

Rates Update

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Provider Type 02 Inpatient Hospital Claims – BH Primary Diagnosis

- AHCCCS amending FFS reimbursement methodology - discharge dates on/after 10/1/18
- Pay using a daily rate rather than a DRG
 This daily rate shall be considered an administrative day rate
 - The claim shall be submitted as an administrative day claim and follow the process outlined by AHCCCS for billing of administrative day claims
 - AHCCCS will amend definition of administrative day in Rule, DRG Policy Document, FFS Provider Manual



Provider Type 02 Inpatient Hospital Claims – BH Primary Diagnosis, cont.

- Current definition of admin day will be maintained – days that <u>do not meet</u> criteria for an acute inpatient stay
- New definition will be added that will specify that the days <u>do meet</u> the criteria for an acute inpatient stay and have a primary diagnosis of BH
 - Original communication:
 - AHCCCS shall pay the daily rate of \$816.39 on the FFS Fee Schedule (BH Inpatient Rates)
 - Which shall not be used for, or confused with, the traditional administrative days reimbursement

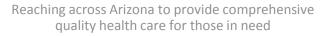


Provider Type 02 Inpatient Hospital Claims – BH Primary Diagnosis, cont.

- Revised communication:
 - AHCCCS shall pay a diagnosis-based daily rate of \$816.39, to be loaded in PR050 without regard to revenue code
 - Which shall not be used for, or confused with, the traditional administrative days reimbursement
- New Communication:
 - RBHAs shall continue to pay for BH primary diagnosis claims in 02 setting as they were paying effective 9/30/18
 - Per diem rates

Arizona Health Care Cost Containment System

- Revenue code dependent
- Do not follow this admin day/rate policy



BH Fee For Service Rates – CYE 2019

- ~38k AI members transitioned from RBHAs to AIHP for BH services 10/1/18
- ~1.6k transitioning AI members utilizing BH services
- Servicing providers paid market rates through 9/30/18 dates of service
- AHCCCS FFS rates below market rates for select BH services – varies by County
- Considering market equalization on rates



BH Fee For Service Rates – CYE 2019, cont.

- Rate changes could occur as early as 1/1/19
- Considering various options
- Looking for solutions that will have minimal impact on MCOs
- No capitation changes



BH Fee For Service Rates – CYE 2020

- AHCCCS contracted with Navigant Consulting on BH Fee Schedule review – inpatient/outpatient
- Timeline (subject to change)
 - Kick-off 10/29/18

Arizona Health Care Cost Containment System

- Report due to AHCCCS 4/1/19
- AHCCCS submit report to Legislature 6/30/19
- Proposed rates published 6/30/19
- Goal: development of a sustainable and reproducible rate-setting methodology
- MCOs: consider impacts to contracts eff 10/1/19



Differential Adjusted Payments

- AHCCCS posted a Request for Information on 10/31/18 – comments due 11/30/18
 - <u>https://www.azahcccs.gov/Resources/Downloads/Solici</u> <u>tations/Open/RFPs/YH19-0048/YH19-</u> <u>0048RFIforDAP.pdf</u>
- Seeking stakeholder input on Differential Adjusted Payments (DAPs) for CYE 2020 (and for 2021 as some could be pushed back/take longer)
- Provides a list of ideas AHCCCS is already considering in future years



DAP Timeline

Deadline 1/31/2019 4/30/2019 5/1/2019

7/1/2019

8/15/2019

10/1/2019 AHCCCS Arizona Health Care Cost Containment System

Key Activities Preliminary Public Notice Final Public Notice Qualifying Providers Identified 438.6(c) Request for Approval Due to CMS MCO Cap Rates Due to CMS (w/prospective funding for DAPs) Effective Date of DAP

ACC Risk Adjustment Future Plans

- Expect to continue non-diagnostic based risk model for years 1 and 2 (CYEs 2019 & 2020)
- Implement diagnostic-based risk model for year 3 (CYE 2021)
- Intend to engage actuarial consulting firm specializing in risk adjustment
 - Contract beginning ~7/1/19
- More communication forthcoming from Actuarial Unit



Prop 206 – Minimum Wage

- Next increase to minimum wage is 1/1/19
 - \$0.50 increase
 - Select HCBS procedure codes
 - All NF revenue codes
 - All ALF procedure codes
- Funding for increase already included in ALTCS capitation rates (both EPD and DDD)



Questions?



Thank You.

