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State/Territory Name: Arizona

State Plan Amendment (SPA) #: 21-0023

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S3-14-28
Baltimore, Maryland 21244-1850



Financial Management Group

December 22, 2021

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

RE: Arizona State Plan Amendment Transmittal Number 21-0023

Dear Ms. Snyder:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 21-0023. This amendment updates the inpatient hospital Differential Adjusted Payment (DAP) program effective October 1, 2021.

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 21-0023 is approved effective October 1, 2021. The CMS-179 and the amended plan page(s) are attached.


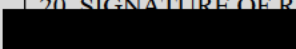
If you have any additional questions or need further assistance, please contact Mark Wong at (415) 744-3561 or mark.wong@cms.hhs.gov.

Sincerely,



Rory Howe
Director

Enclosures

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: Centers for Medicare and Medicaid Services		1. TRANSMITTAL NUMBER: 21-023	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 October 1, 2021	
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 Part 447 Subpart C		7. FEDERAL BUDGET IMPACT: FFY 2022: \$4,715,264 FFY 2023: \$4,523,600	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-A Page 28, 28(a)-(t)		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (<i>If Applicable</i>): Attachment 4.19-A Page 28, 28(a)-(s)	
10. SUBJECT OF AMENDMENT: This amendment updates the inpatient hospital Differential Adjusted Payment (DAP) Program			
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: Dana Flannery 801 E, Jefferson, MD#4200 Phoenix, AZ 85034	
13. TYPED NAME: Dana Flannery			
14. TITLE: Assistant Director			
15. DATE SUBMITTED: November 15, 2021			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED: November 15, 2021		18. DATE APPROVED: December 22, 2021	
PLAN APPROVED – ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: October 1, 2021		20. SIGNATURE OF REGIONAL OFFICIAL: 	
21. TYPED NAME: Rory Howe		22. TITLE: Director, Financial Management Group	
23. REMARKS: Pen-and-ink changes made to Boxes 6 and 7 by CMS with state concurrence.			

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Section XI – Inpatient Differential Adjusted Payment

A. Overview:

As of October 1, 2021, through September 30, 2022 (Contract Year Ending (CYE) 2022), 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 reimbursement rates. These payment adjustments will occur for all dates of discharge in CYE 2022 (October 1, 2021 through September 30, 2022) 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 (DAP), 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 3.0%)

a. Health Information Exchange Participation

Hospitals that meet the following milestones and performance criteria are eligible to participate in this DAP initiative and earn up to a 2.5% DAP increase for inpatient services. In order to qualify, by April 1, 2021 the hospital must have submitted a Letter of Intent (LOI) to AHCCCS and the Health Information Exchange (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 April 1, 2021, 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 May 1, 2021, or by the hospital's go-live date for new data suppliers, or within 30 days of initiating the respective COVID-19 related services for current data suppliers, the hospital must complete the following COVID-19 related milestones, if they are applicable:

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1. Related to COVID-19 testing services, submit all COVID-19 lab test codes and the associated LOINC codes to qualifying HIE organization to ensure proper processing of lab results within the HIE system.
 2. Related to COVID-19 antibody testing services, submit all COVID-19 antibody test codes and the associated LOINC codes to the qualifying HIE organization to ensure proper processing of lab results within the HIE system.
 3. Related to COVID-19 immunization services, submit all COVID-19 immunization codes and the associated CDC-recognized code sets to the qualifying HIE organization to ensure proper processing of immunizations within the HIE system.
- iii. *Milestone #3:* No later than May 1, 2021, hospitals that utilize external reference labs for any lab result processing must submit necessary provider authorization forms to the qualifying HIE organization, 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 May 1, 2021, 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.
- v. *Milestone #5:* No later than November 1, 2021, the hospital must approve and authorize a formal statement of work (SOW) to initiate and complete a data quality improvement effort, as defined by the qualifying HIE organization.
- vi. *Milestone #6:* No later than November 1, 2021, the hospital must approve and authorize a formal SOW to initiate connectivity to a Social Determinants of Health (SDOH) Closed Loop Referral Platform operated by the qualifying HIE organization.

