June 23, 2021

Jami Snyder, Director
Arizona Health Care Cost Containment System
801 E. Jefferson
Phoenix, AZ 85034

RE: Arizona State Plan Amendment Transmittal Number 20-0029

Dear Ms. Snyder:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 20-0029. This amendment updates the inpatient hospital Differential Adjusted Payment (DAP) program effective October 1, 2020.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(13), 1902(a)(30), 1903(a), and 1923 of the Social Security Act and the implementing Federal regulations at 42 CFR 447 Subpart C. This is to inform you that Medicaid State plan amendment 20-0029 is approved effective October 1, 2020. The CMS-179 and the amended plan page(s) are attached.

If you have any additional questions or need further assistance, please contact Mark Wong at (415) 744-3561 or mark.wong@cms.hhs.gov.

Sincerely,

Francis T. McCullough
For
Rory Howe
Acting Director

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

FROM:  
CENTERS FOR MEDICARE & MEDICAID SERVICES  
DEPARTMENT OF HEALTH AND HUMAN SERVICES  

TRANSMITTAL NUMBER  
2 0 - 0 2 9  

STATE  
Arizona  

PROGRAM IDENTIFICATION:  
TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)  

PROPOSED EFFECTIVE DATE  
October 1, 2020  

TYPE OF PLAN MATERIAL (Check One)  
AMENDMENT  

FEDERAL STATUTE/REGULATION CITATION  
42 CFR Part 447  

FEDERAL BUDGET IMPACT  

FFY 2021 $ 4,478,900  
FFY 2022 $ 0  

PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT  
Attachment 4.19-A  
pg. 28, 28(a)-(o) (a)-(s)  

PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)  
Attachment 4.19-A  
pg 28, 28 (a)-(g), 28(h)-(i)  

SUBJECT OF AMENDMENT  
Updates the IP DAP program, effective October 1, 2020.  

GOVERNOR’S REVIEW (Check One)  
GOVERNOR’S OFFICE REPORTED NO COMMENT  
COMMENTS OF GOVERNOR’S OFFICE ENCLOSED  
NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL  

SIGNATURE OF STATE AGENCY OFFICIAL  
Dana Flannery  
Assistant Director  

DATE SUBMITTED  
12/17/2020  

RETURN TO  
FOR REGIONAL OFFICE USE ONLY  
Dana Flannery  
801 E. Jefferson, MD#4200  
Phoenix, Arizona 85034  

DATE RECEIVED  
December 17, 2020  

DATE APPROVED  
6/23/21  

EFFECTIVE DATE OF APPROVED MATERIAL  
October 1, 2020  

SIGNATURE OF REGIONAL OFFICIAL  
Francis T. McCullough  
For  

TYPED NAME  
Rory Howe  

TITLE  
Acting Director, Financial Management Group  

REMARKS  
Pen-and-ink changes made to Boxes 8 and 9 by CMS with state concurrence.
Section XI – Inpatient Differential Adjusted Payment

A. Overview:

As of October 1, 2020, through September 30, 2021 (Contract Year Ending (CYE) 2021), AHCCCS-registered Arizona hospitals (other than the facilities described in section C. below) which meet Agency established value-based performance metrics requirements in section B. below will receive a Differential Adjusted Payment described in section D. 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 discharge in CYE 2021 (October 1, 2020 through September 30, 2021) 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.

B. Applicability

To qualify for the Inpatient Differential Adjusted Payment, a hospital providing inpatient hospital services must meet one of the following criteria:

1. Hospitals (provider type 02) receiving APR-DRG reimbursement are eligible for DAP increases under the following criteria. (Up to 3.5%; Up to 13.5% on Select Services)

   a. Health Information Exchange Participation

   The hospitals that are eligible to participate in this DAP initiative are: Providers that have not previously participated in DAP, Providers that participated in CYE 2019 DAP (but not CYE 2020 DAP) and Providers that participated in CYE 2020 DAP (but not CYE 2019 DAP). Participants in this initiative cannot participate in the Health Information Exchange Performance initiative described in 1.b.

   Participation in a qualifying Health Information Exchange (HIE) organization qualifies the hospital for a 2.5% DAP increase for services. Participation means that by May 27, 2020, the hospital must have submitted a Letter of Intent (LOI) to AHCCCS and the HIE, in which it agrees to achieve the following milestones by the specified dates, or maintain its participation in the milestone activities if they have already been achieved:

   i. Milestone #1: No later than May 27, 2020, the hospital must have in place an active participation agreement with a qualifying HIE organization and submit a LOI to AHCCCS and the HIE, in which it agrees to achieve the following milestones by the specified dates, or maintain its participation in the milestone activities if they have already been achieved.
ii. Milestone #2: No later than June 1, 2020 the hospital must electronically submit the following actual patient identifiable information to the production environment of a qualifying HIE organization: admission, discharge, and transfer information (generally known as ADT information), including data from the hospital emergency department if the provider has an emergency department.

