



**Contract Year Ending 2020  
Regional Behavioral Health Authority Program  
Capitation Rate Notification - Access to  
Professional Services Initiative**

**October 1, 2019 through September 30, 2020**

**Prepared for:  
The Centers for Medicare & Medicaid Services**

**Prepared by:  
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# CYE 20 Regional Behavioral Health Authority Program Capitation Rate Notification - APSI

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## Introduction and Limitations

The purpose of this capitation rate notification document is to provide documentation of the data, assumptions, and methodologies used to allocate a delivery system and provider payments initiative (i.e., state directed payment), the Arizona Health Care Cost Containment System (AHCCCS) Access to Professional Services Initiative (APSI) Program, across the October 1, 2019 through September 30, 2020 (Contract Year Ending 2020 or CYE 20, or alternatively, Federal Fiscal Year 2020 (FFY 20)) capitation rates for the Regional Behavioral Health Authority (RBHA) Program. The APSI payments are payments under 42 CFR § 438.6(c)(1)(iii)(B), as codified in the 2016 Medicaid and Children’s Health Insurance Program (CHIP) Managed Care Final Rule. This capitation rate notification document was prepared for Centers for Medicare & Medicaid Services (CMS), or its actuaries, for review of the APSI payments allocation methodology. This capitation rate notification document also provides the CYE 20 RBHA Program capitation rates with and without the APSI payments for CMS review. This capitation rate notification document may not be appropriate for any other purpose.

This capitation rate notification document may also be made available publicly on the AHCCCS website or distributed to other parties. If this capitation rate notification document is made available to third parties, then this capitation rate notification document and the original rate certification along with any amendments should be provided in their entirety. Any third party reviewing this capitation rate notification document and capitation rate certifications should be familiar with the AHCCCS Medicaid managed care program, the provisions of 42 CFR Part 438 of 81 FR 27497 applicable to this rate certification, the 2020 Medicaid Managed Care Rate Development Guide (2020 Guide), Actuarial Standards of Practice and generally accepted actuarial principles and practices.

CMS has yet to release a rate development guide for capitation rate updates related to payments under § 438.6(c). However, the 2020 Guide, the rate development guide used in the original CYE 20 capitation rate setting, included new sections under Section I.4.D. which AHCCCS addressed in the original certifications and is including again in this capitation rate notification document to address the incorporation of the directed payment into the rate certification’s rate cells consistent with the distribution methodology described in the original capitation rate certification.

In lieu of having an official guide to follow, AHCCCS will follow the 2020 Guide for organizing this capitation rate notification document. Sections of the 2020 Guide that do not apply will be marked as “Not Applicable” and will be included in this rate update document for completeness.

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## Section I Medicaid Managed Care Rates

### I.1. General Information

Not applicable to the APSI for the CYE 20 RBHA Program rate update.

### I.2. Data

Not applicable to the APSI for the CYE 20 RBHA Program rate update.

### I.3. Projected Benefit Costs and Trends

Not applicable to the APSI for the CYE 20 RBHA Program rate update.

### I.4. Special Contract Provisions Related to Payment

#### I.4.A. Incentive Arrangements

Not applicable to the APSI for the CYE 20 RBHA Program rate update.

#### I.4.B. Withhold Arrangements

Not applicable to the APSI for the CYE 20 RBHA Program rate update.

#### I.4.C. Risk-Sharing Mechanisms

Not applicable to the APSI for the CYE 20 RBHA Program rate update.

#### I.4.D. Delivery System and Provider Payment Initiatives

##### I.4.D.i. Rate Development Standards

This section of the 2020 Guide provides information on delivery system and provider payment initiatives authorized under 42 CFR § 438.6(c).

##### I.4.D.ii. Appropriate Documentation

The following sections of the 2020 Guide, Section I.4.D.ii.(a)(i) through Section I.4.D.ii.(a)(iii), were provided in the CYE 20 RBHA Program Capitation Rate Certification as signed by Erica Johnson and Windy Marks on August 15, 2019. These sections are being provided again to facilitate CMS' review, updated as necessary to indicate completion of the specified payments.

