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State/Territory Name: AZ

State Plan Amendment (SPA) #: 22-0014

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 AND HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, MD 21244-1850



Financial Management Group

June 2, 2023

Carmen Heredia, Director
Arizona Health Care Cost Containment System
801 E. Jefferson
Phoenix, AZ 85034

RE: Arizona State Plan Amendment Transmittal Number 22-0014

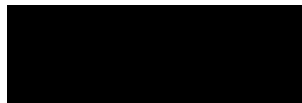
Dear Ms. Heredia:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 22-0014. This amendment, effective October 1, 2022, authorizes the Arizona disproportionate share hospital (DSH) pool 1, 2, 1A, 2A and 4 payments, for the DSH state plan rate year ending 2023.

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 TN 22-0014 is approved effective October 1, 2022. We are enclosing the CMS-179 and the amended plan pages.

If you have any questions, 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 & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER 22 - 0014	2. STATE AZ
3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT	
4. PROPOSED EFFECTIVE DATE October 1, 2022	
5. FEDERAL STATUTE/REGULATION CITATION 42 CFR Part 447, Section 1923 of the Social Security Act	6. FEDERAL BUDGET IMPACT (Amounts in Whole Dollars) a. FFY 22 23 \$ 0 106,693,765 b. FFY: 23 24 \$ 0
7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Attachment 4.19-A Page 65	8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) Attachment 4.19-A Page 65

TO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

9. SUBJECT OF AMENDMENT
Updates the Disproportionate Share Hospital (DSH) Budget in the State Plan.

10. GOVERNOR'S REVIEW (Check One)

GOVERNOR'S OFFICE REPORTED NO COMMENT OTHER, AS

SPECIFIED: COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

11. SIGNATURE OF STATE AGENCY OFFICIAL

12. TYPED NAME
Dana Fannery

13. TITLE
Assistant Director

14. DATE SUBMITTED: September 27, 2022

15. RETURN TO
Dana Fannery
801 E. Jefferson St., MD # 4200
Phoenix, AZ 85034

FOR CMS USE ONLY

16. DATE RECEIVED September 27, 2022	17. DATE APPROVED June 2, 2023
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PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL October 1, 2022	19. SIGNATURE OF APPROVING OFFICIAL <div style="background-color: black; width: 150px; height: 20px;"></div>
20. TYPED NAME OF APPROVING OFFICIAL Rory Howe	21. TITLE OF APPROVING OFFICIAL Director, Financial Management Group

22. REMARKS
Pen-and-ink change made to Box 6 by CMS with state concurrence.

STATE OF ARIZONA
METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES
INPATIENT HOSPITAL CARE

**DSH Exhibit 3:
AHCCCS
Disproportionate Share Hospital Payment
Methodology Pool Funding Amount**

This Exhibit contains the amount of funding for six pools in the Arizona DSH pool methodology.

For State Plan Year (SPY) 2008 and 2009, funding will be allocated among six pools (pools 1, 1A, 2, 2A, 3, and 4). For SPY 2010, funding will be allocated among seven pools (pools 1, 1A, 2, 2A, 3, 4, and 5). Thereafter, the funding will be allocated among six pools (pools 1, 1A, 2, 2A, 4, and 5).

Pools 1, 1A, 2, 2A, and 3 - Non-governmentally-operated hospitals

The funding for pools 1 and 2 will be sufficient to provide an average payment amount of \$6,000 for all hospitals qualifying for both of the two pools. No hospital in pools 1 or 2 will receive less than \$5,000. Therefore, the amount of funding for pools 1 and 2 will be determined by multiplying the number of hospitals qualifying for pools 1 and 2 by \$6,000.

The funding for pools 1A, 2A and 3 (if applicable) will be derived by subtracting the total amount allocated for pools 1 and 2 from the amount of DSH authorized by the Legislature for non-governmentally operated hospitals. Beginning SPY 2011, these remaining funds will be split with 15% for Pool 1A and 85% for Pool 2A.

- For SPY 2018, the funding for pools 1, 2, 1A, and 2A will be \$884,800.
- For SPY 2019, the funding for pools 1, 2, 1A, and 2A will be \$884,800.
- For SPY 2020, the funding for pools 1, 2, 1A, and 2A will be \$884,800.
- For SPY 2021, the funding for pools 1, 2, 1A, and 2A will be \$884,800.
- For SPY 2022, the funding for pools 1, 2, 1A, and 2A will be \$884,800.
- For SPY 2023, the funding for pools 1, 2, 1A, and 2A will be \$884,800

Pool 4 – Governmentally-operated hospitals

The funding for pool 4 is the amount authorized by the Legislature for governmentally operated hospitals.

- For SPY 2018, the funding for pool 4 is \$142,293,400.
- For SPY 2019, the funding for pool 4 is \$142,293,400.
- For SPY 2020, the funding for pool 4 is \$142,293,400.
- For SPY 2021, the funding for pool 4 is \$142,293,400.
- For SPY 2022, the funding for pool 4 is \$142,293,400.
- For SPY 2023, the funding for pool 4 is \$142,293,400