iii. Milestone #3: No later than August 1, 2020 the hospital must electronically submit the following actual patient identifiable information to the production environment of a qualifying HIE organization: laboratory and radiology information (if the provider has these services), transcription, medication information, immunization data, and discharge summaries that include, at a minimum, discharge orders, discharge instructions, active medications, new prescriptions, active problem lists (diagnosis), treatments and procedures conducted during the stay, active allergies, and discharge destination.

iv. Milestone #4: Complete the following COVID-19 related milestones, if they are applicable:
   1. By September 1, 2020, or within 30 days of initiating COVID-19 lab testing, submit all COVID-19 lab test codes and the associated LOINC codes to qualifying HIE to ensure proper processing of lab results within the HIE system.
   2. By September 1, 2020, or within 30 days of initiating COVID-19 antibody testing, submit all COVID-19 antibody test codes and the associated LOINC codes to the qualifying HIE to ensure proper processing of lab results within the HIE system.
   3. Within 30 days of initiating COVID-19 immunizations, submit all COVID-19 immunization codes and the associated LOINC codes to the qualifying HIE to ensure proper processing of immunizations within the HIE system.
   4. By October 1, 2020, hospitals that utilize external reference labs for any lab result processing must submit necessary provider authorization forms to the qualifying HIE, if required by the external reference lab, to have all outsourced lab test results flow to the qualifying HIE on their behalf.

v. Milestone #5: No later than November 1, 2020 the hospital must approve and authorize a formal scope of work (SOW) with a qualifying HIE organization to initiate and complete a Phase 1 data quality improvement effort, as defined by the qualifying HIE organization in collaboration with the qualifying HIE organization.
vi. Milestone #6: No later than January 1, 2021 the hospital must complete the Phase 1 initial data quality profile with a qualifying HIE organization.

vii. Milestone #7: No later than May 1, 2021 the hospital must complete the Phase 1 final data quality profile with a qualifying HIE organization.

For any milestone that includes electronic submission of patient information, the information transferred to the qualifying HIE must be actual patient data; the transfer of test data does not fulfill these requirements. It must include all patient data, including behavioral health data and data covered by 42 CFR Part 2.

In order to receive the 2.5% DAP increase for HIE participation a hospital must submit an LOI to the HIE and AHCCCS by May 27, 2020 at the following email addresses:

FFSRates@azahcccs.gov, and
ceo@healthcurrent.org

If a hospital has already achieved one or more of the CYE 2021 milestones as of May 27, 2020, the LOI must include a commitment by the hospital to maintain its participation in those milestone activities for the period May 27, 2020 through September 30, 2021. The LOI must list each facility that hospital requests to participate in this DAP initiative and must include the AHCCCS IDs for each listed facility. If a LOI was submitted in alignment with the Preliminary Public Notice, dated March 6, 2020, a new LOI is not required; the hospital is presumed to be included in DAP under these final requirements unless the hospital submits a written request to AHCCCS and the HIE requesting that their LOI be retracted. In all cases, the hospital must submit the AHCCCS IDs for each listed facility as part of the LOI or must email the associated AHCCCS IDs to the email addresses noted.

If a hospital submits an LOI and receives the 2.5% DAP increase for CYE 2021, but fails to achieve one or more of the milestones by the specified date, or fails to maintain its participation in the milestone activities, that hospital will be ineligible to receive DAP for dates of service from October 1, 2021 through September 30, 2022 (CYE 2022) if a DAP is available at that time.
b. Health Information Exchange Performance

Hospitals that participated in both CYE 2019 and CYE 2020 DAP are eligible to participate in this DAP initiative. Participants in this initiative cannot participate in the Health Information Exchange Participation initiative described in 1.a.

Hospitals that meet the following milestones (B.1.b.i to vi) and performance criteria (vii and viii) are eligible to earn up to a maximum 2.5% DAP increase.

In order to qualify, by May 27, 2020 the hospital must have submitted a LOI to AHCCCS and the HIE, in which it agrees to achieve the following milestones by the specified date, or maintain its participation in the milestone activities if they have already been achieved:

i. Milestone #1: No later than May 27, 2020 the hospital must have in place an active participation agreement with a qualifying HIE organization and submit a LOI to AHCCCS and the HIE, in which it agrees to achieve the following milestones by the specified dates, or maintain its participation in the milestone activities if they have already been achieved.

ii. Milestone #2: No later than June 1, 2020 the hospital must electronically submit the following actual patient identifiable information to the production environment of a qualifying HIE organization: admission, discharge and transfer information (generally known as ADT information), including data from the hospital emergency department if the provider has an emergency department, laboratory and radiology information (if the provider has these services), transcription, medication information, immunization data, and discharge summaries that include, at a minimum, discharge orders, discharge instructions, active medications, new prescriptions, active problem lists (diagnosis), treatments and procedures conducted during the stay, active allergies, and discharge destination.

iii. Milestone #3: Complete the following COVID-19 related milestones, if they are applicable:

1. By September 1, 2020, or within 30 days of initiating COVID-19 lab testing, submit all COVID-19 lab test codes and the associated LOINC codes to qualifying HIE to ensure proper processing of lab results within the HIE system.
2. By September 1, 2020, or within 30 days of initiating COVID-19 antibody testing, submit all COVID-19 antibody test codes and the associated
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LOINC codes to the qualifying HIE to ensure proper processing of lab results within the HIE system.