##### I.4.D.ii.(a) Description of Delivery System and Provider Payment Initiatives

###### I.4.D.ii.(a)(i) Type and Description of Directed Payment Arrangements

The APSI seeks to provide enhanced support to certain professionals in order to (1) preserve and enhance access to these professionals who deliver essential services to Medicaid recipients in Arizona and (2) support professionals who are critical to professional training and education efforts. The APSI is a program to preserve and promote access to medical services through a uniform percentage increase to the Contractors' rates for professional services provided by qualified physicians and non-physician professionals affiliated with designated hospitals who meet the following definition:

- A hospital facility with an ACGME-accredited teaching program and which is operated pursuant to the authority in Arizona Statute Title 48, Chapter 31; or,
- A hospital facility with:
  - An ACGME-accredited teaching program with a state university, and

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- AHCCCS inpatient discharge utilization volume greater than or equal to 30 percent as calculated by the Arizona Department of Health Services for calendar year 2014; or,
- A freestanding children's hospital or a pediatric unit of a general acute care hospital with greater than one hundred (100) licensed pediatric beds, excluding nursery beds.

The APSI provides a uniform percentage increase of 85% to otherwise contracted rates for qualified practitioners for all claims for which AHCCCS is the primary payer. The rate increase is intended to supplement, not supplant, payments to eligible providers.

### **I.4.D.ii.(a)(ii) Directed Payments Incorporated in Capitation Rates**

Not applicable to the APSI for the CYE 20 RBHA Program rate update.

### **I.4.D.ii.(a)(iii) Directed Payments Under Separate Payment Arrangement**

The APSI were not included in the RBHA certified capitation rates and have been paid out via lump sum payments.

### **I.4.D.ii.(a)(iii)(A) Aggregate Amount**

The original estimates of anticipated payments including premium tax for APSI were approximately \$5.9 million. AHCCCS distributed the total payment via three quarterly lump sum payments to the Contractors, and a final lump sum payment after the completion of the contract year. The total payments paid through the RBHA Contractors for the APSI were \$5.3 million, inclusive of premium tax.

### **I.4.D.ii.(a)(iii)(B) Providers Receiving Payment**

The qualifying providers receiving the uniform percentage increase include the following practitioners: physicians, including doctors of medicine and doctors of osteopathic medicine; certified registered nurse anesthetists; certified registered nurse practitioners; physician assistants; certified nurse midwives; clinical social workers; clinical psychologists; dentists; optometrists; and other providers that bill under Form Type A (Form 1500) and D (Dental).

### **I.4.D.ii.(a)(iii)(C) Distribution Methodology**

The distribution methodology for APSI is unchanged from the original capitation rate certification, but the time period used to determine utilization of services was changed due to the COVID-19 pandemic as addressed in the amended preprint submitted in July 2020. The amended preprint was approved by CMS in September 2020. The distribution is based on members' utilization of services from APSI qualified providers. The 85 percent uniform percentage increase is applied to eligible services performed by APSI qualified providers. Eligible services are those submitted on Form CMS-1500s and dental encounters, excluding any subcapitated/block purchase arrangements (identified by CN1 Code 05 on the encounter), and excluding services where AHCCCS is not the primary payer. The final amount for the CYE 20 APSI was developed by quadrupling the amount calculated by applying the 85 percent uniform increase to the first quarter of CYE 20 (October through December 2019) utilization of eligible services based on encounters for the first quarter of CYE 20 APSI qualified providers. The APSI qualified providers were identified by Billing Provider Tax IDs in AHCCCS encounter system. The encounter data used to distribute the final payment amounts included relevant rate cell and program information to determine utilization, and thus distribution into the individual rate cells.

### **I.4.D.ii.(a)(iii)(D) Estimated Impact by Rate Cell**

Appendix 1 shows the total dollars paid including premium tax by rate cell. Appendix 2 shows the payments by rate cell incorporated into the capitation rates as PMPMs.

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### **I.4.D.ii.(a)(iii)(E) Pre-Print Acknowledgement**

AHCCCS submitted an amended APSI § 438.6(c) pre-print to CMS and received approval. The payment arrangement is accounted for in a manner consistent with the amended pre-print.

