

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

STATE: ARIZONA

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

I. General Provisions

A. Purpose

This State Plan Amendment establishes the reimbursement system for fee-for-service payments to nursing facilities where payments are made directly by the Arizona Long Term Care System (ALTCS) or the acute care program. The method of updating the per diem rates established under this plan from year to year is amended effective for dates of service beginning October 1, 2005.

~~Under the ALTCS program, the fee-for-service rates established under this plan are used to reimburse facilities for services provided to Native American members with an on-reservation status (including prior period coverage). Under the acute care program, these fee-for-service rates are used to reimburse the acute care program's limited coverage of nursing facility services for Native American members.~~

Other than services provided by nursing facilities owned or operated by the Indian Health or tribes under PL 93-638, nursing facility services provided to American Indian members who reside on reservation are reimbursed at the fee-for-service rates established under this plan. Nursing facility services provided to American Indians by facilities owned or operated by the Indian Health or tribes under PL 93-638 are reimbursed at the outpatient All-Inclusive Rate as published in the Federal Register.

B. Reimbursement Principles

1. Providers of nursing facility care are reimbursed based on a prospective per diem reimbursement system designed to recognize members in four levels:

- Level 1
- Level 2
- Level 3
- Ventilator dependent, sub-acute and other specialty care.

Fee-for-service payments for services to members in nursing facilities who are ventilator dependent, sub-acute or receiving other specialty care are based on negotiated rates. Negotiated rates are based on the rates paid by program contractors for specialty care services and member service needs.

TN No. 05-007

Supersedes

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20202005

TN No. 01-009

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Reimbursement for Levels 1, 2 and 3 is based on a three component system:

- Primary Care - The primary care cost component reflects direct member care including wages, benefits and salaries for registered nurses (RNs), licensed practical nurses (LPNs), and nurse aides.

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