3. Within 30 days of initiating COVID-19 immunizations, submit all COVID-19 immunization codes and the associated LOINC codes to the qualifying HIE to ensure proper processing of immunizations within the HIE system.

4. By October 1, 2020, hospitals that utilize external reference labs for any lab result processing must submit necessary provider authorization forms to the qualifying HIE, if required by the external reference lab, to have all outsourced lab test results flow to the qualifying HIE on their behalf.

iv. Milestone #4: No later than November 1, 2020 the hospital must approve and authorize a formal SOW to initiate and complete a Phase 2 data quality improvement effort, as defined by the qualifying HIE organization and in collaboration with the qualifying HIE organization.

v. Milestone #5: No later than January 1, 2021 the hospital must complete the Phase 2 initial data quality profile with a qualifying HIE organization.

vi. Milestone #6: No later than May 1, 2021 the hospital must complete the Phase 2 final data quality profile with a qualifying HIE organization.

In addition to the submission of the LOI agreeing to the above milestones, the hospital must meet these following performance criteria

vii. Performance Criteria: Hospitals that meet each of the following HIE data quality performance criteria will be eligible to receive DAP increases described below in 1.b.viii.

1. Demonstrate a 10% improvement from baseline measurements in the initial data quality profile, based on July 2019 data, to the final data quality profile, based on March 2020 data.

2. Meet a minimum performance standard of at least 60% based on March 2020 data.

3. If performance meets or exceeds an upper threshold of 90% based on March 2020 data the hospital meets the criteria, regardless of the percentage improvement from the baseline measurements.

viii. DAP HIE Data Quality Standards 2021 Measure Categories: Hospitals that meet the standards, as defined below, qualify for a 0.5% DAP increase for each
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category of the five measure categories, for a total potential increase of 2.5% if criteria are met for all categories

1. Data source and data site information must be submitted on all ADT transactions. (0.5%)
   Event type must be properly coded on all ADT transactions. (0.5%)

2. Patient class must be properly coded on all appropriate ADT transactions. (0.5%)

3. Patient demographic information must be submitted on all ADT transactions. (0.5%)

4. Overall completeness of the ADT message. (0.5%)

For any milestone that includes electronic submission of patient information, the information transferred to the qualifying HIE must be actual patient data; the transfer of test data does not fulfill these requirements. It must include all patient data, including behavioral health data and data covered by 42 C.F.R. Part 2.

A hospital must submit an LOI to the HIE and AHCCCS by May 27, 2020 at the following email addresses:

   FFSRates@azahcccs.gov, and
   ceo@healthcurrent.org

If a hospital has already achieved one or more of the CYE 2021 milestones as of May 27, 2020, the LOI must include a commitment by the hospital to maintain its participation in those milestone activities for the period May 27, 2020 through September 30, 2021. The LOI must list each facility that hospital requests to participate in this DAP initiative and must include the AHCCCS IDs for each listed facility. If a LOI was submitted in alignment with the final requirements dated March 6, 2020, a new LOI is not required; the hospital is presumed to be included in DAP under these final requirements unless the hospital submits a written request to AHCCCS and the HIE requesting that their LOI be retracted. In all cases, the hospital must submit the AHCCCS IDs for each listed facility as part of the LOI or must email the associated AHCCCS IDs to the email addresses noted.
If a hospital receives a DAP increase for CYE 2021, but fails to achieve one or more of the milestones in the LOI by the specified date, or fails to maintain its participation in the milestone activities, that hospital will be ineligible to receive DAP for dates of service from October 1, 2021 through September 30, 2022 (CYE 2022) if a DAP is available at that time.

c. **Sepsis Care Performance Measure**
   Hospitals that meet or exceed the state-wide average for the Sepsis Care performance measure will qualify for a 1.0% DAP increase for dates for service from October 1, 2020 through September 30, 2021. On May 12, 2020, AHCCCS will download data from the Medicare Hospital Compare website for the Early Management Bundle, Severe Sepsis/Septic Shock (SEP-1) performance measure. This measure reflects the percentage of patients who received appropriate care for severe sepsis and septic shock. Facility results will be compared to the Arizona average results for the measure. Hospitals that meet or exceed the state-wide average percentage will qualify for the DAP increase.

