

NOTICE OF PUBLIC INFORMATION

1. **Name of the Agency:** Arizona Health Care Cost Containment System (AHCCCS)
2. **The topic of the public information notice:** Soliciting public input on proposed changes to the AHCCCS Section 1115 Demonstration Project regarding Disproportion Share Hospital (DSH) payments.
3. **The public information relating to the topic:** The Arizona Health Care Cost Containment System Administration is soliciting public comments on a proposal it intends to submit to the Center for Medicare and Medicaid Services, a division of the U.S. Department of Health & Human Services, to amend the Arizona section 1115 demonstration project. The proposed amendment will reflect changes in Arizona law regarding supplemental payments made by AHCCCS to hospitals that service a disproportionate number of low income patients with special needs. Specifically, Arizona Laws 2015, Chapter 8, section 13, and Chapter 14, sections 6 and 10, made changes effecting State Fiscal Year (SFY) 2015 and 2016 including:
 - Increase the maximum amount of that can be claimed for costs incurred by the Maricopa Integrated Health Care System (MIHS) in SFY 2015 from \$89,877,700 to \$105,945,500. With the exception of \$4,202,300 which will be paid to MIHS, amounts otherwise claimed up to \$68,328,000 will be transferred to the State General Fund.
 - Increase the maximum amount of that can be claimed for costs incurred by the Maricopa Integrated Health Care System (MIHS) in SFY 2016 to \$113,818,500. With the exception of \$4,202,300 which will be paid to MIHS, amounts otherwise claimed up to \$74,241,400 will be transferred to the State General Fund.
 - Expenditure authority allowing for approximately \$18 million for supplemental payments to qualifying hospitals in SFY 2016 if the non-federal share of those payments is voluntarily provided by political subdivisions, tribal governments, or universities under A.R.S. §36-2903.01(P) (“Pool 5”).
 - Providing a priority to qualifying hospitals outside of the Phoenix Metropolitan and Tucson Metropolitan Statistical Areas (outside of Maricopa, Pima, and Pinal Counties) to claim funds from Pool 5 to the extent federal allocation remains for such payments after other supplemental payments for 2015 and 2016.
 - Authorizing MIHS to obtain additional supplemental payments through Pool 5 under A.R.S. §36-2903.01(P) for the SFY’s 2015 and 2016.
 - Reduce the state appropriation for supplemental payments to private hospitals from \$9,284,800 to \$884,800 for SFY 2016.

The complete language of the law may be viewed through the Arizona Legislature’s website at www.azleg.gov by selecting the pull-down menu for “Bills,” then choosing “Session Laws,” and selecting Chapters 0008 and/or 0014.

In addition to updating the waiver language to reflect changes by the Arizona Legislature, AHCCCS intends to request additional changes including:

- Remove duplicative language.
- Clarify items to be consistent with our current protocol.
- Clarify federal authority for hospitals outside of the Phoenix and Tucson Metropolitan Statistical Areas (outside of Maricopa, Pima, and Pinal Counties) to qualify so long as the hospital has at least two physicians with staff privileges to perform nonemergency obstetric procedures.
- Allow adjustments to historical data (used in DSH calculation) to reflect AHCCCS population growth and the expiration of certain supplemental payments.

Complete information regarding this proposed amendment can be found at <http://www.azahcccs.gov/publicnotices/default.aspx>.

Comments can be provided in person at the AHCCCS DSH 1115 Waiver Change Public Hearing on May 21, 2015 from 3 PM to 4 PM at:

AHCCCS
801 E. Jefferson St.
4th Floor, Arizona Room
Phoenix, AZ 85034

The public can also participate in the meeting on May 21, 2015 from 3 PM to 4 PM by dialing in to our conference line: 1-877-820-7831, Passcode: 710459#

In addition, comments on the proposed amendment can be submitted by mail to:

Amy Upston, Hospital Finance Administrator
AHCCCS
701 E. Jefferson St., MD 6600
Phoenix, AZ 85034

Or by email to: DSH@azahcccs.gov

Written comments must be received by 5:00 p.m. on June 8, 2015.