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- vii. *Milestone #7:* No later than January 1, 2022, the hospital must complete the initial data quality profile with a qualifying HIE organization, in alignment with the data quality improvement SOW as agreed to in Milestone #5.
- viii. *Milestone #8:* No later than May 1, 2022, the hospital must complete the final data quality profile with a qualifying HIE organization, in alignment with the data quality improvement SOW as agreed to in Milestone #5.

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

- ix. *Quality Improvement Performance Criteria:* Hospitals that meet each of the following HIE data quality performance criteria will be eligible to receive DAP increases described below in B.1.a.x.
 - 1. Demonstrate a 10% improvement from baseline measurements in the initial data quality profile, based on July 2020 data, to the final data quality profile, based on March 2021 data.
 - 2. Meet a minimum performance standard of at least 60% based on March 2021 data.
 - 3. If performance meets or exceeds an upper threshold of 90% based on March 2021 data, the hospital meets the criteria, regardless of the percentage improvement from the baseline measurements.
- x. *DAP HIE Data Quality Standards CYE 2022 Measure Categories:* Hospitals that meet the standards, as defined in Section B.1.a.xi., 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%)

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- xi. *CYE 2022 DAP HIE Data Quality Standards*
 - 1. Measure 1: Data source and data site information must be submitted on all ADT transactions.
 - i. Standards: HL7
 - ii. Inclusions: MSH.4, EVN.7, PV1.3.4
 - iii. Exclusions: None
 - iv. Additional Notes: The source information can be derived from the MSH.4 segment, and the site information from one of the other inclusions. If both source and site information are sent in MSH.4, the sending organization must provide the required mapping details to Health Current.
 - 2. Measure 2: Event type must be properly coded on all ADT transactions.
 - i. Standards: HL7
 - ii. Inclusions: EVN.1, MSH.9.1, MSH.9.2
 - iii. Exclusions: None
 - 3. Measure 3: Patient class must be properly coded on all appropriate ADT transactions.
 - i. Standards: HL7
 - ii. Inclusions: PV1.2 (associated with completed EVN., MSH.9 with A01, A02, A03, A04)
 - iii. Exclusions: None
 - 4. Measure 4: Patient demographic information must be submitted on all ADT transactions.
 - i. Standards: HL7
 - ii. Inclusions: PID.1.1, PID.3.1, PID.5.1, PID.5.2, PID.7.1, PID.8.1, PID.10.1, PID.11.1, PID.11.3, PID.11.4, PID.11.5
 - iii. Exclusions: None
 - iv. Additional Notes: The patient demographic elements that will be evaluated for this measure are first name, last name, date of birth, gender, and address (street address, city, state, and zip). The patient demographic elements that have been removed from previous iterations of this measure include middle name, address type, county, and country.

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5. Measure 5: Overall completeness of the ADT message
 - i. Standards: HL7
 - ii. Inclusions: MSH.4, MSH.9.1, MSH.9.2, EVN.1, EVN.7, PV1.3.4, PV1.2, PID.1.1, PID.3.1, PID.5.1, PID.5.2, PID.7.1, PID.8.1, PID.10.1, PID.11.1, PID.11.3, PID.11.4, PID.11.5
 - iii. Exclusions: None

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.

If a hospital has already achieved one or more of the CYE 2022 milestones as of April 1, 2021, the LOI must include a commitment by the hospital to maintain its participation in those milestone activities for the period April 1, 2021 through September 30, 2022.

If a hospital receives up to a 2.5% DAP increase for CYE 2022 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, 2022 through September 30, 2023 (CYE 2023) if a DAP is available at that time.

AHCCCS anticipates that HIE Data Quality Standards, minimum performance standards, and upper thresholds will continue to be monitored and evaluated during the CYE 2022 period in order to ensure that performance improvements are maintained.

