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State/Territory Name: Arizona

State Plan Amendment (SPA) #: 12-005

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
San Francisco Regional Office
90 Seventh Street, Suite 5-300 (5W)
San Francisco, CA 94103-6706



DIVISION OF MEDICAID & CHILDREN'S HEALTH OPERATIONS

October 1, 2014

Tom Betlach, Director
Arizona Health Care Cost Containment System
801 East Jefferson Street
Phoenix, AZ 85034

Dear Mr. Betlach:

We have reviewed the proposed State Plan Amendment (SPA) 12-005, which was submitted to the Centers for Medicare & Medicaid Services San Francisco Regional Office on June 4, 2012. This SPA adds language to Attachment 4.19-B to clarify the payment methodology for emergency transportation services. This SPA also adds language to Attachment 3.1-A Limitations to clarify that all medically necessary services coverable under 1905(a) of the Act are provided to Early and Periodic Screening, Diagnostic and Treatment (EPSDT) eligible individuals including section 1905(a) services not otherwise covered under the State Plan but which are available to EPSDT recipients.

Based on the information provided, we are approving SPA 12-005 with an effective date of April 1, 2012. We are enclosing the approved CMS Form 179 and the following Medicaid state plan pages:

- Attachment 3.1-A Limitations, page 2
- Attachment 4.19-B, pages 5b and 5h

If you have any additional questions or need further assistance, please contact Cheryl Young at (415) 744-3598 or Cheryl.Young@cms.hhs.gov.

Sincerely,

/s/

Hye Sun Lee
Acting Associate Regional Administrator
Division of Medicaid & Children's Health Operations

cc: Doug Thomas
HeeYoung Ansell

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: Centers for Medicare and Medicaid Services		1. TRANSMITTAL NUMBER: 12-005	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 April 1, 2012	
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 447 Subpart F <u>1902(a)(30) and 1905(r) of the Social Security Act</u>		7. FEDERAL BUDGET IMPACT: <u>\$ N/A - FY12: \$0, FY13: \$0</u>	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: <u>Attachment 4.19-B, page 5(d)</u> <u>Attachment 4.19-B, page 5b</u> <u>Attachment 4.19-B, page 5h</u> <u>Attachment 3.1-A Limitations, page 2</u>		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (<i>If Applicable</i>): N/A <u>Attachment 4.19-B, page 5b</u> <u>Attachment 3.1-A Limitations, page 2</u>	
10. SUBJECT OF AMENDMENT: Updates the State Plan pages to clarify the reimbursement methodology for transportation services.			
11. GOVERNOR'S REVIEW (<i>Check One</i>):			
<input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input checked="" 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: Monica Coury 801 E. Jefferson, MD#4200 Phoenix, Arizona 85034	
13. TYPED NAME: Monica Coury			
14. TITLE: Assistant Director			
15. DATE SUBMITTED: June 4, 2012			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED: June 4, 2012		18. DATE APPROVED: October 1, 2014	
PLAN APPROVED – ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: April 1, 2012		20. SIGNATURE OF REGIONAL OFFICIAL: /s/	
21. TYPED NAME: Hye Sun Lee		22. TITLE: Acting Associate Regional Administrator Division of Medicaid & Children's Health Operations	
23. REMARKS: Boxes 8-9 Pen & ink changes to add a new Attachment 4.19-B, page 5d made by CMS request and agreed upon by State via RAI response dated 11/1/12. Note: This page 5d is eventually used by SPA 13-003, ACA Physician Payment Parity (approved on 6/11/13) and is renumbered "Att. 4.190B, page 5h" per note below. So reference to Att. 4.19-B, page 5d is struck out by CMS on 9/26/14. Boxes 6, 7, 8-9 Pen & ink changes to add regulatory citation, budget impact, and Attachment 3.1-A Limitations page 2 (EPSDT) made by CMS request and agreed upon by State via email dated 11/28/12. Additional statutory citations and new page Attachment 4.19-B, page 5h added by CMS with State agreement made via email dated 9/29/14.			

3. Other laboratory and x-ray services.

Laboratory, x-ray, and medical imaging services. All laboratory providers must obtain appropriate CLIA certification based on the complexity of testing performed. Providers with a CLIA Certificate of Waiver are limited in procedures which can be performed.

4a. Nursing facility services (other than services in an institution for mental diseases) for individuals 21 years of age or older.

Nursing facility services for individuals 21 years of age or older when they are provided in a facility that is licensed and certified as a nursing facility.

Nursing facility services are provided under acute care and the ALTCS Transitional program for up to 90 days per contract year when hospitalization would be necessary if nursing facility services are not provided.

There is no limit on nursing facility services under the regular ALTCS program approved through the 1115 waiver authority.

See section 24d for limitations on nursing facility services for individuals under 21 years of age.

4.b. Early and periodic screening, diagnostic and treatment services for individuals under 21 years of age, and treatment of conditions found.

Early and periodic screening, diagnostic, and treatment (EPSDT) services furnished to individuals under 21 years of age to detect and correct or ameliorate defects and physical and mental illnesses and conditions identified through EPSDT services. All medically necessary services coverable under 1905(a) of the Act are provided to EPSDT-eligible individuals. Section 1905(a) services not otherwise covered under the State Plan but which are available to EPSDT recipients are:

- i. Chiropractors' services to correct or ameliorate defects, physical illnesses and conditions when provided by a licensed chiropractor.
- ii. Case-management to coordinate services necessary to correct or ameliorate defects and physical illnesses and conditions and behavioral health problems and conditions.
- iii. Personal care services to assist in performing daily living tasks for members with physical illnesses and conditions and/or behavioral health problems and conditions.
- iv. Medically necessary transplant services, as specified in AHCCCS rule and policy and Attachment 3.1-E of the State Plan if provided to correct or ameliorate defects, physical illnesses and conditions.
- v. All medically necessary dental services including routine, preventive, therapeutic and emergency dental services.

