 2.5% of the payment that would otherwise have been made under the methodology in effect as of October 1, 2010, as described above.

- Home Health Services provided in the eligible person's home – Page 5a of Att. 4.19-B
- Private Duty Nursing Services when provided in the eligible person's home. – Page 5b of Att. 4.19-B

For dates of service effective from October 1, 2011 to September 30, 2014, all payments for all services described above, including those that were previously only subject to a 2.5% reduction, will be at the payment rates in effect as of September 30, 2011, reduced by 5%.

Payments for services provided by the Indian Health Services or Tribal 638 Health facilities are not subject to any of the rate reductions described above.