- b. Enter into a Care Coordination Agreement with an IHS/Tribal 638 Facility
Hospitals will be eligible for a 0.5% DAP increase by participating in a Care Coordination Agreement (CCA) with an IHS/Tribal 638 facility. By March 15, 2021, the facility must submit a LOI to enter into a CCA (a fully signed copy of a CCA with an IHS/Tribal 638 facility is also acceptable). By April 30, 2021, the facility must have entered into a CCA with a IHS/Tribal 638 facility for inpatient, outpatient, and ambulatory services provided through a referral under the executed CCA. The facility agrees to achieve and maintain participation in the following activities:

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- i. The facility will have in place a signed CCA with an IHS/Tribal 638 facility and will have submitted the signed CCA to AHCCCS. The CCA will meet minimum requirements as outlined in the CMS SHO Guidance- SHO #16-002.
 - ii. The facility will have a valid referral process for IHS/Tribal 638 facilities in place for requesting services to be performed by the non-IHS/Tribal 638 facility.
 - iii. The hospital will provide to the IHS/Tribal 638 facility clinical documentation of services provided through a referral under the CCA.
 - iv. AHCCCS will monitor activity specified under the CCA(s) to ensure compliance. To help facilitate this, the facility will participate in the HIE or establish an agreed claims operation process with AHCCCS for the review of medical records by May 31, 2021.
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 5.0%)
- a. Health Information Exchange Participation
Hospitals that meet the following milestones and performance criteria are eligible to participate in this DAP initiative and earn up to a 2.5% DAP increase. In order to qualify, by April 1, 2021 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 April 1, 2021, 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 May 1, 2021, or by the hospital's go-live date for new data suppliers, or within 30 days of initiating the respective COVID-19 related services for current data suppliers, the hospital must complete the following COVID-19 related milestones, if they are applicable:

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 2. Related to COVID-19 antibody testing services, submit all COVID-19 antibody test codes and the associated LOINC codes to the qualifying HIE organization to ensure proper processing of lab results within the HIE system.
 3. Related to COVID-19 immunization services, submit all COVID-19 immunization codes and the associated CDC-recognized code sets to the qualifying HIE organization to ensure proper processing of immunizations within the HIE system.
- iii. *Milestone #3:* No later than May 1, 2021, 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 organization on their behalf.
 - iv. *Milestone #4:* No later than May 1, 2021, 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.
 - v. *Milestone #5:* No later than November 1, 2021, the hospital must approve and authorize a formal SOW to initiate and complete a data quality improvement effort, as defined by the qualifying HIE organization.
 - vi. *Milestone #6:* No later than November 1, 2021, the hospital must approve and authorize a formal SOW to initiate connectivity to either a SDOH Closed-Loop Referral Platform operated by the qualifying HIE organization or an Advance Directives Registry platform operated by the qualifying HIE organization.

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- vii. *Milestone #7:* No later than January 1, 2022, the hospital must complete the initial data quality profile with a qualifying HIE organization, in alignment with the data quality improvement SOW as agreed to in Milestone #5.
- viii. *Milestone #8:* No later than May 1, 2022, the hospital must complete the final data quality profile with a qualifying HIE organization, in alignment with the data quality improvement SOW as agreed to in Milestone #5.

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

- ix. *Quality Improvement Performance Criteria:* Hospitals that meet each of the following HIE data quality performance criteria will be eligible to DAP increases described below in B.2.a.x.
 - 1. Demonstrate a 10% improvement from baseline measurements in the initial data quality profile, based on July 2020 data, to the final data quality profile, based on March 2021 data.
 - 2. Meet a minimum performance standard of at least 60% based on March 2021 data.
 - 3. If performance meets or exceeds an upper threshold of 90% based on March 2021 data the hospital meets the criteria, regardless of the percentage improvement from the baseline measurements.
- x. *DAP HIE Data Quality Standards CYE 2022 Measure Categories:* Hospitals that meet the standards, as defined in Section B.2.a.xi., 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%)