   In lieu of the performance requirement above, a pediatric hospital will qualify to receive this DAP increase if it submits a letter by May 27, 2020 to AHCCCS attesting it is a participant in the Improving Pediatric Sepsis Outcomes (IPSO) collaborative for 2020 at the following address: FFSRates@azahcccs.gov.

d. **Long-Acting Reversible Contraception**
   For dates of services from October 1, 2020 through September 30, 2021, hospitals subject to APR-DRG reimbursement (Provider Type 02) may qualify for a DAP on codes J7296 - J7298, J7300 - J7301, and J7307 billed on the 1500 or UB-04 forms for long-acting reversible contraception devices. The DAP represents a 10.0% increase on the specific codes.

2. Psychiatric Hospitals, with the exception of public hospitals, Provider Type 71; Subacute Facilities (1-16 Beds), Provider Type B5; Subacute Facilities (17+ beds), Provider Type B6; Rehabilitation Hospitals, Provider Type C4; Long Term Acute Care Hospitals, Provider Type C4 are eligible for DAP increases under the following criteria. For purposes of Section 2, other inpatient facilities will be referred to as hospitals. (Up to 4.5%)

a. **Health Information Exchange Participation**
   The providers who are eligible to participate in this DAP initiative are: Providers that have not previously participated in DAP, Providers that participated in 2020 DAP (but not 2019 DAP) and Providers that participated in 2019 DAP (but not 2020 DAP). Participants in this initiative cannot participate in the Health Information Exchange Performance initiative described in 2.b.
Participation in a qualifying Health Information Exchange (HIE) organization qualifies the hospital for a 2.5% DAP increase for inpatient services. Participation means that by May 27, 2020, the hospital must have submitted a LOI to AHCCCS and the HIE, in which it agrees to achieve the following milestones by the specified dates, or maintain its participation in the milestone activities if they have already been achieved:

i. **Milestone #1:** No later than May 27, 2020 the hospital must have in place an active participation agreement with a qualifying HIE organization and submit a LOI to AHCCCS and the HIE, in which it agrees to achieve the following milestones by the specified dates, or maintain its participation in the milestone activities if they have already been achieved.

ii. **Milestone #2:** No later than June 1, 2020 the hospital must electronically submit the following actual patient identifiable information to the production environment of a qualifying HIE organization: admission, discharge, and transfer information (generally known as ADT information), including data from the hospital emergency department if the provider has an emergency department.

iii. **Milestone #3:** No later than August 1, 2020 the hospital must electronically submit the following actual patient identifiable information to the production environment of a qualifying HIE organization: laboratory and radiology information (if the provider has these services), transcription, medication information, immunization data, and discharge summaries that include, at a minimum, discharge orders, discharge instructions, active medications, new prescriptions, active problem lists (diagnosis), treatments and procedures conducted during the stay, active allergies, and discharge destination.

iv. **Milestone #4:** Complete the following COVID-19 related milestones, if they are applicable:

1. By September 1, 2020, or within 30 days of initiating COVID-19 lab testing, submit all COVID-19 lab test codes and the associated LOINC codes to qualifying HIE to ensure proper processing of lab results within the HIE system.

2. By September 1, 2020, or within 30 days of initiating COVID-19 antibody testing, submit all COVID-19 antibody test codes and the associated LOINC codes to the qualifying HIE to ensure proper processing of lab results within the HIE system.
3. Within 30 days of initiating COVID-19 immunizations, submit all COVID-19 immunization codes and the associated LOINC codes to the qualifying HIE to ensure proper processing of immunizations within the HIE system.

4. By October 1, 2020, hospitals that utilize external reference labs for any lab result processing must submit necessary provider authorization forms to the qualifying HIE, if required by the external reference lab, to have all outsourced lab test results flow to the qualifying HIE on their behalf.

v. Milestone #5: No later than November 1, 2020 the hospital must approve and authorize a formal SOW with a qualifying HIE organization to initiate and complete a Phase 1 data quality improvement effort, as defined by the qualifying HIE organization and in collaboration with the qualifying HIE organization.

vi. Milestone #6: No later than January 1, 2021 the hospital must complete the Phase 1 initial data quality profile with a qualifying HIE organization.

vii. Milestone #7: No later than May 1, 2021 the hospital must complete the Phase 1 final data quality profile with a qualifying HIE organization.

For any milestone that includes electronic submission of patient information, the information transferred to the qualifying HIE must be actual patient data; the transfer of test data does not fulfill these requirements. It must include all patient data, including behavioral health data and data covered by 42 C.F.R. Part 2.

In order to receive up to a maximum 2.5% DAP increase for HIE participation a hospital must submit an LOI to the HIE and AHCCCS by May 27, 2020 at the following email addresses:

FFSRates@azahcccs.gov, and
ceo@healthcurrent.org

If a hospital has already achieved one or more of the CYE 2021 milestones as of May 27, 2020, the LOI must include a commitment by the hospital to maintain its participation in those milestone activities for the period May 27, 2020 through September 30, 2021. The LOI must list each facility that hospital requests to participate in this DAP initiative and must include the AHCCCS IDs for each listed facility. If a LOI was submitted in alignment with the Preliminary Public Notice, dated March 6, 2020, a new LOI is not required; the hospital is presumed to be included in DAP under these final requirements unless the hospital submits a written request to AHCCCS and the HIE requesting that their LOI be
retracted. In all cases, the hospital must submit the AHCCCS IDs for each listed facility as part of the LOI or must email the associated AHCCCS IDs to the email addresses noted. If a hospital receives up to a 2.5% DAP increase for CYE 2021 but fails to achieve one or more milestones in the LOI by the specified date, that hospital will be ineligible to receive DAP for dates of service from October 1, 2021 through September 30, 2022 (CYE 2022) if a DAP is available at that time.

