

August 25, 2016

Brian Zolynas
Division of Medicaid and Children's Health Operations
U.S. Department of Health & Human Services
Centers for Medicare & Medicaid Services
90 Seventh Street, Suite 5-300 (5W)
San Francisco, CA 94103-6707

RE: Arizona SPA #16-005, Nursing Facility Supplemental Payments

Dear Mr. Zolynas:

Enclosed is Arizona State Plan Amendment (SPA) #16-005, Nursing Facility Supplemental Payments, which revises the State Plan to update the assessment amounts.

If you have any questions about the enclosed SPA, please contact Theresa Gonzales at (602) 417-4732.

Sincerely,



Monica H. Coury
Assistant Director
Office of Intergovernmental Relations

cc: Jessica Woodard, CMS

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: Centers for Medicare and Medicaid Services		1. TRANSMITTAL NUMBER: 16-005	2. STATE Arizona
		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE AND MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE January 1, 2017	
5. TYPE OF PLAN MATERIAL (<i>Check One</i>): <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT			
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (<i>Separate Transmittal for each amendment</i>)			
6. FEDERAL STATUTE/REGULATION CITATION: 42 CFR 447 Subpart C, 42 CFR 433.68(d)		7. FEDERAL BUDGET IMPACT: FFY 2017 \$2,239,900 FFY 2018 \$2,986,500	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Att. 4.19-D, page 9(a)		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (<i>If Applicable</i>): Same	
10. SUBJECT OF AMENDMENT: Updates the State Plan to revise the assessment amounts for Nursing Facility supplemental funding.			
11. GOVERNOR'S REVIEW (<i>Check One</i>): <input checked="" type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="checkbox"/> OTHER, AS SPECIFIED: <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGNATURE OF STATE AGENCY OFFICIAL: 		16. RETURN TO: Monica Coury 801 E. Jefferson, MD#4200 Phoenix, Arizona 85034	
13. TYPED NAME: Monica Coury			
14. TITLE: Assistant Director			
15. DATE SUBMITTED: August 25, 2016			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED:		18. DATE APPROVED:	
PLAN APPROVED – ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL:		20. SIGNATURE OF REGIONAL OFFICIAL:	
21. TYPED NAME:		22. TITLE:	
23. REMARKS:			

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

STATE: ARIZONA**METHODS AND STANDARDS FOR ESTABLISHING FEE-FOR-SERVICE PAYMENT RATES FOR LONG TERM CARE FACILITIES**

(c) AHCCCS shall make quarterly supplemental payments to eligible nursing facility providers after the assessment quarter. The fee-for-service quarterly supplemental payment will be made directly to each eligible nursing facility. If the fee-for-service quarterly supplemental payment amount is less than \$25 for an individual facility, no fee-for-service quarterly supplemental payment will be made.

(d) A facility must be open on the date the supplemental payment is made in order to receive a payment.

(e) During the quarter ending March 31, 2015, an additional quarterly payment adjustment will be made that is equal to the difference between what the quarterly payment would be if the pool amount was determined under paragraph 2 below effective January 1, 2015 and what the quarterly payment would be if the pool amount was determined based on paragraph 2 as it was in effect prior to January 1, 2015.

2. The nursing facility assessment to be collected from each nursing facility is as follows:

- (a) The assessment is imposed on non-Medicare patient days as allowed for under 42 CFR 433.68(d);
- (b) The assessment imposed is \$~~10.50~~15.63 per non-Medicare day except:
 - i. Continuing Care Retirement Communities, ICF/IIDs, IHS and Tribal 638 nursing facilities, Arizona Veteran's Homes, and facilities located outside of Arizona will not be assessed;
 - ii. Facilities with 58 or fewer total beds will not be assessed; and
 - iii. Facilities with annual Medicaid days greater than or equal to the number required to achieve a slope of at least 1 applying the uniformity tax waiver test described in 42 CFR 433.68(e)(2) will be assessed at a rate of \$~~1.40~~1.80 per non-Medicare day.

The patient days used in the computations are derived from the Nursing Facility Uniform Accounting Report (UAR) Cost Reports filed with the Arizona Department of Health Services. Calculations for the assessment will be made once per year in August, using the most recently filed UAR as of August 1 immediately preceding the start of the assessment year. Only those facilities with a full year UAR will be assessed. The computed annual assessment amount will be divided by four and imposed on a quarterly basis.

TN No. ~~15-00816-005~~

Supersedes Approval Date _____

Effective Date ~~October 1, 2015~~ January 1, 2017

TN No. ~~15-00215-008~~