APR 30 2014

Tom Betlach, Director
Arizona Health Care Cost Containment System
801 East Jefferson Street
Phoenix, AZ 85034

Dear Mr. Betlach:

Enclosed is an approved copy of Arizona State Plan Amendment (SPA) No. 13-017B. This amendment extends an outpatient hospital reimbursement rate reduction effective for claims with dates of service through September 30, 2014. In the period specified by the SPA, reimbursement will be reduced by 5 percent of the payment that otherwise would have been made under the methodology in effect as of October 1, 2011.

The effective date of this SPA is October 1, 2013 as requested. Enclosed is the following approved State Plan page to be incorporated within your approved State Plan:

- Attachment 4.19-B, page 1(a)

If you have any questions, please have your staff contact Cheryl Young at (415) 744-3598 or at cheryl.young@cms.hhs.gov.

Sincerely,

Gloria Nagle, Ph.D., MPA
Associate Regional Administrator
Division of Medicaid & Children’s Health Operations

cc: Wakina Scott
    HeeYoung Ansell
TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL

FOR: Centers for Medicare and Medicaid Services

TO: REGIONAL ADMINISTRATOR
CENTERS FOR MEDICARE AND MEDICAID SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN
☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN
☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:
42 CFR 447, Subpart C

7. FEDERAL BUDGET IMPACT:
FFY14: $ (2,404,400)

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:
Page 1(a) of Attachment 4.19-B

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):
N/A
Page 1(a) of Attachment 4.19-B

10. SUBJECT OF AMENDMENT:
Continues current outpatient hospital reimbursement rates for the period October 1, 2013 to September 30, 2014.

11. GOVERNOR’S REVIEW (Check One):
☐ GOVERNOR’S OFFICE REPORTED NO COMMENT
☐ COMMENTS OF GOVERNOR’S OFFICE ENCLOSED
☒ OTHER, AS SPECIFIED:

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:
Monica Coury

14. TITLE:
Assistant Director

15. DATE SUBMITTED:
December 20, 2013

16. RETURN TO:
Monica Coury
801 E. Jefferson, MD#4200
Phoenix, Arizona 85034

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:
December 20, 2013

18. DATE APPROVED
APR 3 0 2014

19. EFFECTIVE DATE OF APPROVED MATERIAL:
October 1, 2013

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:
Gloria Nagle

22. TITLE: Associate Regional Administrator
Division of Medicaid & Children’s Health Operations

23. REMARKS:
Box 7: Added “FFY14:” to indicate that this is the budget impact for this federal fiscal year only, since it is a one-year rate that expires on 9/30/14 per CMS email dated 4/28/14.
Box 9: Added superseded page per CMS email dated 4/28/14.
5% Rate Reduction
Notwithstanding the methods and rates as otherwise described, for claims with dates of service between April 1, 2011 and September 30, 2011, all payments for outpatient hospital services will be reduced by 5% of the payment that would otherwise have been made under the methodology in effect as of October 1, 2010, as described above.

For claims with dates of service effective from October 1, 2011 to September 30, 2014, all payments for outpatient hospital services will be reduced by 5% under the methodology in effect as of October 1, 2011.

Payments for services provided by the Indian Health Service or Tribal 638 Health facilities are not subject to this 5% rate reduction.