b. Health Information Exchange Performance
Hospitals that participated in both CYE 2019 and CYE 2020 DAP are eligible to participate in this DAP initiative. Participants in this initiative cannot participate in the Health Information Exchange Participation initiative described in 2.a.

Hospitals that meet the following milestones (2.b.i to vi) and performance criteria (vii and viii) are eligible to participate in this DAP initiative and earn up to a 2.5% DAP increase if performance milestones vii and viii are achieved.

In order to qualify, by May 27, 2020 the hospital must have submitted a LOI to AHCCCS and the HIE, in which it agrees to achieve the following milestones by the specified dates, or maintain its participation in the milestone activities if they have already been achieved:

i. Milestone #1: No later than May 27, 2020 the hospital must have in place an active participation agreement with a qualifying HIE organization and submit a LOI to AHCCCS and the HIE, in which it agrees to achieve the following milestones by the specified dates, or maintain its participation in the milestone activities if they have already been achieved.

ii. Milestone #2: No later than June 1, 2020 the hospital must electronically submit the following actual patient identifiable information to the production environment of a qualifying HIE organization: admission, discharge and transfer information (generally known as ADT information), including data from the hospital emergency department if the provider has an emergency department, laboratory and radiology information (if the provider has these services), transcription, medication information, immunization data, and discharge summaries that include, at a minimum, discharge orders, discharge instructions, active medications, new prescriptions, active problem lists (diagnosis), treatments and procedures conducted during the stay, active allergies, and discharge destination.

iii. Milestone #3 Complete the following COVID-19 related milestones, if they are applicable:
1. By September 1, 2020, or within 30 days of initiating COVID-19 lab testing, submit all COVID-19 lab test codes and the associated LOINC codes to qualifying HIE to ensure proper processing of lab results within the HIE system.

2. By September 1, 2020, or within 30 days of initiating COVID-19 antibody testing, submit all COVID-19 antibody test codes and the associated LOINC codes to the qualifying HIE to ensure proper processing of lab results within the HIE system.

3. Within 30 days of initiating COVID-19 immunizations, submit all COVID-19 immunization codes and the associated LOINC codes to the qualifying HIE to ensure proper processing of immunizations within the HIE system.

4. By October 1, 2020, hospitals that utilize external reference labs for any lab result processing must submit necessary provider authorization forms to the qualifying HIE, if required by the external reference lab, to have all outsourced lab test results flow to the qualifying HIE on their behalf.

   iv. Milestone #4: No later than November 1, 2020 the hospital must approve and authorize a formal SOW to initiate and complete a Phase 2 data quality improvement effort, as defined by the qualifying HIE organization and in collaboration with a qualifying HIE organization.

   v. Milestone #5: No later than January 1, 2021 the hospital must complete the Phase 2 initial data quality profile with a qualifying HIE organization.

   vi. Milestone #6: No later than May 1, 2021 the hospital must complete the Phase 2 final data quality profile with a qualifying HIE organization.

In addition to the LOI agreeing to the above milestones, the hospital must meet the following performance criteria:

   vii. **Performance Criteria:** Hospitals that meet each of the following HIE data quality performance criteria will be eligible to DAP increases described below in 2.b.viii.

   1. Demonstrate a 10% improvement from baseline measurements in the initial data quality profile, based on July 2019 data, to the final data quality profile, based on March 2020 data.

   2. Meet a minimum performance standard of at least 60% based on March 2020 data.
3. If performance meets or exceeds an upper threshold of 90% based on March 2020 data the hospital meets the criteria, regardless of the percentage improvement from the baseline measurements.

viii. **Performance Criteria:**

Performance Criteria: DAP HIE Data Quality Standards 2021

Measure Categories: Hospitals that meet the following standards, qualify for a 0.5% DAP increase for each category of the five measure categories, for a total potential increase of 2.5% if criteria are met for all categories.

1. Data source and data site information must be submitted on all ADT transactions. (0.5%)
2. Event type must be properly coded on all ADT transactions. (0.5%)
3. Patient class must be properly coded on all appropriate ADT transactions. (0.5%)
4. Patient demographic information must be submitted on all ADT transactions. (0.5%)
5. Overall completeness of the ADT message. (0.5%)

For any milestone that includes electronic submission of patient information, the information transferred to the qualifying HIE must be actual patient data; the transfer of test data does not fulfill these requirements. It must include all patient data, including behavioral health data and data covered by 42 C.F.R. Part 2.

