

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, 2020.
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, 2020. 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 \$23,315,300 for the time period of October 1, 2020 through September 30, 2021. More detailed information regarding the proposed fee schedule changes is included below.

The following fee schedules will be updated as described below:

- Behavioral Health Outpatient Fee Schedule rates will be updated to reflect a 1.4% increase in aggregate. HCPCS codes H0018, H0025, H0038, and S5109 have been adjusted in the proposed fee schedules.
- Dental Fee Schedule rates will be updated to reflect a 14.3% increase in rates.
- Federally Qualified Health Center and Rural Health Center Prospective Payment System rates will be increased by 1.4% to reflect the change in the Physicians' Services Index. In addition, a .5% or 1.0% increase may be applied to qualified providers as applicable based on Differential Adjusted Payment criteria.
- Hospice per diem rates will be updated 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 2020 ratios.
- Inpatient Hospital 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 2020 ratios.
- Outpatient Hospital Fee Schedule rates have been updated for an aggregate increase of .05%.
- Physician Drug Schedule rates will be updated to address changes in drug prices which will result in a -3.9% aggregate change.
- Physician Fee Schedule rates will be updated to reflect a 15.3% increase in aggregate.
- Durable Medical Equipment Fee Schedule rates will be updated to reflect a 20.2% increase in aggregate.
- 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 3.8% 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 6.1% increase in rates.

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 2.1%.
- Clinical Laboratory Fee Schedule rates for an aggregate change of 0.0%.

The following fee schedules will remain unchanged:

- AzEIP Speech Therapy Fee Schedule rates
- Behavioral Health Inpatient Fee Schedule rates
- Freestanding Dialysis Facility Composite rates
- Home and Community Based Services Fee Schedule rates
- Hospital-Based Freestanding Emergency Department Fee Schedule rates
- Multi-Specialty Interdisciplinary Clinic rates
- Nursing Facility Per Diem rates
- Transportation, Air Ambulance Fee Schedule rates
- Transportation, Non-Emergency Fee Schedule rates
- Treat and Refer Fee Schedule rates

Beginning October 1, 2020, reimbursement methodology will be adjusted to align with Medicare to reimburse hospital outpatient services using PO and PN modifiers at the Physician Fee Schedule or Ambulatory Surgical Center rates instead of the outpatient fee schedule.

Comments regarding the proposed AHCCCS FFS rates may be submitted electronically at FFSRates@azahcccs.gov.

All comments must be received no later than 5:00 p.m. on August 17, 2020.

- 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/AHCCCSprovider_rateanalysis.html
- 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.