

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) per diem rates for Nursing Facilities to be effective for dates of service of October 1, 2019 through December 31, 2019 and January 1, 2020 through September 30, 2020.

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) per diem rates for Nursing Facilities to be effective for dates of service of October 1, 2019 – December 31, 2019 and January 1, 2020 – September 30, 2020 to address the increased labor costs resulting from the Arizona minimum wage increase and employee benefit provisions mandated by Proposition 206, and the Flagstaff minimum wage increase mandated by Proposition 414 and later amended through action of the Flagstaff City Council.

- For the time period of October 1, 2019 through December 31, 2019 all rates will be increased by 1.8%.
- For the time period of January 1, 2020 through September 30, 2020 rates will be increased by 1.3% for Statewide and 1.2% for Flagstaff.
- The total change in FFS payments as a result of the proposed changes is an estimated increase of \$1,333,772.

b. AHCCCS' Managed Care Organizations will be required to pass-through these rate increases effective for the above dates of service to Nursing Facility providers.

c. The AHCCCS Nursing Facility fee schedule will be updated as illustrated below:

Rates Effective 10/01/2019				
Revenue Code	Description	Urban Rate	Rural Rate	Flagstaff
0183	LOA/Therapeutic	\$ 169.06	\$ 163.78	\$ 165.99
0185	LOA/Nursing Home	\$ 169.06	\$ 163.78	\$ 165.99
0191	Subacute Care Level I	\$ 169.06	\$ 163.78	\$ 165.99
0192	Subacute Care Level II	\$ 184.81	\$ 178.48	\$ 180.86
0193	Subacute Care Level III	\$ 219.22	\$ 212.20	\$ 215.04

Rates Effective 01/01/2020				
Revenue Code	Description	Urban Rate	Rural Rate	Flagstaff
0183	LOA/Therapeutic	\$ 171.27	\$ 165.93	\$ 167.98
0185	LOA/Nursing Home	\$ 171.27	\$ 165.93	\$ 167.98
0191	Subacute Care Level I	\$ 171.27	\$ 165.93	\$ 167.98
0192	Subacute Care Level II	\$ 187.23	\$ 180.82	\$ 183.03
0193	Subacute Care Level III	\$ 222.09	\$ 214.98	\$ 217.62

Percentage Increase Effective 10/01/2019				
Revenue Code	Description	Urban Rate	Rural Rate	Flagstaff
0183	LOA/Therapeutic	1.8%	1.8%	1.8%
0185	LOA/Nursing Home	1.8%	1.8%	1.8%
0191	Subacute Care Level I	1.8%	1.8%	1.8%
0192	Subacute Care Level II	1.8%	1.8%	1.8%
0193	Subacute Care Level III	1.8%	1.8%	1.8%

Percentage Increase Effective 01/01/2020				
Revenue Code	Description	Urban Rate	Rural Rate	Flagstaff
0183	LOA/Therapeutic	1.3%	1.3%	1.2%
0185	LOA/Nursing Home	1.3%	1.3%	1.2%
0191	Subacute Care Level I	1.3%	1.3%	1.2%
0192	Subacute Care Level II	1.3%	1.3%	1.2%
0193	Subacute Care Level III	1.3%	1.3%	1.2%

- d. In addition, the increase in reimbursement will be applied to claims for Nursing Facility per diems for specialty services for which AHCCCS does not establish a capped fee-for-service fee schedule rate.
- e. Please note that these rates supersede the rates posted in the 10/1/19 Nursing Facility Fee-For-Service Fee Schedule.
- f. The Flagstaff increase indicated above will apply to claims associated with one of the following zip codes: 86001, 86004, and 86005.
- g. The Department of Economic Security, Division of Developmental Disabilities (DES/DDD) is also increasing select Nursing Facility Fee Schedule rates effective with dates of service on and after October 1, 2019 and January 1, 2020, to address the same issues described in 3.a. above. AHCCCS will adjust the capitation rates for DES/DDD effective October 1, 2019 and January 1, 2020.
- h. 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.

- i. Written comments may be sent to the following address and must be received no later than 5:00 p.m. on September 15, 2019 to FFSRates@azahcccs.gov.
- j. 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.