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- xi. CYE 2022 DAP HIE Data Quality Standards*
1. Measure 1: Data source and data site information must be submitted on all ADT transactions.
 - i. Standards: HL7
 - ii. Inclusions: MSH.4, EVN.7, PV1.3.4
 - iii. Exclusions: None
 - iv. Additional Notes: The source information can be derived from the MSH.4 segment, and the site information from one of the other inclusions. If both source and site information are sent in MSH.4, the sending organization must provide the required mapping details to Health Current.
 2. Measure 2: Event type must be properly coded on all ADT transactions.
 - i. Standards: HL7
 - ii. Inclusions: EVN.1, MSH.9.1, MSH.9.2
 - iii. Exclusions: None
 3. Measure 3: Patient class must be properly coded on all appropriate ADT transactions.
 - i. Standards: HL7
 - ii. Inclusions: PV1.2 (associated with completed EVN., MSH.9 with A01, A02, A03, A04)
 - iii. Exclusions: None
 4. Measure 4: Patient demographic information must be submitted on all ADT transactions.
 - i. Standards: HL7
 - ii. Inclusions: PID.1.1, PID.3.1, PID.5.1, PID.5.2, PID.7.1, PID.8.1, PID.10.1, PID.11.1, PID.11.3, PID.11.4, PID.11.5
 - iii. Exclusions: None
 - iv. Additional Notes: The patient demographic elements that will be evaluated for this measure are first name, last name, date of birth, gender, and address (street address, city, state, and zip). The patient demographic elements that have been removed from previous iterations of this measure include middle name, address type, county, and country.
 5. Measure 5: Overall completeness of the ADT message
 - i. Standards: HL7

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- ii. Inclusions: MSH.4, MSH.9.1, MSH.9.2, EVN.1, EVN.7, PV1.3.4, PV1.2, PID.1.1, PID.3.1, PID.5.1, PID.5.2, PID.7.1, PID.8.1, PID.10.1, PID.11.1, PID.11.3, PID.11.4, PID.11.5
- iii. Exclusions: None

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.

If a hospital has already achieved one or more of the CYE 2022 milestones as of April 1, 2021, the LOI must include a commitment by the hospital to maintain its participation in those milestone activities for the period April 1, 2021 through September 30, 2022.

If a hospital receives up to a 2.5% DAP increase for CYE 2022 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, 2022 through September 30, 2023 (CYE 2023) if a DAP is available at that time.

AHCCCS anticipates that HIE Data Quality Standards, minimum performance standards, and upper thresholds will continue to be monitored and evaluated during the CYE 2022 period in order to ensure that performance improvements are maintained.

b. 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, 2021-September 30, 2022. On March 15, 2021, 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.

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- c. **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, 2021 September 30, 2022. On March 15, 2021, AHCCCS will download the most current data from the Medicare Provider Data Catalog website for the rate of changes in skin integrity post-acute care: Pressure Ulcer/Injury. 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.
- d. **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, 2021 September 30, 2022. On March 15, 2021, Medicare Provider Data Catalog website for the rate of changes in skin integrity post-acute care: Pressure Ulcer/Injury. 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. **Enter into a Care Coordination Agreement with an IHS/Tribal 638 Facility**
Hospitals will be eligible for a 0.5% DAP increase by participating in a CCA with an IHS/Tribal 638 facility. By March 15, 2021, the facility must submit a LOI to enter into a CCA (a fully signed copy of a CCA with an IHS/Tribal 638 facility is also acceptable). By April 30, 2021, the facility must have entered into a CCA with a IHS/Tribal 638 facility for inpatient, outpatient, and ambulatory services provided through a referral under the executed CCA. The facility agrees to achieve and maintain participation in the following activities:
- i. The facility will have in place a signed CCA with an IHS/Tribal 638 facility and will have submitted the signed CCA to AHCCCS. The CCA will meet minimum requirements as outlined in the CMS SHO Guidance- SHO #16-002.
 - ii. The facility will have a valid referral process for IHS/Tribal 638 facilities in place for requesting services to be performed by the non-IHS/Tribal 638 facility.
 - iii. The hospital will provide to the IHS/Tribal 638 facility clinical documentation of services provided through a referral under the CCA.

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- iv. AHCCCS will monitor activity specified under the CCA(s) to ensure compliance. To help facilitate this, the facility will participate in the HIE or establish an agreed claims operation process with AHCCCS for the review of medical records by May 31, 2021.
3. Hospitals designated as a **Critical Access Hospital (CAH)** by March 15, 2021 are eligible for up to a maximum 10.5% DAP increase under the following criteria.
- a. Health Information Exchange
Hospitals that meet the following milestones and performance criteria are eligible to participate in this DAP initiative and earn up to a 10.0% DAP increase. In order to qualify, by April 1, 2021 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 April 1, 2021, 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 May 1, 2021, or by the hospital's go-live date for new data suppliers, or within 30 days of initiating the respective COVID-19 related services for current data suppliers, the hospital must complete the following COVID-19 related milestones, if they are applicable:
 - 1. Related to COVID-19 testing services, submit all COVID-19 lab test codes and the associated LOINC codes to the qualifying HIE organization to ensure proper processing of lab results within the HIE system.
 - 2. Related to COVID-19 antibody testing services, submit all COVID-19 antibody test codes and the associated LOINC codes to the qualifying HIE organization to ensure proper processing of lab results within the HIE system.
 - 3. Related to COVID-19 immunization services, submit all COVID-19 immunization codes and the associated CDC-recognized code sets to the qualifying HIE organization to ensure proper processing of immunizations within the HIE system.

