

June 18, 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 #18-007, DSH Budget Changes

Dear Mr. Wong:

Enclosed is State Plan Amendment (SPA) #18-007, DSH Budget Changes, which revises the amounts listed in the State Plan for DSH Pools 4 and 5 based on recent legislation passed by the Arizona State Legislature.

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 PAYMENT RATES
INPATIENT HOSPITAL CARE

**DSH Exhibit 3:
AHCCCS
Disproportionate Share Hospital Payment
Methodology Pool Funding Amount**

This Exhibit contains the amount of funding for six pools in the Arizona DSH pool methodology.

For State Plan Year (SPY) 2008 and 2009, funding will be allocated among six pools (pools 1, 1A, 2, 2A, 3, and 4). For SPY 2010, funding will be allocated among seven pools (pools 1, 1A, 2, 2A, 3, 4, and 5). Thereafter, the funding will be allocated among six pools (pools 1, 1A, 2, 2A, 4, and 5).

Pools 1, 1A, 2, 2A, and 3 - Non-governmentally-operated hospitals

The funding for pools 1 and 2 will be sufficient to provide an average payment amount of \$6,000 for all hospitals qualifying for both of the two pools. No hospital in pools 1 or 2 will receive less than \$5,000. Therefore, the amount of funding for pools 1 and 2 will be determined by multiplying the number of hospitals qualifying for pools 1 and 2 by \$6,000.

The funding for pools 1A, 2A and 3 (if applicable) will be derived by subtracting the total amount allocated for pools 1 and 2 from the amount of DSH authorized by the Legislature for non-governmentally operated hospitals. Beginning SPY 2011, these remaining funds will be split with 15% for Pool 1A and 85% for Pool 2A.

- For SPY 2018, the funding for pools 1, 2, 1A, and 2A will be \$884,800.

Pool 4 – Governmentally-operated hospitals

The funding for pool 4 is the amount authorized by the Legislature for governmentally operated hospitals.

- For SPY 2018, the funding for pool 4 is ~~the FY 2018 Arizona DSH allotment total computable amount minus \$884,800.~~ \$142,293,400.

TN No. ~~17-005007~~

Supersedes

Approval Date: _____

Effective Date: October 1, 2017

TN No. N/A17-005

STATE OF ARIZONA
METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES
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Pool 5

The funding for pool 5 is specified below.

- For SPY 2018, the funding for Pool 5 is ~~\$0~~ the FY 2018 Arizona DSH allotment total computable amount minus \$143,178,200.

For SPY 2018, the pool 5 hospitals are:

~~N/A~~ Benson Hospital
Holy Cross Hospital
Kingman Regional Medical Center
Little Colorado Medical Center
Mt. Graham Regional Medical Center
Northern Cochise Community Hospital
Page Hospital
Yuma Regional Medical Center

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Upon reconciliation, any Pool 5 funds that have to be recouped due to changes in hospital qualification or payment limits will be returned to the original payer.

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