

Re: CYE 2020 Rate Guidance

Matthew Isiogu

Mon, Oct 28, 2:16 PM (1 day ago)

Please note that CMS has recently provided approval of the 438.6(c) pre-prints for DAP, APSI, and PSI.

- As described below, effective 10/01/19, Contractors should adjust rates for DAPs.
- However, effective 10/01/19, Contractors should not adjust rates for APSI and PSI, which will be paid via lump sum payments.

On Mon, Sep 30, 2019 at 4:57 PM Bret Cloninger <bret.cloninger@azahcccs.gov> wrote:

In addition to the clarifications previously provided below, AHCCCS is providing the following further clarifications and updates.

- Please see attached a document that identifies CYE 20 APSI eligible TINs.
 - Separate technical guidance has been communicated that describes how MCOs should flag encounters to indicate that APSI should be applied.
 - MCOs may use the post-adjudicated file process for this purpose.
 - In order for APSI to be applied to an encounter, the MCO must have a contract with the TIN, except for the following TINs for which APSI should always be applied: 455498816, 860511951, and 860665872.
- For the Pediatric Services Initiative (PSI), encounters should be flagged for Servicing Provider ID 706707 and limited to Forms I and O. The post-adjudicated file process may also be used for this purpose.
- The HCBS provider rate increases described below are applicable to rates for which AHCCCS does not set a FFS rate, including T2016, T2017, T2021, T2031, and T2033,
- The Final Public Notice for 10/01/19 rates has been posted. Final rates will be reflected in the files provided to MCOs on 10/01/19.
- Please note the following key changes between preliminary and final rate files:
 - All FQHC PPS rates have been updated to reflect the Physician Services Inflation index factor.
 - DME POS rates previously communicated were incomplete. Final rates include all applicable codes.
 - Outpatient Hospital Fee Schedule has been updated with changes to 95004 and 95044.
 - Dental Fee Schedule has been updated to reflect increases to D7410, D7950, and D9420.

- Physician Fee Schedules have been updated to reflect corrected rates - Radiology (2 codes), Vision & Hearing (2 codes), Medicine & Professional Services (9 codes), and Surgery (3 codes).
- Hospice per diem rates have been updated by 2% to match the Medicaid Hospice Payment Rates for Arizona published by Medicare.
- Transportation CON rates have been updated to reflect increases made by Arizona Department of Health Services (ADHS).
- Ground Non-Emergency Transportation Fee Schedule has been updated with a change A0130 Mod TN and to include rates for TNC (PT NT).
- AHCCCS MCO Capped Fee Schedule for BH OP (RF 142) has been updated to reflect corrections to S5150, S5151, and T1019.
- AHCCCS FFS Program Capped Fee Schedule for BH OP (RF 112) has been updated to reflect corrections to S5110, S5150, S5151, and T1019.

Please let us know if you have any questions.

Bret Cloninger
Actuarial and Rates Administrator

On Sun, Sep 15, 2019 at 12:49 PM Matthew Isiogu <matthew.isiogu@azahcccs.gov> wrote:

As discussed in the AHCCCS Update meeting on 09/11/19, we are providing the following clarifications:

- HCBS and NF rate increases are mandated to be passed through for all Contractors, not just ALTCS EPD Contractors as stated below.
- HCBS rate increases are applicable to both physical health and behavioral health services. Specifically, the following HCBS codes that are also used to reimburse BH OP services are to be increased: S5110, S5136, S5150, S5151, and T1019.
- All Contractor capitation rates were developed consistent with the two items of clarification above.

Please let us know if you have any questions.

Thanks,

Matthew

On Fri, Aug 30, 2019 at 3:43 PM Bret Cloninger <bret.cloninger@azahcccs.gov> wrote:
Below, please find some guidance on CYE 2020 rates.

ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM
CYE 2020 RATE GUIDANCE
08/30/19

The purpose of this memo is to provide guidance on reimbursement rate requirements for CYE 2020.

Base Rate Increases

- All Contractors, effective 10/1/19, are required to increase base rates by 2.6% for Behavioral Health Residential Facilities (BHRFs).
- ALTCS EPD Contractors, effective 10/01/19, are required to increase base rates:
 - By 4.4% for Nursing Facility (NF) contracted rates, including those for which AHCCCS does not establish a FFS rate such as specialty and add-on rates.
 - The Legislature appropriated funding for both a base rate increase of 2.6%, communicated in the 07/12/19 public notice, and a Prop 206 rate increase of 1.8%, communicated in the 08/13/19 notice.
 - The effective increase for 10/01/19 is a combination of both increases, or 4.4%.
 - By 4.9% for the following HCBS rates not adjusted for Prop 206: G0151, G0152, G0153, G0299, G0300, S5108, S5110, S5115, S5136, S5180, S5181, S9123, S9124, S9128, S9129, S9131, T1023, and T2040.
 - The Legislature appropriated funding for a base rate increase of 4.9% for all HCBS rates.
 - Please note, the preliminary 07/12/19 public notice incorrectly stated an applicable rate increase of 5.0%. With corrected rounding, the rate increase is 4.9%, which is what is reflected in the proposed fee schedule itself.
 - By 8.7% for the following HCBS rates adjusted for Prop 206: S5100, S5101, S5102, S5125, S5130, S5135, S5140, S5150, S5151, S5170, T1019, T1021, T2016, T2017, T2018, T2019, T2021, T2031, and T2033.
 - The Legislature appropriated funding for a Prop 206 rate increase of 3.6%, applicable to select HCBS rates that have historically been adjusted for Prop 206 impacts.
 - The effective increase for 10/01/19 for Prop 206 rates is a combination of both the base rate increase of 4.9% and the Prop 206 increase of 3.6%, or 8.7% (due to compounding).
- ALTCS EPD Contractors, effective 01/01/20, are required to increase base rates:

- By 1.3% Statewide / 1.2% Flagstaff for NF contracted rates, including those for which AHCCCS does not establish a FFS rate such as specialty and add-on rates.
- By 2.6% Statewide / 2.4% Flagstaff for the following HCBS rates adjusted for Prop 206: S5100, S5101, S5102, S5125, S5130, S5135, S5140, S5150, S5151, S5170, T1019, T1021, T2016, T2017, T2018, T2019, T2021, T2031, and T2033.
- In the cases described above, the Contractor is required to pass through the applicable rate increase to providers by applying the percentage increase to the contracted rates in place three months prior to the effective date of the rate increase.
 - For rate increases effective 10/01/19, the increase should be applied to rates in effect as of 07/01/19.
 - For rate increases effective 01/01/20, the increase should be applied to rates in effect as of 10/01/19.
 - AHCCCS will require that Contractors submit all NF and HCBS contracted rates for 07/01/19, 10/01/19, and 01/01/20 in order to ensure pass through requirements have been met.

Differential Adjusted Payments

- All Contractors are required to adjust payments by the applicable Differential Adjusted Payment (DAP) percentage for qualifying providers, as specified in the DAP Final Notice here: https://www.azahcccs.gov/AHCCCS/Downloads/PublicNotices/rates/FinalNoticeOfPublicInformationDifferentialAdjustedPaymentsEffectiveOctober_1_2019-September_30_2020_DatesOfService.pdf.
- In addition, Contractors are required to implement the DAP described in the Notice of Public Information for FFS rates excerpted below and here: https://www.azahcccs.gov/AHCCCS/Downloads/PublicNotices/rates/NOPIRate_Changes_20191001.pdf.
 - “For FFY 2020 dates of services, hospitals subject to APR-DRG reimbursement (Provider Type 02) may qualify for a Differential Adjusted Payment on codes J7296 - J7298, J7300 - J7301, and J7307 billed on the 1500 or UB-04 forms. The Differential Adjusted Payment represents a 10% increase over the AHCCCS Fee For-Service rates and managed care organization contracted rates for these codes.”
 - In practice, Contractors should implement the 10% DAP increase on the selected codes described above for all PT 02 providers.
- For all other DAPs, qualifying providers are identified on the AHCCCS website and technical specifications for Provider Flags were provided in the 08/19/19 email from Lori Petre titled “CYE2020 DAP Technical Specifications.”

- DAP increases are to be applied to otherwise contracted base rates. In the cases of mandated base rate increases, as described above, the base rate increases must first be applied in order to compute an adjusted/new base rate. The new base rate is then multiplied by the applicable DAP increase. If a provider qualifies for more than one DAP, the percentage impacts are additive, e.g. 1.0% + 1.0% = 2.0%.
- DAP increases are to be applied to the Behavioral Health Administrative Day rate, as described in the 03/20/19 email from Bret Cloninger titled “Behavioral Health Administrative Days Guidance.”
- DAP increases are to be applied to providers reimbursed at the AHCCCS fee schedule in the absence of a Contract or negotiated rate.
- DAP increases are to be applied to payments to Multi-Specialty Interdisciplinary Clinics (MSICs), including the T1015 code, if applicable.

Behavioral Health Outpatient Reimbursement

- As communicated in the “AHCCCS Contractor Update July/August 2019,” effective 10/01/19, most Behavioral Health (BH) Outpatient (OP) rates are increased on the FFS Program Capped Fee Schedule to reflect market rates in order to ensure access to care.
- Since these adjustments bring FFS rates into alignment with MCO reimbursement, funding associated with these increases is not included in the MCO capitation rates.
- The only increase to BH OP rates that is funded in capitation rates is the 2.6% increase for BHRFs that is identified above.
- Therefore, as previously communicated, to the extent that Contractors have contracts with providers that reference the AHCCCS fee schedule, AHCCCS requests Contractors take action to ensure that all contracts with providers reference the “AHCCCS MCO Capped Fee Schedule” and do not reference the “AHCCCS FFS Program Capped Fee Schedule.”
- To the extent that Contractors reimburse providers for BH OP services at the AHCCCS fee schedule in the absence of a Contract or negotiated rate, they should reference the “FFS Program Capped Fee Schedule.”

438.6(c) Lump Sum Payments

- Effective 10/01/19, the Access to Professional Services Initiative (APSI) 438.6(c) directed payment program is no longer funded in the capitation rates and Contractors should no longer apply APSI increases. AHCCCS will make quarterly lump sum payments to Contractors and will provide guidance on the payment amounts that should be made to each provider Tax Identification Number (TIN). Payments to Contractors are anticipated to occur in November 2019, February 2020, and May 2020. In July 2021, AHCCCS will compute the actual APSI payment amounts for the CYE 2020 period and make a final lump sum payment no later than 09/30/21. This

calculation will be based on encounters submitted with a project identifier value of ASI.

- Effective 10/01/19, AHCCCS intends to implement a new Pediatric Services Initiative (PSI) 438.6(c) directed payment program that will provide a uniform percentage increase for hospital services provided by a freestanding children's hospital or pediatric unit of a general acute care hospital with more than 100 beds. AHCCCS will make quarterly lump sum payments for PSI in the same manner as APSI described above. The calculation for the final payment will be based on encounters submitted with a project identifier value of PSI.

Thanks and please let me know if you have any questions or concerns.

Bret Cloninger
Actuarial and Rates Administrator