

**AHCCCS Differential Adjusted Payment (DAP)
CYE 2023 Preliminary Public Notice
Posted March 1, 2023**

The AHCCCS administration is publishing a preliminary notice for a Differential Adjusted Payment (DAP) strategy to be implemented in the contracting year October 1, 2022, through September 30, 2023 (CYE 2023) for AHCCCS registered Provider Type 22 - Nursing Facilities that meet agency established performance criteria. The purpose of the DAP is to distinguish providers that have committed to supporting designated actions that improve patients' care experience, improve members' health, and reduce the cost of care growth. **Written comments may be sent to AHCCCSDAP@azahcccs.gov and must be received no later than 5:00 p.m. on March 30, 2023.**

The DAP rate to be implemented is to ensure that payments are consistent with efficiency, economy, and quality of care and are sufficient to enlist enough providers so that care and services are available at least to the same extent that they are available to the general population in the geographic area.

The DAP payments in this notice for CYE 2023 will be effective with dates of service beginning October 1, 2022, through September 30, 2023, and all noted providers will have the opportunity to be considered for meeting the criteria described further below.

Unless otherwise specified, AHCCCS managed care organizations (MCOs) will be required to pass through DAP increases. This DAP, with respect to MCOs, is authorized under 42 CFR 438.6(c)(1)(iii), which provides states with the flexibility to implement provider payment initiatives, requires certain payment levels by MCOs to providers, and provides specific services critical to ensuring timely access to high-quality care. AHCCCS is implementing this DAP as a uniform dollar increase under this authority. The Centers for Medicare and Medicaid Services (CMS) must approve all 438.6(c) payments prior to annual implementation.

Please note that funding for a DAP rate increase is subject to the appropriation of State funds and budget constraints. Federal funding for DAP rate increases is contingent upon federal approval. All decisions or considerations included in this notice are therefore subject to the availability of funds and federal approval.

Nursing Facilities

Nursing facilities, Provider Type 22, are eligible for a DAP increase under the following criteria.

Pediatric Skilled Nursing Services (\$1250 per eligible member per day)

Nursing facilities that meet the following criteria are eligible to participate in this DAP initiative and earn a quarterly payment equal to \$1250 per eligible member per day. Eligible members must receive pediatric skilled nursing facility (SNF) services in lieu of intensive care services. The \$1250 per day applies to each day where the member is receiving SNF services in place of intensive care services. In order to qualify, no later than April 1, 2023, the SNF must have submitted a Letter of Intent (LOI) to the following email address AHCCCSDAP@azahcccs.gov, which outlines the following criteria:

- i. The Arizona Department of Health Services (ADHS) licensed skilled nursing facility name, address, ADHS license number, and registered AHCCCS ID,
- ii. The date the facility anticipates being operational, if not currently operating as a twenty-four-bed pediatric SNF,
- iii. The date the facility will have in place contracts with the AHCCCS Managed Care Organizations (MCOs) if the facility does not currently have contracts with the MCOs, and
- iv. Attests that the facility is a twenty-four-bed pediatric SNF that offers skilled nursing services in lieu of intensive care services provided in a hospital.

The LOI must furthermore attest that the facility will comply with the activities and the dates established in ii and iii above.

Before quarterly payments will be made, AHCCCS will review approved and adjudicated claims and encounters from eligible providers.