

December 27, 2018

Mark Wong  
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 #18-018, Nursing Facility DAP**

Dear Mr. Wong:

Enclosed is State Plan Amendment (SPA) #18-018, Nursing Facility DAP, which revises the State Plan to update the Nursing Facility DAP program, effective October 1, 2018.

If you have any questions about the enclosed SPA, please contact Kyle Sawyer at (602) 417-4211.

Sincerely,



Elizabeth Lorenz  
Assistant Director  
Arizona Health Care Cost Containment System (AHCCCS)

cc: Blake Holt, CMS  
Brian Zolynas, CMS



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

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F. Nursing Facility Differential Adjusted Payment

As of October 1, 201~~87~~ through September 30, 201~~98~~ (Contract Year Ending (CYE) 201~~98~~), nursing facilities that are located in Arizona with Arizona Medicaid utilization that meet AHCCCS established value based performance metrics requirements in subsection 1 below will receive a Differential Adjusted Payment described in subsection 2 below. The Differential Adjusted Payment Schedule represents a positive adjustment to the AHCCCS Fee-For-Service rates. These payment adjustments will occur for all dates of service in CYE 201~~98~~ only. The purpose of the Differential Adjusted Payment is to distinguish facilities which have committed to supporting designated actions that improve patients' care experience, improve members' health, and reduce cost of care growth.

1. To qualify for the Differential Adjusted Payment, a nursing facility must meet the following criteria:
  - a) Must be an AHCCCS registered provider type 22; and
  - b) i) ~~Must meet or exceed the Arizona average for the percentage of long stay residents assessed and given, appropriately, the pneumococcal vaccine for the most recently published performance score as of April 30, 2017; and/or be at or below the Arizona average percent of High-Risk Residents with Pressure Ulcers (Long Stay) based on the facility's performance results for long-stay, high-risk residents with Stage II-IV pressure ulcers reported in MDS 3.0 for this CMS Nursing Home Quality Measure metric as of April 30, 2018.~~
  - ii) ~~Must meet or exceed the Arizona average for the percentage of long stay residents assessed and given, appropriately, the influenza vaccine for the most recently published performance score as of April 30, 2017~~
  - c) ~~AHCCCS shall use the nursing facility's performance results published on the Medicare Nursing Home Compare Website (<https://data.medicare.gov/Nursing-Home-Compare/Quality-Measures-Long-Stay/iqd3-nsf3>) to determine the facilities that meet the performance standards described in subsection 1(b) and 1(c).~~
2. Nursing facilities that meet the requirements described in subsection 1 shall be eligible to receive a differential adjusted payment. Eligible nursing facilities will ~~receive a 1% increase in payment to its fee-for-service reimbursement rate for October 1, 2017 through September 30, 2018 for meeting either subsection 1(b)(i) or subsection 1(b)(ii). Eligible nursing facilities which meet both subsection 1(b)(i) and 1(b)(ii) will~~ receive a 2% increase to its fee-for-service reimbursement rate for October 1, 201~~87~~ through September 30, 201~~98~~

Exemptions:

IHS and 638 tribally owned and/or operated facilities, including nursing facilities are exempt from this initiative based on payments primarily at the all-inclusive rate.

TN No. ~~17-01718-018~~

Supersedes Approval Date: \_\_\_\_\_

Effective Date: October 1, 201~~87~~

TN No. ~~16-012-C17-017~~