State: ARIZONAMETHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES
OTHER TYPES OF CARE

- **Other Licensed Practitioner Services**

- OLP-Pharmacist: AHCCCS-registered pharmacies will be reimbursed for seasonal flu and pneumococcal vaccines and anaphylaxis agents administered by licensed pharmacists within the scope of their practice. AHCCCS will provide an administration fee for pharmacies administering the vaccine. The administration fee can be found on the AHCCCS website at www.azahcccs.gov/commercial/ProviderBilling/rates/rates.aspx

- **Dental Services**

- **Vision Services** (including eye examinations, eyeglasses and contact lenses)

- **Diagnostic, Screening and Preventive Services**

- **Respiratory Care Services**

- **Transportation Services** (see page 5h for information about ambulance rates)

- **Private Duty Nurse Services**

- **Other practitioner's services**

- **Physical therapy**

- **Occupational therapy**

- **Services for individuals with speech, hearing and language disorders**

- **Prosthetic devices**

- **Screening services**

- **Preventative services**

- **Rehabilitation services**

- **EPSDT services**

- **Face-to-Face Tobacco Cessation Counseling Services Benefit Package for Pregnant Women: The rates for these services are included in the fee schedules listed under this Attachment associated with the relevant provider services.**

TN No. 12-005

Supersedes

TN No. 13-001Approval Date: October 1, 2014 Effective Date: April 1, 2012

State: ARIZONA

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES OTHER TYPES OF CARE

The following is a description of methods and standards for determining the payment rates for ambulance transportation services included in the transportation bullet listed in Attachment 4.19-B, page 5b. Except as otherwise noted below, AHCCCS uses a uniform methodology in reimbursing both governmental and private providers for ambulance emergency and non-emergency transportation services.

1) Ground Ambulance Rates set by the Arizona Department of Health Services (ADHS)

ADHS regulates ambulance companies in Arizona (except for those owned and operated by American Indian tribes and federal agencies) licensing and rate setting. ADHS sets rates based on data submitted by providers including direct and indirect costs, reimbursable and non reimbursable charges, utilization data, and public payer settlements. ADHS offers annual provider rate adjustments based upon the Arizona Ambulance Inflation factor (AIF). The AIF is comprised of the average annual change in the CPI-U for transportation (50%) and for medical care (50%). The transportation category is composed of such things as motor vehicles (new and used), motor fuel, parts and equipment, maintenance and repair and public transportation. The medical care category is composed of such things as medical care commodities, medical care services – professional, hospital and related services.

For dates of service prior to October 1, 2009, AHCCCS will reimburse ambulance companies at 80.0% of the ADHS established rate. For dates of service beginning October 1, 2009 through March 31, 2011, AHCCCS will reimburse those providers at 76% of the ADHS established rate. For dates of service beginning April 1, 2011 through September 30, 2011, AHCCCS will reimburse those providers at 72.2% of the ADHS established rate. For dates of service beginning October 1, 2011 through September 30, 2012, AHCCCS will reimburse those providers at 68.6% of the ADHS established rate in effect as of July 7, 2011. For dates of service beginning October 1, 2012 through September 30, 2013, AHCCCS will reimburse those providers at 68.6% of the ADHS established rate in effect as of August 2, 2012 and are posted at:

<http://www.azahcccs.gov/commercial/Downloads/FFSrates/Transportation/Transrateswebsite20130724.xlsx>

For dates of service beginning October 1, 2013 through September 30, 2014, AHCCCS will reimburse those providers at 68.6% of the ADHS established rate in effect as of August 2, 2013 and are posted at:

<http://www.azahcccs.gov/commercial/Downloads/FFSrates/Transportation/Transrateswebsite20131001.xls>

2) Ground Ambulance Rates set by AHCCCS

AHCCCS establishes ground ambulance rates for out-of-state companies, companies operated by American Indian tribes, and federal agencies such as the National Park Service that operates ambulances in Grand Canyon National Park and Lake Meade National Recreation Area. Rates were initially established in 1994 based on the average (mean) reimbursement rates paid by commercial insurance companies. AHCCCS adjusts ground ambulance rates periodically based on the Consumer Price Index for Medical Services, the Consumer Price Index for Other Medical Services and the price of gasoline in Arizona. Rates are posted on the AHCCCS website at <http://www.azahcccs.gov/commercial/ProviderBilling/rates/Transportationrates.aspx>

3) Air Ambulance Rates

AHCCCS establishes reimbursement rates for air ambulance services. A cost study of Air Ambulance Costs was conducted in 2000 to establish the initial rates for specialty and non-specialty transports. Air Ambulance rates are adjusted periodically based on the Consumer Price Index for Other Medical Professionals, the CPI for Transportation, and the Federal Aviation Administration forecast of jet fuel prices. Rates are posted on the AHCCCS website at <http://www.azahcccs.gov/commercial/ProviderBilling/rates/Transportationrates.aspx>

TN No. 12-005

Supersedes

TN No. N/A

Approval Date: October 1, 2014 Effective Date: April 1, 2012