

December 30, 2019

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 #19-015, "NF DAP"

Dear Mr. Wong:

Enclosed is State Plan Amendment (SPA) #19-015, NF DAP, which updates the State Plan to update the NF DAP program, effective October 1, 2019. Please see below for information regarding public comment and Tribal Consultation requirements:

Public Comment:

- <https://www.azahcccs.gov/AHCCCS/PublicNotices/>
- https://www.azahcccs.gov/AHCCCS/Downloads/PublicNotices/rates/FinalNoticeOfPublicInformationDifferentialAdjustedPaymentsEffectiveOctober_1_2019-September_30_2020_DatesOfService.pdf

Tribal Consultation:

- <https://www.azahcccs.gov/AmericanIndians/TribalConsultation/meetings.html>
- https://www.azahcccs.gov/AmericanIndians/Downloads/Consultations/Meetings/2019/TribalConsultationMaster_052419.pdf

If you have any questions about the enclosed SPA, please contact Alex Demyan at (602) 417-4130.

Sincerely,



Dana Hearn
Assistant Director
Arizona Health Care Cost Containment System (AHCCCS)

cc: Blake Holt, CMS
Brian Zolynas, CMS
Mohamed Arif, AHCCCS

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER

1 9 — 0 1 5

2. STATE

Arizona

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR
CENTERS FOR MEDICARE & MEDICAID SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

October 1, 2019

5. TYPE OF PLAN MATERIAL (*Check One*)

NEW STATE PLAN

AMENDMENT TO BE CONSIDERED AS NEW PLAN

AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (*Separate transmittal for each amendment*)

6. FEDERAL STATUTE/REGULATION CITATION

42 CFR Part 447

7. FEDERAL BUDGET IMPACT

a. FFY 2020 \$ 395,400

b. FFY 2021 \$ 411,200

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.19-D, pg. 9(b)

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (*If Applicable*)

Attachment 4.19-D, pg. 9(b)

10. SUBJECT OF AMENDMENT

Updates the State Plan to update the NF DAP program.

11. GOVERNOR'S REVIEW (*Check One*)

GOVERNOR'S OFFICE REPORTED NO COMMENT

OTHER, AS SPECIFIED

COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL



16. RETURN TO

Dana Hearn
801 E. Jefferson, MD#4200
Phoenix, Arizona 85034

13. TYPED NAME

Dana Hearn

14. TITLE

Assistant Director

15. DATE SUBMITTED

12/30/2019

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED

18. DATE APPROVED

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL

20. SIGNATURE OF REGIONAL OFFICIAL

21. TYPED NAME

22. TITLE

23. REMARKS

STATE OF ARIZONA
METHODS AND STANDARDS FOR ESTABLISHING FEE-FOR-SERVICE PAYMENT RATES
FOR LONG TERM CARE FACILITIES

F. Nursing Facility Differential Adjusted Payment

As of October 1, ~~2018-2019~~ through September 30, ~~2019-2020~~ (Contract Year Ending (CYE) ~~2019-2020~~), Provider type 22 nursing facilities that are located in Arizona with Arizona Medicaid utilization that meet AHCCCS established value based performance metrics requirements ~~in subsection 1~~ below will receive one or both of the Differential Adjusted Payments described ~~in subsection 2~~ 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 service in CYE ~~202019~~ 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.

1. To qualify for the Differential Adjusted Payment, a nursing facility must meet the following criteria:

- a) Must be an AHCCCS registered provider type 22; and
- ~~b) i)~~ Must be at or below the Arizona average percent of High-Risk Residents with Pressure Ulcers (Long Stay) based on the facility's performance results for long-stay, high-risk residents with Stage II-IV pressure ulcers reported in MDS 3.0 for this CMS Nursing Home Quality Measure metric as of April 30, 2019~~8~~.
~~b)c)~~ On April 30, 2019, AHCCCS will download data from the Medicare Nursing Home Compare website for the percent of long-stay residents with a urinary tract infection (UTI). Facility results will be compared to the Arizona Average results for the measure. Facilities with percentages less than or equal to the state-wide average score will qualify for the DAP increase.

2. Nursing facilities that meet the requirements described in subsection 1 shall be eligible to receive a differential adjusted payment. Eligible nursing facilities as described in 1.b. will receive a 1.2% increase to its fee-for-service reimbursement rate for October 1, 2019~~8~~ through September 30, 2020~~19~~

2.3. Nursing facilities that meet or fall below the state-wide average percentage for the Urinary Tract Infection (UTI) performance measure as described in 1.c. will receive a 1.0% DAP increase to its fee-for-service reimbursement rate for October 1, 2019 through September 30, 2020.

Exemptions:

IHS and 638 tribally owned and/or operated facilities, including nursing facilities are exempt from this initiative based on payments primarily at the all-inclusive rate.

Payment Methodology

For nursing facilities, all payments for will be increased by 1.0% if they meet the Pressure Ulcer requirements outlined in A.1.B, and by 1.0% if they meet the UTI performance requirements outlined in A.1.C. These increases do not apply to supplemental payments.

TN No. 19-015
Supersedes
TN No. ~~17-017~~
18-018

Approval Date: _____

Effective Date: October 1, 2019~~8~~

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STATE OF ARIZONA
METHODS AND STANDARDS FOR ESTABLISHING FEE-FOR-SERVICE PAYMENT RATES
FOR LONG TERM CARE FACILITIES

DRAFT

TN No. 19-015
Supersedes
TN No. ~~17-017~~
18-018

Approval Date: _____

Effective Date: October 1, 2019