### **I.4.D.ii.(a)(iii)(F) Future Documentation Requirements**

AHCCCS is submitting this notification document to CMS which incorporates the total amount of the APSI payments into the rate certification's rate cells, consistent with the distribution methodology described in Section I.4.D.ii.(a)(iii)(C). The capitation rates with and without the APSI can be found in Appendix 2.

### **I.4.E. Pass-Through Payments**

Not applicable to the APSI for the CYE 20 RBHA Program rate update.

### **I.5. Projected Non-Benefit Costs**

Not applicable to the APSI for the CYE 20 RBHA Program rate update.

### **I.6. Risk Adjustment and Acuity Adjustments**

Not applicable to the APSI for the CYE 20 RBHA Program rate update.

## **Section II Medicaid Managed Care Rates with Long-Term Services and Supports**

Not applicable to the APSI for the CYE 20 RBHA Program rate update.

## **Section III New Adult Group Capitation Rates**

Not applicable to the APSI for the CYE 20 RBHA Program rate update.

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## Appendix 1: CYE 20 APSI Payments

## CYE 20 Regional Behavioral Health Authority Program Capitation Rate Notification - APSI

GSA	Rate Cell	CYE 20 APSI Dollars
Central	SMI	\$2,502,831
Central	CMDP Child	\$111,671
Central	Crisis-only Adult	\$0
Central	Crisis-only Child	\$0
North	SMI	\$86,027
North	CMDP Child	\$5,363
North	Crisis-only Adult	\$0
North	Crisis-only Child	\$0
South	SMI	\$2,574,521
South	CMDP Child	\$21,948
South	Crisis-only Adult	\$0
South	Crisis-only Child	\$0
Total		\$5,302,361



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## Appendix 2: CYE 20 Certified and Adjusted Capitation Rates

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GSA	Rate Cell	Capitation Rates Effective 10/1/19 - 10/31/19			Capitation Rates Effective 11/1/19 - 9/30/20		
		Cap Rates without APSI	APSI PMPM	Cap Rates with APSI	Cap Rates without APSI	APSI PMPM	Cap Rates with APSI
Central	SMI	\$ 2,574.76	\$ 9.08	\$ 2,583.84	\$ 2,574.76	\$ 9.08	\$ 2,583.84
Central	CMDP Child	\$ 817.98	\$ 1.14	\$ 819.12	\$ 817.98	\$ 1.14	\$ 819.12
Central	Crisis-only Adult	\$ 8.79	\$ -	\$ 8.79	\$ 8.79	\$ -	\$ 8.79
Central	Crisis-only Child	\$ 1.36	\$ -	\$ 1.36	\$ 1.36	\$ -	\$ 1.36
North	SMI	\$ 1,937.40	\$ 1.21	\$ 1,938.61	\$ 1,493.14	\$ 1.21	\$ 1,494.35
North	CMDP Child	\$ 1,589.82	\$ 0.34	\$ 1,590.16	\$ 1,225.27	\$ 0.34	\$ 1,225.61
North	Crisis-only Adult	\$ 6.23	\$ -	\$ 6.23	\$ 4.80	\$ -	\$ 4.80
North	Crisis-only Child	\$ 1.90	\$ -	\$ 1.90	\$ 1.47	\$ -	\$ 1.47
South	SMI	\$ 2,155.02	\$ 15.47	\$ 2,170.49	\$ 1,649.28	\$ 15.47	\$ 1,664.75
South	CMDP Child	\$ 1,329.96	\$ 0.53	\$ 1,330.49	\$ 1,017.84	\$ 0.53	\$ 1,018.37
South	Crisis-only Adult	\$ 15.13	\$ -	\$ 15.13	\$ 11.58	\$ -	\$ 11.58
South	Crisis-only Child	\$ 3.58	\$ -	\$ 3.58	\$ 2.74	\$ -	\$ 2.74

**Notes:**

- 1) October 1, 2019 – October 31, 2019 capitation rates are inclusive of the Health Insurer Provider Fee as signed by Mike Du on October 19, 2020
- 2) November 1, 2019 – September 30, 2020 capitation rates are as signed by Erica Johnson and Windy Marks on August 15, 2019