

## **Table of Contents**

**State/Territory Name: Arizona**

**State Plan Amendment (SPA)#: 13-017B**

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) 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**

---

**APR 30 2014**

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

Dear Mr. Betlach:

Enclosed is an approved copy of Arizona State Plan Amendment (SPA) No. 13-017B. This amendment extends an outpatient hospital reimbursement rate reduction effective for claims with dates of service through September 30, 2014. In the period specified by the SPA, reimbursement will be reduced by 5 percent of the payment that otherwise would have been made under the methodology in effect as of October 1, 2011.

The effective date of this SPA is October 1, 2013 as requested. Enclosed is the following approved State Plan page to be incorporated within your approved State Plan:


- Attachment 4.19-B, page 1(a)

If you have any questions, please have your staff contact Cheryl Young at (415) 744-3598 or at [cheryl.young@cms.hhs.gov](mailto:cheryl.young@cms.hhs.gov).

Sincerely,

Gloria Nagle, Ph.D., MPA  
Associate Regional Administrator  
Division of Medicaid & Children's Health Operations

cc: Wakina Scott  
HeeYoung Ansell

|   |  |   |                     |
|---|--|---|---------------------|
| <b>TRANSMITTAL AND NOTICE OF APPROVAL OF<br/>STATE PLAN MATERIAL</b>  |  | 1. TRANSMITTAL NUMBER:<br>13-017B   | 2. STATE<br>Arizona |
| <b>FOR: Centers for Medicare and Medicaid Services</b>  |  | 3. PROGRAM IDENTIFICATION: TITLE XIX OF THE<br>SOCIAL SECURITY ACT (MEDICAID)   |                     |
| TO: REGIONAL ADMINISTRATOR<br>CENTERS FOR MEDICARE AND MEDICAID SERVICES<br>DEPARTMENT OF HEALTH AND HUMAN SERVICES   |  | 4. PROPOSED EFFECTIVE DATE<br>October 1, 2013   |                     |
| 5. TYPE OF PLAN MATERIAL ( <i>Check One</i> ):<br><br><input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT<br>COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT ( <i>Separate Transmittal for each amendment</i> ) |  |   |                     |
| 6. FEDERAL STATUTE/REGULATION CITATION:<br>42 CFR 447, Subpart C  |  | 7. FEDERAL BUDGET IMPACT:<br><u>FFY14</u> : \$ (2,404,400)  |                     |
| 8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:<br><br>Page 1(a) of Attachment 4.19-B   |  | 9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION<br>OR ATTACHMENT ( <i>If Applicable</i> ):<br><br>N/A<br>Page 1(a) of Attachment 4.19-B |                     |
| 10. SUBJECT OF AMENDMENT:<br><br>Continues current outpatient hospital reimbursement rates for the period October 1, 2013 to September 30, 2014.  |  |   |                     |
| 11. GOVERNOR'S REVIEW ( <i>Check One</i> ):<br><input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input checked="" type="checkbox"/> OTHER, AS SPECIFIED:<br><input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED<br><input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL |  |   |                     |
| 12. SIGNATURE OF STATE AGENCY OFFICIAL:<br><br>   |  | 16. RETURN TO:<br><br>Monica Coury<br>801 E. Jefferson, MD#4200<br>Phoenix, Arizona 85034   |                     |
| 13. TYPED NAME:<br>Monica Coury   |  |   |                     |
| 14. TITLE:<br>Assistant Director  |  |   |                     |
| 15. DATE SUBMITTED:<br>December 20, 2013  |  |   |                     |
| <b>FOR REGIONAL OFFICE USE ONLY</b>   |  |   |                     |
| 17. DATE RECEIVED:<br>December 20, 2013   |  | 18. DATE APPROVED:<br><b>APR 30 2014</b>  |                     |
| <b>PLAN APPROVED – ONE COPY ATTACHED</b>  |  |   |                     |
| 19. EFFECTIVE DATE OF APPROVED MATERIAL:<br>October 1, 2013   |  | 20. SIGNATURE OF REGIONAL OFFICIAL:<br>           |                     |
| 21. TYPED NAME:<br>Gloria Nagle   |  | 22. TITLE: Associate Regional Administrator<br>Division of Medicaid & Children's Health Operations                                    |                     |
| 23. REMARKS:<br>Box 7: Added "FFY14:" to indicate that this is the budget impact for this federal fiscal year only, since it is a one-year rate that expires on 9/30/14 per CMS email dated 4/28/14.<br>Box 9: Added superseded page per CMS email dated 4/28/14.   |  |   |                     |

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

---

5% Rate Reduction

Notwithstanding the methods and rates as otherwise described, for claims with dates of service between April 1, 2011 and September 30, 2011, all payments for outpatient hospital services will be reduced by 5% of the payment that would otherwise have been made under the methodology in effect as of October 1, 2010, as described above.

For claims with dates of service effective from October 1, 2011 to September 30, 2014, all payments for outpatient hospital services will be reduced by 5% under the methodology in effect as of October 1, 2011.

Payments for services provided by the Indian Health Service or Tribal 638 Health facilities are not subject to this 5% rate reduction.