

## **Table of Contents**

**State/Territory Name: Arizona**

**State Plan Amendment (SPA) #: 14-0013-C**

This file contains the following documents in the order listed:

- 1) Errata Letter
- 2) Corrected SPA page
- 3) Approval Letter
- 4) CMS 179 Form/Summary Form (with 179-like data)
- 5) 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**

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May 26, 2015

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

Dear Mr. Betlach:

In our approval of Arizona State Plan Amendment (SPA) 14-013C on May 15, 2015, the footer on Attachment 4.19-B, page 5c incorrectly referenced SPA 13-017C as the superseding SPA and did not indicate the SPA to be replaced. We have revised the page to correctly refer to SPA 14-013C as replacing SPA 13-017C and have enclosed the revised page. No other change was made and no other SPA pages were affected. The original SPA approval date and effective date remain the same.

If you have any questions, please have your staff contact Brian Zolynas at (415) 744-3601 or at [brian.zolynas@cms.hhs.gov](mailto:brian.zolynas@cms.hhs.gov).

Sincerely,

/s/

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

cc: Jessica Woodard  
HeeYoung Ansell

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

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Rate Update

Rates in effect on September 30, 2014, are updated effective October 1, 2014 in the following manner:

- Laboratory and X-ray Services – Page 2 of Att. 4.19-B: -1.1% in aggregate
- Behavioral Health Services in Att. 3.1-A Limitations: 4(b)(ii), 6(d)(viii), 9, and 13d – Page 5a of Att. 4.19-B: +2.0% uniformly
- Physician Services – Page 5a of Att. 4.19-B: 0.0% in aggregate
- Dental Services – Page 5b of Att. 4.19-B: 0.0% uniformly
- Transportation Services – Page 5b of Att. 4.19-B: Emergency Ground Ambulance Services +11.3% in aggregate; all other transportation services 0.0% uniformly
- Clinic Services – Page 5a of Att. 4.19-B: +4.3% in aggregate
- Family Planning Services – Page 5a of Att. 4.19-B: +5.6% in aggregate
- Nurse-Midwife Services – Page 5a of Att. 4.19-B: +0.2% in aggregate
- Pediatric and Family Nurse Practitioner Services – Page 5a of Att. 4.19-B: +0.5% in aggregate
- Other types of care furnished by all Licensed Practitioners in Att. 3.1-A, item 6d – Page 5b of Att. 4.19-B: +0.2% in aggregate
- Diagnostic, Screening and Preventive Services – Page 5b of Att. 4.19-B: +0.5% in aggregate
- Respiratory Care Services – Page 5b of Att. 4.19-B: -1.9% in aggregate
- Physical Therapy, Occupational Therapy, and Speech Therapy Services – Page 5b of Att. 4.19-B: +1.0% in aggregate
- Prosthetic devices – Page 5b of Att. 4.19-B: +0.6% in aggregate
- Medical Supplies, Equipment and Appliances – Page 5a of Att. 4.19-B: DMEPOS +0.7% in aggregate
- Case Management Services – Page 6 of Att. 4.19-B: +2.0% uniformly
- Home Health Services provided in the eligible person's home – Page 5a of Att. 4.19-B: +2.0% uniformly
- Private Duty Nursing Services when provided in the eligible person's home. – Page 5b of Att. 4.19-B: +2.0% uniformly

Payments for services provided by the Indian Health Services or Tribal 638 Health facilities are not subject to any of the rate updates described above.

DEPARTMENT OF HEALTH & HUMAN SERVICES  
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90 Seventh Street, Suite 5-300 (5W)  
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**DIVISION OF MEDICAID & CHILDREN'S HEALTH OPERATIONS**

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May 15, 2015

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) 14-013-C. Except as otherwise noted, for all non-institutional services in effect on September 30, 2014, this amendment updates the rates effective October 1, 2014 through September 30, 2015.

The effective date of this SPA is October 1, 2014 as requested. Enclosed are the following approved State Plan pages to be incorporated within your approved State Plan:

- Attachment 4.19-B, pages 5c and 5h


If you have any questions, please have your staff contact Brian Zolynas at (415) 744-3601 or at [brian.zolynas@cms.hhs.gov](mailto:brian.zolynas@cms.hhs.gov).

Sincerely,

/s/

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

cc: Jessica Woodard  
HeeYoung Ansell

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b>  <b>FOR: Centers for Medicare and Medicaid Services</b>		1. TRANSMITTAL NUMBER: 14-013C	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, 2014	
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 C		7. FEDERAL BUDGET IMPACT: FFY 15: <del>Forthcoming</del> \$3,084,576	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  Att. 4.19-B, page 5(i) <u>5c and 5h</u>		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT ( <i>If Applicable</i> ):  Same	
10. SUBJECT OF AMENDMENT:  Updates reimbursement rates for other providers the period October 1, 2014 to September 30, 2015.			
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:  Monica Coury 801 E. Jefferson, MD#4200 Phoenix, Arizona 85034	
13. TYPED NAME: Monica Coury			
14. TITLE: Assistant Director			
15. DATE SUBMITTED: October 31, 2014			
<b>FOR REGIONAL OFFICE USE ONLY</b>			
17. DATE RECEIVED: October 31, 2014		18. DATE APPROVED: May 15, 2015	
PLAN APPROVED – ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: October 1, 2014		20. SIGNATURE OF REGIONAL OFFICIAL:  /s/	
21. TYPED NAME: Hye Sun Lee		22. TITLE: Acting Associate Regional Administrator Medicaid & Children's Health Operations	
23. REMARKS: Box 7: Pen & ink change per RAI response dated 4/13/15. Box 8: Pen & ink change to correct page reference made by State made via email dated 5/6/15.			

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

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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>

For dates of service beginning October 1, 2014 through September 30, 2015, AHCCCS will reimburse those providers at 74.74% of the ADHS established rate in effect as of August 2, 2014 and are posted at:

<http://www.azahcccs.gov/commercial/Downloads/FFSrates/Transportation/Transrateswebsite20141001.xlsx>

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>

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TN No. 14-013C

Supersedes

TN No. 12-005

Approval Date: May 15, 2015

Effective Date: October 1, 2014