

## NOTICE OF PUBLIC INFORMATION-PUBLIC NOTICE

1. **Name of the Agency:** Arizona Health Care Cost Containment System (AHCCCS)
2. **The topic of the public information notice:** AHCCCS Fee-For-Service (FFS) proposed rates for designated fee schedules to be effective for dates of service beginning October 1, 2021.
3. **The public information relating to the topic:**
  - a. This Notice of Public Information describes proposed changes to the Arizona Health Care Cost Containment System (AHCCCS) Fee-For-Service (FFS) rates to be effective October 1, 2021. The AHCCCS Administration is proposing changes to the FFS rates specified in this Notice to assure 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 extent that such care and services are available to the general population in the geographic area. The estimated increase in FFS payments as a result of the proposed rate changes is expected to be approximately \$12,709,900 for the time period of October 1, 2021 through September 30, 2022. More detailed information regarding the proposed fee schedule changes is included below.

The following fee schedules will be updated as described below:

- Federally Qualified Health Center and Rural Health Clinics Prospective Payment System rates will be increased by 5.0% to reflect the change in the Physicians' Services Index. In addition, a .5%, 1.0%, or 1.5% increase may be applied to qualified providers as applicable based on Differential Adjusted Payment criteria.
- Nursing Facilities Per Diem Fee Schedule rates will be updated for a 7.2% increase in rates.
- Home and Community Based Services Fee Schedule rates will be updated for an 7.2% increase in rates.
- Hospice per diem rates will be updated to match the *Medicaid Hospice Payment Rates* for Arizona published by Medicare.
- Ambulance rates that are based on the Arizona Ground Ambulance Service Rate Schedule published by the Arizona Department of Health Services (ADHS), Bureau of Emergency Medical Services, will be updated in accordance with state law, which will result in a 0.9% aggregate increase.
- FFS Emergency Ground Ambulance Fee Schedule rates (other than those based on rates established by the Arizona Department of Health Services, Bureau of Emergency Medical Services) will be updated for a 15.1% increase in rates.
- Treat and Refer Fee Schedule rates will be updated for a 11.5% increase in rates.
- Physician Drug Schedule rates will be updated to address changes in drug prices which will result in a 13.0% aggregate change.
- Physician Fee Schedule rates have an aggregate decrease of 0.2% with specific rates adjusting based on CMS relative value units.
- Inpatient Hospital APR-DRG will have an aggregate decrease of 0.2% as a result implementation of 3M APR-DRG Version 38. The service policy adjustor for pediatrics severity of illness (SOI) 3 and 4 is changing from 2.3 to 2.4 starting October 1, 2021. The wage index and labor-related share will be updated using the figures published by

Medicare in September 2020 and the outlier cost-to-charge ratios will be updated to match the Medicare Inpatient Prospective Payment System 2021 ratios.

- Inpatient Hospital Long-Term Acute Care Hospital and Rehabilitation Hospital inpatient per diem rates will be updated for changes in hospital case mix indices and outlier cost-to-charge ratios will be updated to match Medicare 2021 ratios.
- Outpatient Hospital Fee Schedule rates have been updated as a result of the required five year rebase for an aggregate decrease of 0.8%.
- The Vaccines For Children (VFC) administration rate will be increased to \$21.33 starting October 1, 2021.
- AHCCCS will be implementing Emergency Triage, Treat, and Transport (ET3) services starting October 1, 2021. Rates will align to the existing ambulance service rates on the proposed fee schedule with the requirement that modifier CG is utilized when billing for these services.
- AHCCCS will be implementing a separate rate for Licensed Health Aides (T1021-Modifier U4/U5) at a rate of \$68.70 per visit.
- A tiered reimbursement method will be implemented starting October 1, 2021 to provide enhanced reimbursement for therapeutic foster care. Depending on level of care, the reimbursement rate will be \$147.58, \$191.66 (modifier UF), \$224.59 (modifier UG), \$315.38 (modifier UH).

The following fee schedules will be updated to reflect changes to the Medicare fee schedules on which they are based:

- Ambulatory Surgical Center Fee Schedule rates for an aggregate decrease of 0.1%.
- Durable Medical Equipment Fee Schedule rates will be updated to reflect a 0.1% decrease in aggregate.

The following fee schedules will remain unchanged:

- AzEIP Speech Therapy Fee Schedule rates
- Behavioral Health Inpatient Fee Schedule rates
- Behavioral Health Outpatient Fee Schedule rates
- Clinical Laboratory Fee Schedule rates
- Dental Fee Schedule rates
- Freestanding Dialysis Facility Composite rates
- Hospital-Based Freestanding Emergency Department Fee Schedule rates
- Multi-Specialty Interdisciplinary Clinic rates
- Transportation, Air Ambulance Fee Schedule rates
- Transportation, Non-Emergency Fee Schedule rates

Comments regarding the proposed AHCCCS FFS rates may be submitted electronically at [FFSRates@azahcccs.gov](mailto:FFSRates@azahcccs.gov).

All comments must be received no later than 5:00 p.m. on August 15, 2021.

- b. Individual FFS rates reflecting the changes to reimbursement described above can be obtained from the AHCCCS website at:

[https://www.azahcccs.gov/PlansProviders/RatesAndBilling/FFS/AHCCCSprovider\\_rateanalysis.html](https://www.azahcccs.gov/PlansProviders/RatesAndBilling/FFS/AHCCCSprovider_rateanalysis.html)

- c. Many public libraries offer access to the internet. In addition, the information can be obtained at the Offices of the AHCCCS Administration, 801 E. Jefferson, Phoenix, AZ85034.