A hospital must submit an LOI to the HIE and AHCCCS by May 27, 2020 at the following email addresses:

FFSRates@azahcccs.gov, and

ceo@healthcurrent.org

If a hospital has already achieved one or more of the CYE 2021 milestones as of May 27, 2020, the LOI must include a commitment by the hospital to maintain its participation in those milestone activities for the period May 27, 2020 through September 30, 2021. The LOI must list each facility that hospital requests to participate in this DAP initiative and must include the AHCCCS IDs for each listed facility. If a LOI was submitted in alignment with the Preliminary Public Notice, dated March 6, 2020, a new LOI is not required; the hospital is presumed to be included in DAP under these final requirements unless the hospital submits a written request to AHCCCS and the HIE requesting that their LOI be retracted. In all cases, the hospital must submit the AHCCCS IDs for each
listed facility as part of the LOI or must email the associated AHCCCS IDs to the email addresses noted.

If a hospital receives up to a 2.5% DAP increase for CYE 2021, but fails to achieve one or more of the milestones by the specified date, or fails to maintain its participation in the milestone activities, that hospital will be ineligible to receive DAP for dates of service from October 1, 2021 through September 30, 2022 (CYE 2022) if a DAP is available at that time.

c. **Inpatient Psychiatric Facility Quality Reporting Program**
Hospitals that meet the Inpatient Psychiatric Facility Quality Reporting Program (IPFQR) performance measure will qualify for a 2.0% DAP increase for dates of service from October 1, 2020-September 30, 2021. On May 12, 2020, AHCCCS will download the most current data from the QualityNet.org website to identify Medicare’s Annual Payment Update (APU) recipients. APU recipients are those facilities that satisfactorily met the requirements for the IPFQR program, which includes multiple clinical quality measures. Facilities identified as APU recipients will qualify for the DAP increase.

d. **Long-Term Care Hospital Pressure Ulcers Performance Measure**
Hospitals that meet or fall below the national average for the pressure ulcers performance measure will qualify for a 2.0% DAP increase for dates of service from October 1, 2020-September 30, 2021. On May 12, 2020, AHCCCS will download the most current data from the Medicare Long Term Hospital Compare website for the rate of pressure ulcers that are new or worsened. Facility results will be compared to the national average results for the measure. Hospitals that meet or fall below the national average percentage will qualify for the DAP increase.

e. **Inpatient Rehabilitation Pressure Ulcers Performance Measure**
Hospitals that meet or fall below the national average for the pressure ulcers performance measure will qualify for a 2.0% DAP increase for dates of service from October 1, 2020-September 30, 2021. On May 12, 2020, AHCCCS will download the most current data from the Medicare Inpatient Rehabilitation Facility Compare website for the rate of pressure ulcers that are new or worsened. Facility results will be compared to the national average results for the measure. Hospitals that meet or fall below the national average percentage will qualify for the DAP increase.
3. Hospitals designated as a Critical Access Hospital (CAH) by May 27, 2020 are eligible for up to a maximum 20% DAP increase under the following criteria.

   a. **Health Information Exchange**

      Hospitals that participated in both CYE 2019 and CYE 2020 DAP are eligible to participate in this DAP initiative.

      Hospitals that meet the following milestones (3.a.i to vi) and performance criteria (vii and viii) are eligible to participate in this DAP initiative and earn up to a maximum 10% DAP increase.

      In order to qualify, by May 27, 2020 the hospital must have submitted a LOI to AHCCCS and the HIE, in which it agrees to achieve the following milestones by the specified dates, or maintain its participation in the milestone activities if they have already been achieved:

         i. Milestone #1: No later than May 27, 2020 the hospital must have in place an active participation agreement with a qualifying HIE organization and submit a LOI to AHCCCS and the HIE, in which it agrees to achieve the following milestones by the specified dates, or maintain its participation in the milestone activities if they have already been achieved.

         ii. Milestone #2: No later than June 1, 2020 the hospital must electronically submit the following actual patient identifiable information to the production environment of a qualifying HIE organization: admission, discharge and transfer information (generally known as ADT information), including data from the hospital emergency department if the provider has an emergency department, laboratory and radiology information (if the provider has these services), transcription, medication information, immunization data, and discharge summaries that include, at a minimum, discharge orders, discharge instructions, active medications, new prescriptions, active problem lists (diagnosis), treatments and procedures conducted during the stay, active allergies, and discharge destination.

         iii. Milestone #3: Complete the following COVID-19 related milestones, if they are applicable:

            1. By September 1, 2020, or within 30 days of initiating COVID-19 lab testing, submit all COVID-19 lab test codes and the associated LOINC codes to qualifying HIE to ensure proper processing of lab results within the HIE system.

            2. By September 1, 2020, or within 30 days of initiating COVID-19 antibody testing, submit all COVID-19 antibody test codes and the associated LOINC codes to qualifying HIE to ensure proper processing of lab results within the HIE system.
codes to the qualifying HIE to ensure proper processing of lab results within the HIE system.

