

December 17, 2020

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 #20-028, “NF DAP”**

Dear Mr. Wong:

Enclosed is State Plan Amendment (SPA) #20-028, NF DAP, which updates the State Plan to update the NF DAP program, effective October 1, 2020. Please see below for information regarding the fiscal analysis, as well as public comment and Tribal Consultation requirements:

Public Comment:

- <https://www.azahcccs.gov/AHCCCS/PublicNotices/>
- [https://www.azahcccs.gov/AHCCCS/Downloads/PublicNotices/rates/DAP\\_Final\\_Note\\_CYE2021\\_Revised\\_09282020.pdf](https://www.azahcccs.gov/AHCCCS/Downloads/PublicNotices/rates/DAP_Final_Note_CYE2021_Revised_09282020.pdf);

Tribal Consultation:

- <https://www.azahcccs.gov/AmericanIndians/TribalConsultation/meetings.html>
- [https://www.azahcccs.gov/AmericanIndians/Downloads/Consultations/Meetings/2020/MASTER\\_SLIDESHOWSpecialTCDAP.pdf](https://www.azahcccs.gov/AmericanIndians/Downloads/Consultations/Meetings/2020/MASTER_SLIDESHOWSpecialTCDAP.pdf)
- [https://www.azahcccs.gov/AmericanIndians/Downloads/Consultations/Meetings/2020/08\\_132020\\_QuarterlyTribalConsultation.pdf](https://www.azahcccs.gov/AmericanIndians/Downloads/Consultations/Meetings/2020/08_132020_QuarterlyTribalConsultation.pdf)

Fiscal Analysis:

	FFS Estimates	Federal Funds
NF DAP-	796,900	595,000   74.67%

\*Estimate is based on all populations blended FMAP for FFY21.

\*\*Estimate assumes COVID PHE increased FMAP for 3 of 4 quarters in FFY21.

If you have any questions about the enclosed SPA, please contact Alex Demyan at (602) 417-4130.

Sincerely,



Dana Flannery  
Assistant Director  
Arizona Health Care Cost Containment System (AHCCCS)



## INSTRUCTIONS FOR COMPLETING FORM CMS-179

Use Form CMS-179 to transmit State plan material to the regional office for approval. A separate typed transmittal form should be completed for each plan/amendment submitted.

**Block 1 -Transmittal Number** - Enter the State Plan Amendment transmittal number. Assign consecutive numbers on a **calendar year** basis (e.g., 92-001, 92-002, etc.).

**Block 2 - State** -Type the name of the State submitting the plan material.

**Block 3 - Program Identification** -Title XIX of the Social Security Act (Medicaid).

**Block 4 - Proposed Effective Date** - Enter the proposed effective date of material.

**Block 5 -Type of Plan Material** - Check the appropriate box.

**Block 6 - Federal Statute/Regulation Citation** - Enter the appropriate statutory/regulatory citation.

**Block 7 - Federal Budget Impact - 7(a)** - Enter 1st **Federal Fiscal Year** (FFY) impacted by the SPA & estimated Federal share of the cost of the SPA (in thousands) for 1st FFY. **7(b)** - Enter 2nd FFY impacted by the SPA & estimated Federal share of the cost for 2nd FFY. See SMM section 13026.

**Block 8 - Page No.(s) of Plan Section or Attachment** - Enter the page number(s) of plan material transmitted. If additional space is needed, use bond paper.

**Block 9 - Page No.(s) of the Superseded Plan Section or Attachment (if Applicable)** - Enter the page number(s) (including the transmittal sheet number) that is being superseded. If additional space is needed, use bond paper.

**Block 10 - Subject of Amendment** - Briefly describe plan material being transmitted.

**Block 11 - Governor's Review** - Check the appropriate box. See SMM section 13026 B.

**Block 12 - Signature of State Agency Official** -Authorized State official signs this block.

**Block 13 -Typed Name** -Type name of State official who signed block 12.

**Block 14 -Title** -Type title of State official who signed block 12.

**Block 15 - Date Submitted** - Enter the date you mail plan material to RO.

**Block 16 - Return To** -Type the name and address of State official to whom this form should be returned.

**Block 17–23 (FOR REGIONAL OFFICE USE ONLY).**

**Block 17 - Date Received** - Enter the date plan material is received in RO. See ROM section 6003.2.

**Block 18 - Date Approved** - Enter the date RO approved the plan material.

**Block 19 - Effective Date of Approved Material** - Enter the date the plan material becomes effective. If more than one effective date, list each provision and its effective date in Block 23 or attach a sheet.

**Block 20 - Signature of Regional Official** -Approving RO official signs this block.

**Block 21 -Typed Name** -Type approving official's name.

**Block 22 -Title** -Type approving official's title.

**Block 23 - Remarks** - Use this block to reference pen and ink changes, a partial approval, more than one effective date, etc. If additional space is needed, use bond paper.

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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, 202019 through September 30, 20210 (Contract Year Ending (CYE) 20210), Provider type 22 nursing facilities that are located in Arizona with Arizona Medicaid utilization that meet AHCCCS established value based performance metrics requirements below will receive one or both of the Differential Adjusted Payments described 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 20210 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) Must 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 May 12April 30, 202019.
  - c) On May 12April 30, 202019, AHCCCS will download data from the Medicare Nursing Home Compare website for the percent of long-stay residents with a urinary tract infection (UTI). Facility results will be compared to the Arizona Average results for the measure. Facilities with percentages less than or equal to the state-wide average score will qualify for the DAP increase.
2. Nursing facilities that meet the requirements described in subsection 1 shall be eligible to receive a differential adjusted payment. Eligible nursing facilities as described in 1.b. will receive a 1% increase to its fee-for-service reimbursement rate for October 1, 202019 through September 30, 202120.  
Nursing facilities that meet the requirements described in subsection 1 shall be eligible to receive a differential adjusted payment. Eligible nursing facilities as described in 1.c. will receive a 1% increase to its fee-for-service reimbursement rate for October 1, 202019 through September 30, 202120.

**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.

**Payment Methodology**

For Provider Type 22 nursing facilities, the fee-for-service payment rates will be increased by 1.0% if they meet the Pressure Ulcer requirements outlined in F.1.b and by 1.0% if they meet the UTI performance requirements outlined in F.1.c. A Provider Type 22 facility meeting both Pressure Ulcer and UTI requirements will receive a combined 2.0% increase. These increases do not apply to supplemental payments.

TN No. 19-01520-028

Supersedes

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

Effective Date: October 1, 202019

TN No. 18-01819-015