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- iii. *Milestone #3:* No later than May 1, 2021, 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 organization on their behalf.
- iv. *Milestone #4:* No later than May 1, 2021, 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.
- v. *Milestone #5:* No later than November 1, 2021, the hospital must approve and authorize a formal SOW to initiate and complete a data quality improvement effort, as defined by the qualifying HIE organization.
- vi. *Milestone #6:* No later than November 1, 2021, the hospital must approve and authorize a formal SOW to initiate connectivity to a SDOH Closed Loop Referral Platform operated by the qualifying HIE organization.
- vii. *Milestone #7:* No later than January 1, 2022, the hospital must complete the initial data quality profile with a qualifying HIE organization, in alignment with the data quality improvement SOW as agreed to in Milestone #5.
- viii. *Milestone #8:* No later than May 1, 2022, the hospital must complete the final data quality profile with a qualifying HIE organization, in alignment with the data quality improvement SOW as agreed to in Milestone #5.

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

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- ix. *Quality Improvement Performance Criteria:* Hospitals that meet each of the following HIE data quality performance criteria will be eligible to receive DAP increases described below in B.3.a.x.
1. Demonstrate a 10% improvement from baseline measurements in the initial data quality profile, based on July 2020 data, to the final data quality profile, based on March 2021 data.
 2. Meet a minimum performance standard of at least 60% based on March 2021 data.
If performance meets or exceeds an upper threshold of 90% based on March 2021 data the hospital meets the criteria, regardless of the percentage improvement from the baseline measurements.
- x. *DAP HIE Data Quality Standards CYE 2022 Measure Categories:* Hospitals that meet the standards, as defined in Section B.3.a.xi., 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%)
- xi. *CYE 2022 DAP HIE Data Quality Standards*
1. Measure 1: Data source and data site information must be submitted on all ADT transactions.
 - i. Standards: HL7
 - ii. Inclusions: MSH.4, EVN.7, PV1.3.4
 - iii. Exclusions: None
 - iv. Additional Notes: The source information can be derived from the MSH.4 segment, and the site information from one of the other inclusions. If both source and site information are sent in MSH.4, the sending organization must provide the required mapping details to Health Current.

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2. Measure 2: Event type must be properly coded on all ADT transactions.
 - i. Standards: HL7
 - ii. Inclusions: EVN.1, MSH.9.1, MSH.9.2
 - iii. Exclusions: None
3. Measure 3: Patient class must be properly coded on all appropriate ADT transactions.
 - i. Standards: HL7
 - ii. Inclusions: PV1.2 (associated with completed EVN., MSH.9 with A01, A02, A03, A04)
 - iii. Exclusions: None
4. Measure 4: Patient demographic information must be submitted on all ADT transactions.
 - i. Standards: HL7
 - ii. Inclusions: PID.1.1, PID.3.1, PID.5.1, PID.5.2, PID.7.1, PID.8.1, PID.10.1, PID.11.1, PID.11.3, PID.11.4, PID.11.5
 - iii. Exclusions: None
 - iv. Additional Notes: The patient demographic elements that will be evaluated for this measure are first name, last name, date of birth, gender, and address (street address, city, state, and zip). The patient demographic elements that have been removed from previous iterations of this measure include middle name, address type, county, and country
5. Measure 5: Overall completeness of the ADT message
 - i. Standards: HL7
 - ii. Inclusions: MSH.4, MSH.9.1, MSH.9.2, EVN.1, EVN.7, PV1.3.4, PV1.2, PID.1.1, PID.3.1, PID.5.1, PID.5.2, PID.7.1, PID.8.1, PID.10.1, PID.11.1, PID.11.3, PID.11.4, PID.11.5
 - iii. Exclusions: None

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.