3. Within 30 days of initiating COVID-19 immunizations, submit all COVID-19 immunization codes and the associated LOINC codes to the qualifying HIE to ensure proper processing of immunizations within the HIE system.

4. By October 1, 2020, hospitals that utilize external reference labs for any lab result processing must submit necessary provider authorization forms to the qualifying HIE, if required by the external reference lab, to have all outsourced lab test results flow to the qualifying HIE on their behalf.

iv. Milestone #4: No later than November 1, 2020 the hospital must approve and authorize a formal SOW to initiate and complete a Phase 2 data quality improvement effort, as defined by the qualifying HIE organization and in collaboration with the qualifying HIE organization.

v. Milestone #5: No later than January 1, 2021 the hospital must complete the Phase 2 initial data quality profile with a qualifying HIE organization.

vi. Milestone #6: No later than May 1, 2021 the hospital must complete the Phase 2 final data quality profile with a qualifying HIE organization.

In addition to the submission of the LOI agreeing to the above milestones, the hospital must meet the following performance criteria:

vii. Performance Criteria: Hospitals that meet each of the following HIE data quality performance criteria will be eligible to receive DAP increases described below in 3.a.viii.

1. Demonstrate a 10% improvement from baseline measurements in the initial data quality profile, based on July 2019 data, to the final data quality profile, based on March 2020 data.
2. Meet a minimum performance standard of at least 60% based on March 2020 data.
3. If performance meets or exceeds an upper threshold of 90% based on March 2020 data the hospital meets the criteria, regardless of the percentage improvement from the baseline measurements.

viii. Performance Criteria: DAP HIE Data Quality Standards 2021 Measure Categories: Hospitals that meet the standards, as defined below, qualify for a 2.0% DAP increase for each category of the five measure categories, for a total potential increase of 10.0% if criteria are met for all categories.
1. Data source and data site information must be submitted on all ADT transactions. (2.0%)
2. Event type must be properly coded on all ADT transactions. (2.0%)
3. Patient class must be properly coded on all appropriate ADT transactions. (2.0%)
4. Patient demographic information must be submitted on all ADT transactions. (2.0%)
5. Overall completeness of the ADT message. (2.0%)

For any milestone that includes electronic submission of patient information, the information transferred to the qualifying HIE must be actual patient data; the transfer of test data does not fulfill these requirements. It must include all patient data, including behavioral health data and data covered by 42 C.F.R. Part 2. A hospital must submit an LOI to the HIE and AHCCCS by May 27, 2020 at the following email addresses:

FFSRates@azahcccs.gov, and

ceo@healthcurrent.org

If a hospital has already achieved one or more of the CYE 2021 milestones as of May 27, 2020, the LOI must include a commitment by the hospital to maintain its participation in those milestone activities for the period May 27, 2020 through September 30, 2021. The LOI must list each facility that hospital requests to participate in this DAP initiative and must include the AHCCCS IDs for each listed facility. If a LOI was submitted in alignment with the Preliminary Public Notice, dated March 6, 2020, a new LOI is not required; the hospital is presumed to be included in DAP under these final requirements unless the hospital submits a written request to AHCCCS and the HIE requesting that their LOI be retracted. In all cases, the hospital must submit the AHCCCS IDs for each listed facility as part of the LOI or must email the associated AHCCCS IDs to the email addresses noted.

If a hospital receives up to a 10% DAP increase but fails to achieve one or more of the milestones by the specified date, or fails to maintain its participation in the milestone activities, that hospital will be ineligible to receive DAP for dates of service from October 1, 2021 through September 30, 2022 (CYE 2022) if a DAP is available at that time.

B. Long Acting Reversible Contraception
For dates of services from October 1, 2020 through September 30, 2021, Critical Access Hospitals subject to APR-DRG reimbursement (Provider Type 02) may qualify for a DAP on codes J7296 - J7298, J7300 - J7301, and J7307 billed on the 1500 or UB-04 forms for long-acting reversible...
contraception devices. The DAP represents a 10.0% increase on the specific codes.

C. **IHS/638 Facilities:** DAP for IHS and 638 tribally owned and/or operated hospitals is described on page 28(q).

D. **Payment Methodology**

For hospitals receiving APR-DRG reimbursement (described in Section B(1) above), fee-for-service payment rates may be increased up to a maximum of 13.5%. Payment rates for inpatient services will be increased by 2.5% if they meet the HIE requirements, by 1.0% if they meet the sepsis requirements, and by 10% on select procedure codes if they meet the long-acting reversible contraception requirements.

These increases do not apply to supplemental payments.

For other hospitals and inpatient facilities (described in Section B.2 above), fee-for-service payment rates may be increased up to a maximum of 4.5%. Payment rates for inpatient services will be increased by 2.5% if they meet the HIE requirements. For inpatient psychiatric facilities, payment rates for services will be increased by 2.0% if they meet the requirements detailed in B.2c. For Long-Term Care Hospitals, payment rates for services will be increased by 2.0% if they meet the requirements detailed in B.2d. For inpatient rehabilitation hospitals, payment rates for services will be increased by 2.0% if they meet the requirements detailed. B.2.e

These increases do not apply to supplemental payments.

