

NOTICES OF PUBLIC INFORMATION

Notices of Public Information contain corrections that agencies wish to make to their notices of rulemaking; miscellaneous rule-making information that does not fit into any other category of notice; and other types of information required by statute to be published in the *Register*. Because of the variety of material that is contained in a Notice of Public Information, the Office of the Secretary of State has not established a specific format for these notices.

NOTICE OF PUBLIC INFORMATION

[M12-108]

1. **Name of the agency:** Arizona Health Care Cost Containment System (AHCCCS)
2. **The Subject of this notice:** Reimbursement for inpatient and outpatient services by I.H.S. and 638 facilities
3. **The public information relating to the subject:**

The AHCCCS Administration is proposing changes which update and clarify reimbursement for inpatient and outpatient services by I.H.S. and tribally operated 638 facilities and which also provide flexibility for these entities to choose the most appropriate reimbursement methodology from the available options, including the "All Inclusive Rate" (AIR). The AIR is a cost based rate, calculated annually by I.H.S. to derive an inpatient and outpatient rate based on cost reports by all I.H.S. and 638 facilities. However, for both inpatient and outpatient rates, there is only one calculation for the nationwide average cost of an inpatient and outpatient visit. While those two rates are cost based, they do not take into account regional variation. As such, the proposed reimbursement methodology allows Arizona based I.H.S. and tribally operated 638 facilities to select the reimbursement method that best reflects their particular costs

Beginning 7/1/12 I.H.S. and tribally operated 638 facilities will have the opportunity to choose among the available reimbursement methodologies for inpatient and outpatient services described in the summary and chart below. I.H.S. and tribally operated 638 facilities must notify the Administration of the selection no later than December 15 of that year, and the option selected will be the reimbursement method which will be used for the entity for dates of service during the upcoming calendar years until a new notification is received changing their selection for the next calendar year. As new IHS and tribally operated 638 providers register with AHCCCS, these providers must elect a specific payment method for dates of service for that calendar year until a new notification is received changing their selection for the next calendar year.

Effective 7/1/12 the proposed changes permit I.H.S. and tribally operated 638 facilities to receive reimbursement at the AIR for up to five visits per recipient per day. Currently, the AIR is reimbursed for a maximum of three visits per recipient per day.

The proposed changes also clarify that I.H.S. and tribally operated 638 facilities may receive reimbursement for services provided outside of their boundaries when 1) the services are provided by contracted entities or by employees of I.H.S. or tribally operated 638 facilities, AND 2) I.H.S. or tribally operated 638 facility submits the claim on behalf of the contracted entity or employee for services provided outside the boundaries of I.H.S. or a tribally operated 638 facility.

The estimated expected increase in annual aggregate expenditures associated with the proposed changes is approximately \$33 million in federal funds. The services are claimable by the state at 100% federal financial participation. Therefore, state funds are not impacted.

INPATIENT SERVICES

Currently, I.H.S./tribally operated 638 facilities receive reimbursement for inpatient services at the AIR, a rate published annually by the federal government derived from cost reports representing the nationwide average cost of an inpatient visit. The proposed changes will permit I.H.S. and tribally operated 638 facilities to elect, on an annual basis, to receive reimbursement at either the AIR or at the inpatient cost specified on the most recent cost report filed with I.H.S. headquarters for the year. The rates are a per diem rate. The rates selected within the specified time-frame each year will be effective for dates of service for the upcoming calendar year.

No changes are proposed for reimbursement of professional services.

OUTPATIENT SERVICES

Several changes are proposed for reimbursement of outpatient services which include hospitals, clinics as well as other provider types. In addition to clarifying language which describes the current AHCCCS reimbursement methodologies, the proposed changes permit I.H.S. and tribally operated 638 facilities, on an annual basis, to select from available reimbursement options.

Currently, I.H.S. is required to receive reimbursement at the AIR; tribally operated 638 facilities have the option of receiving reimbursement at either the AIR or AHCCCS reimbursement rates.

Notices of Public Information

The proposed changes will permit both I.H.S. and tribally operated 638 facilities to choose either 1) the AIR or 2) from among available AHCCCS reimbursement option(s) as described in the following chart. The reimbursement rates which are selected by the specified date each year will apply to dates of service for the upcoming calendar year.

Service	Current Reimbursement through 12/31/12	Proposed Reimbursement effective for dates of service on or after 1/1/13
Outpatient Hospital (including behavioral health)	Outpatient All Inclusive Rate or Statewide cost to charge rate	Outpatient All-Inclusive Rate OR AHCCCS Outpatient Fee Schedule OR Average Encounter Cost
Wound care technology	Outpatient All Inclusive Rate	AHCCCS Fee for Service rate
Clinic (including behavioral health)	Outpatient All Inclusive Rate or AHCCCS Capped Fee Schedule	Outpatient All-Inclusive Rate OR AHCCCS Outpatient Fee Schedule
Ambulatory Surgery Center	Medicare ASC Rate	AHCCCS ASC Rate
Professional Services	AHCCCS Capped Fee Schedule (no change)	AHCCCS Capped Fee Schedule (no change)
Transportation (non-emergency)	AHCCCS Capped Fee Schedule (no change)	AHCCCS Capped Fee Schedule (no change)
Transportation (emergency)	AHCCCS Capped Fee Schedule	Outpatient All-Inclusive Rate OR AHCCCS Capped Fee Schedule OR A specially contracted rate
Pharmacy	Outpatient All-Inclusive Rate (no change)	Outpatient All-Inclusive Rate (no change)
Home Health Agency services provided by a non RN, PA or NP	AHCCCS Capped Fee Schedule (no change)	AHCCCS Capped Fee Schedule (no change)
Home Health Agency services provided by a RN, PA or NP	AHCCCS Capped Fee Schedule	Outpatient All-Inclusive Rate
Durable Medical Equipment	AHCCCS Capped Fee Schedule (no change)	AHCCCS Capped Fee Schedule (no change)
Dialysis	AHCCCS Component Rate based on the Revenue code billed	AHCCCS Component Rate based on the Revenue Code billed
Skilled Nursing Facility	AHCCCS Capped Fee Schedule (no change)	AHCCCS Capped Fee Schedule (no change)
Licensed Professional Services	Outpatient All-Inclusive Rate	AHCCCS Capped Fee Schedule
Case Management	AHCCCS Capped Fee Schedule (no change)	AHCCCS Capped Fee Schedule (no change)
RTC	BH Fee Schedule (no change)	BH Fee Schedule (no change)
Level III Behavioral Health Residential Respite Care	AHCCCS Capped Fee Schedule (no change)	AHCCCS Capped Fee Schedule (no change)
Level III Behavioral Health Residential Counseling Services	AHCCCS Capped Fee Schedule	Outpatient All-Inclusive Rate

*Note-Telemedicine services are reimbursed in accordance with the tables above.

4. A list of previous notices published in the Arizona Administrative Register relating to the notice of public information:

None

5. The name, address, and telephone number of agency personnel to whom questions and comment on the subject may be addressed:

Name: Rebecca Fields
 Address: AHCCCS
 Office of Administrative and Legal Services
 701 E. Jefferson St., Mail Drop 8200
 Phoenix, AZ 85034
 E-mail: IHS-638SPAQuestions@azahcccs.gov
 Web site: <http://www.azahcccs.gov/reporting/PoliciesPlans/StatePlanAmendments.aspx>

6. Public comments relating to the notice of public information:

Please send comments to the contact listed above by 5:00 p.m., April 16, 2012.