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If a hospital has already achieved one or more of the CYE 2022 milestones as of April 1, 2021, the LOI must include a commitment by the hospital to maintain its participation in those milestone activities for the period April 1, 2021 through September 30, 2022. The LOI must list each facility that the hospital requests to participate in this DAP initiative and must include the AHCCCS IDs for each listed facility. 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 10.0% DAP increase for CYE 2022 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, 2022 through September 30, 2023 (CYE 2023) if a DAP is available at that time.

AHCCCS anticipates that HIE Data Quality Standards, minimum performance standards, and upper thresholds will continue to be monitored and evaluated during the CYE 2022 period in order to ensure that performance improvements are maintained.

b. Enter into a Care Coordination Agreement with an IHS/638 Facility

Hospitals will be eligible for a 0.5% DAP increase by participating in a CCA with an IHS/Tribal 638 facility. By March 15, 2021, the facility must submit a LOI to enter into a CCA (a fully signed copy of a CCA with an IHS/Tribal 638 facility is also acceptable). By April 30, 2021, the facility must have entered into a CCA with a IHS/Tribal 638 facility for inpatient, outpatient, and ambulatory services provided through a referral under the executed CCA. The facility agrees to achieve and maintain participation in the following activities:

- i. The facility will have in place a signed CCA with an IHS/Tribal 638 facility and will have submitted the signed CCA to AHCCCS. The CCA will meet minimum requirements as outlined in the CMS SHO Guidance- SHO #16-002.
- ii. The facility will have a valid referral process for IHS/Tribal 638 facilities in place for requesting services to be performed by the non-IHS/Tribal 638 facility.
- iii. The hospital will provide to the IHS/Tribal 638 facility clinical documentation of services provided through a referral under the CCA.

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- iv. AHCCCS will monitor activity specified under the CCA(s) to ensure compliance. To help facilitate this, the facility will participate in the HIE or establish an agreed claims operation process with AHCCCS for the review of medical records by May 31, 2021.

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 reimbursement rates may be increased up to a maximum of 3.0%. Reimbursement rates for inpatient services will be increased by 2.5% if they meet the HIE requirements and by 0.5% if they meet the CCA requirements. These increases do not apply to supplemental payments. For other hospitals and inpatient facilities (described in Section B.2 above), fee-for-service reimbursement rates may be increased up to a maximum of 5.0%. Payment rates for inpatient services will be increased by 2.5% if they meet the HIE requirements detailed in B.2.a., and by 0.5% if they meet the CCA requirements detailed in B.2.e. For inpatient psychiatric facilities, payment rates for services will be increased by 2.0% if they meet the requirements detailed in B.2.b. For Long-Term Care Hospitals, payment rates for services will be increased by 2.0% if they meet the requirements detailed in B.2.c. For Inpatient Rehabilitation Hospitals, payment rates for services will be increased by 2.0% if they meet the requirements detailed in B.2.d. These increases do not apply to supplemental payments.

For critical access hospitals (described in Section B.3 above), fee-for-service reimbursement rates may be increased up to a maximum of 10.5%. Reimbursement rates for inpatient services will be increased by 10% if they meet the HIE requirements, and by 0.5% if they meet the CCA requirements.

Hospitals which submitted an LOI and received a DAP increase for CYE 2021 but failed to achieve one or more milestones in the LOI or failed to maintain its participation in the milestone activities are ineligible to receive DAP in CYE 2022.

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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) 2022 (October 1, 2021 through September 30, 2022) 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 owned and/or operated by Tribal authority by March 15, 2021 are eligible for a DAP increase under the following criteria:

i. Health Information Exchange Participation

Hospitals that meet the following milestones are eligible to participate in this DAP initiative and a 2.5% DAP increase for inpatient services. In order to qualify, by April 1, 2021 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:

- a. *Milestone #1*: No later than April 1, 2021, 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.
- b. *Milestone #2*: No later than May 1, 2021, or by the hospital's go-live date for new data suppliers, or within 30 days of initiating the respective COVID-19 related services for current data suppliers, the hospital must complete the following COVID-19 related milestones, if they are applicable:
 1. Related to COVID-19 testing services, submit all COVID-19 lab test codes and the associated LOINC codes to the qualifying HIE organization to ensure proper processing of lab results within the HIE system.
 2. Related to COVID-19 antibody testing services, submit all COVID-19 antibody test codes and the associated LOINC codes to the qualifying HIE organization to ensure proper processing of lab results within the HIE system.