For critical access hospitals (described in Section B.3 above), payment rates for inpatient services will be increased by 10% if they meet the HIE requirements, and by 10% on select procedure codes if they meet the long-acting reversible contraception requirements.

These increases do not apply to supplemental payments.

Hospitals which submitted an LOI and received a DAP increase for CYE 2020 but failed to achieve one or more milestone or failed to maintain its participation in the milestone activities are ineligible to receive DAP in CYE 2021.
The following is a description of methods and standards for determining Differential Adjusted Payments for IHS/638 Tribally owned and/or operated facilities. 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. The Differential Adjusted Payment Schedule represents a positive adjustment to the AHCCCS rates. These payment adjustments will occur for all dates of service in Contract Year Ending (CYE) 2021 (October 1, 2020 through September 30, 2021) only.

1. IHS and 638 Tribally Owned and/or Operated Facilities

   A. Applicability

      Hospitals, Provider Type 02, owned and/or operated by Indian Health Services (IHS) or under Tribal authority by May 27, 2020 are eligible for a DAP increase under the following criteria:

      i. Health Information Exchange Participation

         Participation in a qualifying HIE organization qualifies the hospital for 2.5% DAP increase for inpatient services. Participation means that by May 27, 2020, the facility must have submitted a LOI to AHCCCS and the HIE, in which it agrees to achieve the following milestones by the specified dates, or maintain its participation in the milestone activities if they have already been achieved:

         1. Milestone #1: No later than May 27, 2020 the facility must have in place an active participation agreement with a qualifying HIE organization and submit a LOI to AHCCCS and the HIE, in which it agrees to achieve the following milestones by the specified dates, or maintain its participation in the milestone activities if they have already been achieved.

         2. Milestone 2: By October 1, 2020, hospitals that utilize external reference labs for any lab result processing must submit necessary provider authorization forms to the qualifying HIE, if required by the external reference lab, to have all outsourced lab test results flow to the qualifying HIE on their behalf.

         3. Milestone #3: No later than December 1, 2020 the facility must approve and authorize a formal SOW with a qualifying HIE organization to develop and implement the data exchange necessary to meet the requirements of Milestones #4, #5 and #6.

         4. Milestone #4: No later than April 1, 2021 the facility must electronically submit actual patient identifiable information to the production environment of a qualifying HIE organization, including admission,
discharge, and transfer information (generally known as ADT information), including data from the hospital emergency department if the facility has an emergency department.

5. Milestone #5: No later than June 1, 2021 the facility must electronically submit the following actual patient identifiable information to the production environment of a qualifying HIE organization: laboratory and radiology information (if the provider has these services), transcription, medication information, immunization data, and discharge summaries that include, at a minimum, discharge orders, discharge instructions, active medications, new prescriptions, active problem lists (diagnosis), treatments and procedures conducted during the stay, active allergies, and discharge destination.

6. Milestone #6: If the facility has ambulatory and/or behavioral health practices, then no later than June 1, 2021 the facility must submit actual patient identifiable information to the production environment of a qualifying HIE, including registration, encounter summary, and SMI data elements as defined by the qualifying HIE organization.

For any milestone that includes electronic submission of patient information, the information transferred to the qualifying HIE must be actual patient data; the transfer of test data does not fulfill these requirements. It must include all patient data, including behavioral health data and data covered by 42 C.F.R. Part 2.

In order to receive the 2.5% DAP increase for HIE participation a hospital must submit an LOI to the HIE and AHCCCS by May 27, 2020.

If a facility has already achieved one or more of the CYE 2021 milestones as of May 27, 2020, the LOI must include a commitment by the facility to maintain its participation in those milestone activities for the period May 27, 2020 through September 30, 2021. The LOI must list each facility that hospital requests to participate in this DAP initiative and must include the AHCCCS IDs for each listed facility. If a LOI was submitted in alignment with the Preliminary Public Notice, dated March 6, 2020, a new LOI is not required; the hospital is presumed to be included in DAP under these final requirements unless the hospital submits a written request to AHCCCS and the HIE requesting that their LOI be retracted. In all cases, the hospital must submit the AHCCCS IDs for each listed facility as part of the LOI or must email the associated AHCCCS IDs to the email addresses noted.
If a facility submits an LOI and receives the 2.5% DAP increase for CYE 2021, but fails to achieve one or more of the milestones by the specified date, or fails to maintain its participation in the milestone activities, that facility will be ineligible to receive DAP for dates of service from October 1, 2021 through September 30, 2022 (CYE 2022) if a DAP is available at that time.

B. Payment Methodology
All payments will be increased by 2.5% if the IHS/638 facility meets the above criteria for HIE participation. The proposed DAP for IHS/638 facilities would be applicable to the All-inclusive Rate (AIR).