

NOTICE OF PUBLIC INFORMATION-PUBLIC NOTICE

1. **Name of the Agency:** Arizona Health Care Cost Containment System (AHCCCS)
2. **The topic of the public information notice:**
 - a. AHCCCS Fee-For-Service (FFS) rates for the Home and Community-Based Services Fee Schedule and the Nursing Facility per diem rates to be effective for dates of service on and after January 1, 2017.
 - b. Capitation rate adjustments.
3. **The public information relating to the topic:**
 - a. This Notice describes proposed changes to the Arizona Health Care Cost Containment System (AHCCCS) Fee-For-Service (FFS) rates to be effective for dates of service on and after January 1, 2017 to address the increased labor costs resulting from the Arizona minimum wage increase and employee benefit provisions mandated by Proposition 206. The total change in FFS payments as a result of the proposed changes is an estimated increase of \$1,424,027 for the time period of January 1, 2017 through June 30, 2017.
 - b. AHCCCS will adjust capitation rates to reflect additional costs resulting from these rate adjustments. It is estimated that the adjustments will result in increased capitation rate funding of \$20.3 million related to Arizona Long Term Care System Elderly and Physically Disabled (ALTCS EPD) and Behavioral Health services.
 - c. AHCCCS will also adjust capitation rates to reflect the cost of anticipated rate increases effective January 1, 2017 to the Department of Economic Security, Division of Developmental Disabilities fee schedule. This adjustment is expected to total \$25.1 million.
 - d. The following AHCCCS fee schedules will be updated as described below:
 - Select Home and Community-Based Fee Schedule rates will be increased by 7% for an aggregate increase of 6.6% to HCBS fee schedule expenditures. The table below illustrates the rate change.

| HCPCS | Mod | Description | 10/01/16-12/31/16 | 01/01/17-09/30/17 | Increase |
|-------|-----|--|-------------------|-------------------|----------|
| S5100 | | Day Care Services, Adult; per 15 min. | \$2.56 | \$2.74 | 7.0% |
| S5101 | | Day Care Services, Adult; per half day | \$31.02 | \$33.19 | 7.0% |
| S5102 | | Day Care Services, Adult; per diem | \$62.03 | \$66.36 | 7.0% |
| S5125 | | Attendant Care Services; 15 min. | \$4.16 | \$4.45 | 7.0% |
| S5125 | U2 | Attendant Care provided through SDAC service | \$2.99 | \$3.20 | 7.0% |
| S5130 | | Homemaker Services, NOS; 15 min. | \$5.23 | \$5.60 | 7.1% |
| S5135 | | Companion Care, adult; 15 minutes | \$4.16 | \$4.45 | 7.0% |
| S5140 | | Foster Care, adult; per diem | \$60.03 | \$64.22 | 7.0% |
| S5150 | | Unskilled Respite Care, not hospice; per 15 min. | \$4.16 | \$4.45 | 7.0% |

| | | | | | |
|-------|--|---|----------|----------|------|
| S5151 | | Unskilled Respite Care, not hospice; per diem | \$210.31 | \$224.98 | 7.0% |
| S5170 | | Home Delivered Meals | \$8.58 | \$9.18 | 7.0% |
| T1019 | | Personal Care Services, per 15 min. (not inpatient or residential; not home health aide or CNA) | \$5.52 | \$5.91 | 7.0% |
| T1021 | | Home Health Aide or Certified Nurse Assistant, per visit | \$37.45 | \$40.07 | 7.0% |
| T2018 | | Habilitation, supported employment, waiver; per diem | \$21.61 | \$23.12 | 7.0% |
| T2019 | | Habilitation, supported employment, waiver; per 15 min | \$3.60 | \$3.85 | 7.0% |

- Nursing Facility Per Diem rates will be increased by 3.5% across-the-board. The tables below illustrate the rate change.

| 10/01/2016-12/31/2016 | | | | | | |
|-----------------------|-------------------------|------------|------------|------------------------|------------------------|--|
| Revenue Code | Description | Urban Rate | Rural Rate | Value-Based Urban Rate | Value-Based Rural Rate | |
| 0183 | LOA/Therapeutic | \$149.31 | \$144.67 | \$150.80 | \$146.12 | |
| 0185 | LOA/Nursing Home | \$149.31 | \$144.67 | \$150.80 | \$146.12 | |
| 0191 | Subacute Care Level I | \$149.31 | \$144.67 | \$150.80 | \$146.12 | |
| 0192 | Subacute Care Level II | \$163.24 | \$157.64 | \$164.87 | \$159.22 | |
| 0193 | Subacute Care Level III | \$193.62 | \$187.43 | \$195.56 | \$189.30 | |

| 01/01/2017-09/30/2017 | | | | | | |
|-----------------------|-------------------------|------------|------------|------------------------|------------------------|----------|
| Revenue Code | Description | Urban Rate | Rural Rate | Value-Based Urban Rate | Value-Based Rural Rate | Increase |
| 0183 | LOA/Therapeutic | \$154.54 | \$149.73 | \$156.08 | \$151.23 | 3.5% |
| 0185 | LOA/Nursing Home | \$154.54 | \$149.73 | \$156.08 | \$151.23 | 3.5% |
| 0191 | Subacute Care Level I | \$154.54 | \$149.73 | \$156.08 | \$151.23 | 3.5% |
| 0192 | Subacute Care Level II | \$168.95 | \$163.16 | \$170.64 | \$164.79 | 3.5% |
| 0193 | Subacute Care Level III | \$200.40 | \$193.99 | \$202.40 | \$195.93 | 3.5% |

- The changes proposed for the rates in this Notice are proposed to assure that payments are consistent with efficiency, economy, and quality of care and are sufficient to enlist enough providers so that care and services are available at least to the extent that such care and services are available to the general population in the geographic area.
- Written comments may be sent to the following address and must be received no later than 5:00 p.m. on January 13, 2017:

Meggan Harley, Contracts and Purchasing Administrator

Arizona Health Care Cost Containment System

701 E. Jefferson St. Phoenix, Arizona 85034

- g. More information regarding these changes to reimbursement can be obtained from the AHCCCS website at:

https://www.azahcccs.gov/PlansProviders/RatesAndBilling/FFS/AHCCCSprovider_rateanalysis.html.

Many public libraries offer access to the internet. In addition, the information can be obtained at the Offices of the AHCCCS Administration, 701 E. Jefferson, Phoenix, AZ 85034.