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3. Related to COVID-19 immunization services, submit all COVID-19 immunization codes and the associated CDC-recognized code sets to the qualifying HIE organization to ensure proper processing of immunizations within the HIE system.
- c. *Milestone #3:* No later than May 1, 2021, 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 organization on their behalf.
- d. *Milestone #4:* No later than June 1, 2021, 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 facility 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. If the hospital has ambulatory and/or behavioral health practices, then the facility must submit the following actual patient identifiable information to the production environment of a qualifying HIE: registration, encounter summary, and SMI data elements as defined by the qualifying HIE organization. For hospitals that have not participated in DAP HIE requirements in CYE 2021, the deadline for this milestone will be November 1, 2021.
- e. *Milestone #5:* No later than November 1, 2021, the hospital must approve and authorize a formal SOW to initiate and complete a data quality improvement effort, as defined by the qualifying HIE organization.
- f. *Milestone #6:* No later than January 1, 2022, the hospital must complete the initial data quality profile with a qualifying HIE organization, in alignment with the data quality improvement SOW as agreed to in Milestone #5.
- g. *Milestone #7:* No later than May 1, 2022, the hospital must complete the final data quality profile with a qualifying HIE organization, in alignment with the data quality improvement SOW as agreed to in Milestone #5.

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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.

If a facility has already achieved one or more of the CYE 2022 milestones as of April 1, 2021, the LOI must include a commitment by the facility to maintain its participation in those milestone activities for the period April 1, 2021 through September 30, 2022. The LOI must list each facility that the hospital requests to participate in this DAP initiative and must include the AHCCCS IDs for each listed facility. 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 a LOI and receives the 2.5% DAP increase for CYE 2022 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, 2022 through September 30, 2023 (CYE 2023) if a DAP is available at that time.

ii. Care Coordination Agreement with Non-IHS/Tribal 638 Facilities

IHS/Tribal 638 facilities will be eligible for a 0.5% DAP increase by participating in a CCA with a non-IHS/638 facility. By March 15, 2021, the facility must submit a LOI to enter into a CCA with a non-IHS/638 facility (a fully signed copy of a CCA with a non-IHS/Tribal 638 facility is also acceptable). By April 30, 2021, the facility must have entered into a CCA with a non-IHS/Tribal 638 facility for inpatient services provided through a referral under the executed CCA. The facility agrees to achieve and maintain participation in the following activities:

- a. The IHS/Tribal 638 facility will have in place a signed CCA with a non-IHS/Tribal 638 facility and will have submitted the signed CCA to AHCCCS. The CCA will meet minimum requirements as outlined in the CMS SHO Guidance- SHO #16-002.
- b. The IHS/Tribal 638 facility will have a valid referral template in place for requesting services to be performed by the non-IHS/Tribal 638 facility.
- c. The IHS/Tribal 638 facility will continue to assume responsibility of the referred member, maintaining records and release of information protocol including clinical documentation of services provided by the non-IHS/Tribal 638 facility.
- d. AHCCCS will monitor activity specified under the CCA(s) to ensure compliance. To help facilitate this, the IHS/Tribal 638 facility will participate in the HIE or establish an agreed claims operation process with AHCCCS for the review of medical records by May 31, 2021.

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B. Payment Methodology

All payments may be increased up to a maximum of 3.0%. Payments will be increased by 2.5% if the IHS/Tribal 638 facility meets the HIE requirements and by 0.5% if it meets the CCA requirements. The proposed DAP for IHS/638 facilities would be applicable to the All-inclusive Rate (AIR).

IHS/Tribal 638 facility which submitted an LOI and received a DAP increase for CYE 2021 but failed to achieve one or more milestone in the LOI or failed to maintain its participation in the milestone activities are ineligible to receive DAP in CYE 2022.