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State/Territory Name: AZ

State Plan Amendment (SPA) #: 23-0018

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

November 21, 2023

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

RE: Arizona State Plan Amendment Transmittal Number 23-0018

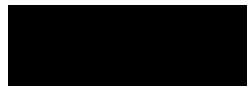
Dear State Medicaid Director Heredia:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 23-0018. This amendment, effective October 30, 2023, provides that rapid whole genome sequencing testing in an inpatient hospital setting are paid at a fee schedule amount outside of the All Patient Refined Diagnosis Related Group (APR-DRG).

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 23-0018 is approved effective October 30, 2023. 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

23 — 0018

2. STATE

AZ3. PROGRAM IDENTIFICATION: TITLE 19 OF THE
SOCIAL SECURITY ACTTO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES4. PROPOSED EFFECTIVE DATE
10/30/235. FEDERAL STATUTE/REGULATION CITATION
42 CFR Part 4476. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY 24 \$ ~~114,115~~ **91,728**
b. FFY: 25 \$ ~~114,115~~ **100,067**

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.19-A
Page 27(a)8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable)

N/A

9. SUBJECT OF AMENDMENT

This State Plan Amendment establishes a payment methodology for rapid whole genome sequencing (RWGS).

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



15. RETURN TO

Alex Demyan
801 E. Jefferson St., MD #4200
Phoenix, AZ 85034

12. TYPED NAME

Alex Demyan

13. TITLE

Assistant Director

14. DATE SUBMITTED: 10/13/23

FOR CMS USE ONLY

16. DATE RECEIVED

October 13, 2023

17. DATE APPROVED

November 21, 2023

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL

October 30, 2023

19. SIGNATURE OF APPROVING OFFICIAL



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

XI. Hospital Rapid Whole Genome Sequencing (RWGS) Testing Reimbursement

Effective October 30, 2023 – July 30, 2026

Rapid whole genome sequencing testing provided in the inpatient hospital setting is excluded from the DRG payment. An additional payment for medically necessary RWGS will be made to a hospital when established clinical criteria is met. Costs associated with RWGS are to be billed separately from the inpatient episode. Hospital reimbursement will be made according to the Medicaid laboratory fee schedule. Rates for the period of October 30, 2023 – September 30, 2024 are posted at the following link: <https://www.azahcccs.gov/PlansProviders/RatesAndBilling/FFS/>