Table of Contents

State/Territory Name: Arizona

State Plan Amendment (SPA) #: AZ-24-0001

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 7500 Security Boulevard, Mail Stop S3-14-28 Baltimore, Maryland 21244-1850



Financial Management Group

April 2, 2024

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

RE: Arizona State Plan Amendment Transmittal Number 24-0001

Dear Director Heredia:

We have reviewed the proposed amendment to Attachment 4.19-D of your Medicaid State plan submitted under transmittal number (TN) 24-0001. This amendment updates nursing facility rates effective January 1, 2024.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(13), 1902(a)(30), and 1903(a) 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 24-0001 is approved effective January 1, 2024. The CMS-179 and the amended plan page(s) are attached.

If you have any additional questions or need further assistance, please contact Mark Wong at (415) 744-3561 or mark.wong@cms.hhs.gov.

Rory Howe
Director

Enclosures

	C OTATE		
TRANSMITTAL AND NOTICE OF APPROVAL OF	1. TRANSMITTAL NUMBER 2. STATE 2. STATE 2. STATE		
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES	PROGRAM IDENTIFICATION: TITLE 19 OF THE SOCIAL SECURITY ACT		
TO: CENTER DIRECTOR CENTERS FOR MEDICAID & CHIP SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE January 1, 2024		
5. FEDERAL STATUTE/REGULATION CITATION 42 CFR Part 447, Subpart C	6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars) a. FFY <u>24</u> \$ <u>168,900</u> b. FFY: <u>25</u> \$ <u>207,100</u>		
7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT	PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)		
Attachment 4.19-D, page 8	Attachment 4.19-D, page 8		
9. SUBJECT OF AMENDMENT January Nursing Facility (NF) Rates 10. GOVERNOR'S REVIEW (Check One)			
GOVERNOR'S OFFICE REPORTED NO COMMENT COMMENTS OF GOVERNOR'S OFFICE ENCLOSED NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL	OTHER, AS SPECIFIED:		
11. SIGNATURE OF STATE AGENCY OFFICIAL	5. 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: March 22, 2024			
FOR CMS	USE ONLY		
16. DATE RECEIVED	17. DATE APPROVED		
March 22, 2024	April 2, 2024		
	NE COPY ATTACHED		
18. EFFECTIVE DATE OF APPROVED MATERIAL	19. SIGNATURE OF APPROVING OFFICIAL		
January 1, 2024			
20. TYPED NAME OF APPROVING OFFICIAL	. TITLE OF APPROVING OFFICIAL		
Rory Howe	Director, Financial Management Group		
22. REMARKS			

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT STATE: ARIZONA

METHODS AND STANDARDS FOR ESTABLISHING FEE-FOR-SERVICE PAYMENT RATES FOR LONG TERM CARE FACILITIES

85% for each facility, then add in the per day historic costs for property taxes and insurance to determine the statewide average capital component.

4. Total Rate

The per diem nursing facility rates are calculated by summing the primary care, indirect care, and capital cost components. These rates vary by member level of care and geographic area due to the primary care components.

5. Rate Update

Effective October 1, 2002 and each year thereafter, fee-for-service rates for nursing facilities will be updated by applying an inflation factor or factors to the rate components in effect for the prior year. This method of adjusting fee-for-service rates is consistent with the method used by AHCCCS for other medical services. For rates effective from October 1, 2011 to September 30, 2013, and from October 1, 2015 and thereafter, no inflation factor will be applied.

Below are the AHCCCS FFS Nursing Facility Per Diem Rates effective on and after January 1, 2024:

Level of Care	Revenue Code	Urban Rate	Rural Rate	Flagstaff
LOA/Therapeutic**	0183	\$209.37	\$202.84	\$208.85
LOA/Nursing	0185	\$209.37	\$202.84	\$208.85
Home**				
Level I	0191	\$209.37	\$202.84	\$208.85
Level II	0192	\$228.89	\$221.05	\$227.58
Level III	0193	\$271.50	\$262.81	\$270.59

^{*}AHCCCS has designated nursing facilities in the Arizona counties of Pima, Pinal, and

Maricopa as Urban to be paid at the AHCCCS Urban Rate. All other counties inside or outside

III. Other Provisions

A. Provider Appeals

Nursing facility providers have the right to request an informal rate reconsideration in accordance with the ALTCS Rules. Appeals are allowed for the following reasons:

- Extraordinary circumstances (as determined by the Director).
- Provision of specialty care services directed at members with high medical needs.
- Unique or unusually high case mix.

Appeals are made in writing to the Director. Appeals which are granted become effective no earlier than the date the appeal was requested.

B. Cost and Wage Reporting

AHCCCS uses cost and wage reports filed by the nursing facilities in the State of Arizona as a basis for these rate calculations.

TN No. 24-0001

Supersedes TN No. 23-0002 Approval Date: April 2, 2024 Effective Date: January 1, 2024

of Arizona are designated as Rural and are paid at the AHCCCS Rural Rate (except Flagstaff, which is paid at the rate specified above).

^{**}This LOA rate only applies to reserved beds at Nursing Facilities