

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:** AHCCCS Fee-For-Service (FFS) proposed rates for designated fee schedules to be effective for dates of service beginning October 1, 2019.
3. **The public information relating to the topic:**
 - a. This Notice of Public Information describes proposed changes to the Arizona Health Care Cost Containment System (AHCCCS) Fee-For-Service (FFS) rates to be effective October 1, 2019. The AHCCCS Administration is proposing changes to the FFS rates specified in this Notice 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. The estimated increase in FFS payments as a result of the proposed rate changes is expected to be approximately \$32,845,300 for the time period of October 1, 2019 through September 30, 2020. Please note, this estimated increase does not include the proposed rate changes attributable to changes in the minimum wage, which are detailed in separate public notices. More detailed information regarding the proposed fee schedule changes is included below.

The following fee schedules will be updated as described below:

- Hospice per diem rates will be increased by 2% to match the *Medicaid Hospice Payment Rates* for Arizona published by Medicare.
- Inpatient Hospital APR-DRG outlier cost-to-charge ratios will be updated to match the Medicare Inpatient Prospective Payment System 2019 ratios.
- For FFY 2020 dates of services, hospitals subject to APR-DRG reimbursement (Provider Type 02) may qualify for a Differential Adjusted Payment on codes J7296 - J7298, J7300 - J7301, and J7307 billed on the 1500 or UB-04 forms. The Differential Adjusted Payment represents a 10% increase over the AHCCCS Fee For-Service rates and Managed Care Organization (MCO) contracted rates for these codes.
- Physician Drug Schedule rates will be updated to address changes in drug prices which will result in a 1.3% aggregate increase.
- Ambulance rates that are based on the Arizona Ground Ambulance Service Rate Schedule published by the Arizona Department of Health Services (ADHS), Bureau of Emergency Medical Services, will be updated in accordance with state law, which will result in a 0.2% aggregate increase.
- FFS Emergency Ground Ambulance Fee Schedule rates (other than those based on rates established by the Arizona Department of Health Services, Bureau of Emergency Medical Services) will be updated for a 1.1% increase in rates.
- Air Ambulance Transportation Fee Schedule rates will be updated for an increase of 8.1%.
- Hospital APR-DRG Fee Schedule rates will be updated for an increase of 0.5%.
- Long-Term Acute Care Hospital and Rehabilitation Hospital inpatient per diem rates will be updated for changes in hospital case mix indices and outlier cost-to-charge ratios will be updated to match Medicare 2019 ratios for an aggregate increase of 0.1%.
- Outpatient Behavioral Health Fee Schedule rates are adjusted as follows:
 - Fee schedules for FFS and MCOs will include a 2.6% increase to the Behavioral Health Short-Term Residential per diem rate.
 - The Behavioral Health Short-Term Residential per diem rate billed with modifier TF by providers licensed to provide personal care services will also include the base rate increase of 2.6% as well as an additional 4.8% increase associated with the modifier.

- FFS Fee Schedule rates that are not applicable to MCOs will be updated for an aggregate increase of 23.1% as a result of adjustments to reflect market rates in order to ensure access to care.
- MCO Capped Fee Schedule rates will be updated for an aggregate increase of 1.1%.
- Nursing Facility per diem rates will incorporate funding provided by the Legislature for an increase of 2.6%, as well as an additional increase of 1.8% to address changes in the minimum wage, resulting in a combined increase of 4.4%.
- Home and Community Based Services rates will incorporate funding provided by the Legislature for an increase of 4.9% for all services. Select services will also be increased by an additional 3.6% to address changes in the minimum wage, resulting in a combined increase of 8.7% for those services.
- Dental Fee Schedule rates will be updated to reflect increases to select dental surgical rates, resulting in an aggregate increase of 0.5%.
- The Ground Non-Emergency Transportation Fee Schedule's rate for the A0130 "Non-Emergency Transport – Wheel Chair Van" with the modifier "TN", indicating Rural, will be increased by 31.3% to align with the rural to urban rate ratio for other similar fees within this fee schedule.
- Outpatient Hospital Fee Schedule rates will be updated to reflect decreases to the rates for 95004 and 95044, resulting in an aggregate decrease of 0.02%. Federally Qualified Health Center and Rural Health Center Prospective Payment System rates will be increased by 0.07% for FQHC's to reflect the change in the Physicians' Services Index and by either 0.5% or 1.0% for DAP-qualified providers. Rural Health Centers and 638 FQHC's have been rebased according to the State Plan and will increase in aggregate 19.4%.

The following fee schedules will be updated to reflect changes to the Medicare fee schedules on which they are based:

- Ambulatory Surgical Center Fee Schedule rates for an aggregate change of -3.6%.
- Clinical Laboratory Fee Schedule rates for an aggregate change of -0.4%.

The following fee schedules will remain unchanged:

- AzEIP Speech Therapy Fee Schedule rates
- Freestanding Birthing Center rates
- Freestanding Dialysis Facility composite rates
- Freestanding Emergency Department Fee Schedule rates
- Inpatient Behavioral Health Fee Schedule rates
- Physician Fee Schedule rates

b. Individual FFS rates reflecting the changes to reimbursement described above can be obtained from the AHCCCS website at:

<https://www.azahcccs.gov/PlansProviders/RatesAndBilling/FFS/>

c. 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.