

**AHCCCS FFS INPATIENT HOSPITAL RATE UPDATE  
APRIL 1, 2011 - SEPTEMBER 30, 2011**

In accordance with Arizona Revised Statute (ARS) 36-2903.01, AHCCCS reimburses hospitals for inpatient hospital services based on a prospective tiered per diem methodology in which payment for each day of care is based on the level of care (tier) provided.

Pursuant to Budget Reconciliation Bill, HB 2010, hospital inpatient rates and cost-to-charge ratio are reduced 5% effective 4/1/2011. Outlier cost thresholds were frozen at 10/01/2010 level.

**Statewide Weighted Average Tier Rates, Effective 4/1/11-9/30/11**

Maternity	\$1,404.57
NICU Level III	\$1,423.34
NICU Level II	\$1,204.71
ICU	\$2,807.72
Surgery	\$1,629.14
Psychiatric	\$ 889.22
Nursery	\$ 552.62
Routine	\$ 1,096.29
Routine Specialty	\$ 1,022.66

**Hospital Claim Processing**

The processing of an inpatient claim is hierarchical. Each day is classified into **one** tier based on diagnosis, procedure, and/or revenue codes. Once the criteria are met within a tier for a particular day, the day is classified into that tier even if it meets the condition of a lower tier in the hierarchy. Inpatient claims may split across no more than two tiers per continuous stay. The attached hierarchy for tier assignment chart lists the qualifications for each tier, and the allowed tier splits.

## AHCCCS Hierarchy For Tier Assignment

<b>TIER</b>	<b>IDENTIFICATION CRITERIA</b>	<b>ALLOWED SPLITS</b>
<b>MATERNITY</b>	A primary diagnosis defined as maternity 640.xx - 643.xx, 644.2x - 676.xx, v22.22 - v24.xx or v27.xx.	None
<b>NICU</b>	Revenue Code of 175 for DOS before 10/1/95 AND the provider has a Level II or Level III NICU, or Revenue Code of 174 for DOS on, or after 10/1/ 95 AND the provider has a Level II or Level III NICU.	Nursery
<b>ICU</b>	Revenue Codes of 200-204, 207-212, or 219.	Surgery Psychiatric Routine
<b>SURGERY</b>	Surgery is identified by a revenue code of 36x. To qualify in this tier, there must be a valid surgical procedure code that is not on the excluded procedure list.	ICU
<b>PSYCHIATRIC</b>	Psychiatric Revenue Codes of 114, 124, 134, 144, or 154 AND Psychiatric Diagnosis = 290.xx - 316.xx. If a routine revenue code is present and all diagnoses codes on the claim are equal to 290.xx - 316.xx, classify as a psychiatric claim.	ICU
<b>NURSERY</b>	Revenue Code of 17x, not equal to 175 or 174.	NICU
<b>ROUTINE</b>	Revenue Codes of 100 - 101, 110-113, 116 - 123, 126 - 133, 136 - 143, 146 - 153, 156 - 159, 16x, 206, 213, or 214.	ICU