

December 27, 2018

Mark Wong
Division of Medicaid and Children's Health Operations
U.S. Department of Health & Human Services
Centers for Medicare & Medicaid Services
90 Seventh Street, Suite 5-300 (5W)
San Francisco, CA 94103-6707

RE: Arizona SPA #18-019, Outpatient DAP

Dear Mr. Wong:

Enclosed is State Plan Amendment (SPA) #18-019, Outpatient DAP, which revises the State Plan to update the Outpatient DAP program, effective October 1, 2018.

If you have any questions about the enclosed SPA, please contact Kyle Sawyer at (602) 417-4211.

Sincerely,



Elizabeth Lorenz
Assistant Director
Arizona Health Care Cost Containment System (AHCCCS)

cc: Blake Holt, CMS
Brian Zolynas, CMS

State: ARIZONA

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES-
OTHER TYPES OF CARE

The following is a description of methods and standards for determining Differential Adjusted Payments for providers registered with AHCCCS as integrated clinics and AHCCCS registered physicians, physician's assistants, and registered nurse practitioners, and outpatient hospitals and sub-acute behavioral health residential treatment facilities. The purpose of the Differential Adjusted Payment is to distinguish facilities which have committed to supporting designated actions that improve patients' care experience, improve members' health, and reduce cost of care growth. The Differential Adjusted Payment Schedule represents a positive adjustment to the AHCCCS Fee-For-Service rates. These payment adjustments will occur for all dates of service in Contract Year Ending (CYE) 201~~87~~⁹⁸ (October 1, 201~~87~~⁹⁸ through September 30, 201~~87~~⁹⁸) only.

1) Integrated Clinics

A. Applicability

Providers must meet the following criteria to qualify for the differential adjusted payment as an integrated clinic:

1. Must be registered with AHCCCS as Integrated Clinic and licensed by the Arizona Department of Health Services as an Outpatient Treatment Center that provides both behavioral health services and physical health services.
2. During the period October 1, 201~~65~~⁷⁶ through September 30, 201~~76~~⁷⁶, claims for behavioral health services make up at least 40% of the provider's total claims
3. By May 1, 2018, must have executed an agreement with a qualifying health information exchange organization and electronically transfer information, including both a registration event as well as an encounter summary, to a qualifying health information exchange organization.

B. Exemptions:

IHS and 638 tribally owned and/or operated Integrated Clinics are exempt from this initiative at this time based on payments primarily at the federally-mandated all-inclusive rate.

C. Payment Methodology

For the contracting year October 1, 201~~87~~⁹⁸ through September 30, 201~~98~~⁹⁸, 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 the same services. The physical health services that qualify for the Differential Adjusted Rate are published on the Agency's website:

<https://www.azahcccs.gov/AHCCCS/Downloads/PublicNotices/rates/ValueBasedPaymentPublicComment.pdf>

2) Physicians, Physician Assistants, and Registered Nurse Practitioners

TN No. 18-01917-016

Supersedes

Approval Date: _____

Effective Date: October 1, 201~~87~~⁸⁷TN No. ~~16-012b17-016~~

State: ARIZONA

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES-
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A. Applicability

Providers must meet the following criteria to qualify for the differential adjusted payment as a physician, physician assistant, or registered nurse practitioner:

1. Provider must be an AHCCCS registered physician, physician assistant, or registered nurse practitioner
2. Provider must have written at least 100-80 prescriptions for AHCCCS members
3. Based on approved and adjudicated AHCCCS claims and encounters for July 1, 2016 through December 31, 2016 dispense dates, 650% of the provider's total AHCCCS prescriptions must be Electronic Prescriptions

B. Payment Methodology

Physicians, physician assistants, and registered nurse practitioners meeting the above criteria will qualify for a 1% increase on all services billed on the CMS Form 1500.

3) Outpatient Hospitals and Sub-acute Behavioral Health Residential Treatment Facilities**A. Overview:**

As of October 1, 20187 through September 30, 20198 (Contract Year Ending (CYE) 20198), AHCCCS-registered Arizona hospitals and sub-acute behavioral health residential treatment facilities (other than the facilities described in section C. below) which meet Agency established value based performance metrics requirements in section B. below will receive a Differential Adjusted Payment described in section D. below. The Differential Adjusted Payment Schedule represents a positive adjustment to the AHCCCS Fee-For-Service rates. These payment adjustments will occur for all dates of discharge in CYE 2018 only. The purpose of the Differential Adjusted Payment is to distinguish facilities which have committed to supporting designated actions that improve patients' care experience, improve members' health, and reduce cost of care growth.

B. Applicability

To qualify for the Outpatient Differential Adjusted Payment, a hospital or a sub-acute behavioral health residential treatment facility providing outpatient services must meet one of the following criteria:

- a. Hospitals receiving APR-DRG reimbursement must submit a letter of intent to AHCCCS committing to achieving specified milestones related to participation in the state health information exchange prior to specified dates. Failure to meet a milestone or maintain participation in an achieved milestone activity will disqualify a facility from receiving DAP payments for CYE 2019.
 - a. Hospitals qualifying under subsection a may receive an additional DAP increase if they have obtained a Pediatric-Prepared Emergency Care certification from the Arizona Chapter of the American Academy of Pediatrics on or before May 1, 2018.
- b. Other hospitals and sub-acute behavioral health residential treatment facilities must submit a letter of intent to AHCCCS committing to achieving specified milestones related to participation in the state health information exchange prior to specified dates. Failure to meet a milestone or maintain participation in an achieved milestone activity will disqualify a facility from receiving DAP payments for CYE 2019.

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- c. ~~Hospitals receiving APR-DRG reimbursement must have executed an agreement with a state's health information exchange (HIE) on or before May 15, 2017 and must have electronically submitted laboratory, radiology, transcription, and medication information, plus admission, discharge, and transfer information (including data from the hospital emergency department) to the state's HIE on or before May 15, 2017.~~
- d. ~~Other hospitals and sub-acute behavioral health residential treatment facilities 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 the state's HIE. Facilities must have an executed agreement and initiate activity with the state's HIE by October 1, 2017. Additionally, the state's HIE 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.~~

C. Exemptions:

IHS and 638 tribally owned and/or operated facilities, including hospital and nursing facilities are exempt from this initiative.

D. Payment Methodology

For hospitals and sub-acute behavioral health residential treatment facilities ~~meeting the above qualifications,~~ meeting the above qualifications, all payments for outpatient services will be increased by 3.0%. Hospitals which meet the qualifications of section B subsection a will receive an additional 0.5% increase on all payments for outpatient services if they meet the qualifications listed in subsection i. Any hospital which does not meet a milestone prior to the specified date will not receive any DAP reimbursements for CYE 2019.

~~all payments for outpatient services will be increased by 0.5%. This increase does not apply to supplemental payments.~~

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