



CHC OBGYN Funding Appropriation

Legislative Language- SB 1720

The Arizona Health Care Cost Containment System administration shall allocate the amount appropriated for the on-call obstetrics and gynecological services line item to ***maintain service availability*** in ***low-volume obstetric delivery areas and rural communities***.

The administration shall distribute up to \$2,500,000 each year to qualifying community health centers for the ***unreimbursed cost necessary to maintain the availability*** of on-call obstetrics and gynecological services in low-volume obstetric delivery areas and rural communities.

The administration may use up to 5% percent of the monies appropriated in this line item for the administrative costs to implement the program.

On or before July 1 in 2024, 2025 and 2026, the Arizona Health Care Cost Containment System administration shall submit a report to the joint legislative budget committee regarding the use of the monies from the on-call obstetrics and gynecological services line item, including the ***number of deliveries and emergency procedures provided by the on-call health care providers*** for which the monies were spent.

The appropriated amount for the on-call obstetrics and gynecological services line item is exempt from the provisions of section 35-190, Arizona Revised Statutes, 24 relating to lapsing of appropriations, until June 30, 2026.

Considerations and Definitions

Maintain service availability: To be eligible, a health center would have needed to provide OBGYN services prior to the service year of requested data. No new health centers can qualify unless the entity was providing OBGYN services prior to the program implementation date.

Low-volume obstetric delivery areas and rural communities: AHCCCS has determined any county with less than 500,000 residents qualifies as low-volume obstetric delivery areas and rural communities. Based on this definition, Maricopa and Pima County entities are not eligible for the program.

Unreimbursed cost necessary to maintain the availability- AHCCCS has determined that this is any unreimbursed costs to maintain the current level of availability. This will include direct service costs and general services costs.

Community Health Center (CHC)- Any active federally qualified health center (FQHC) or rural health clinic (RHC) in Arizona.

Proposed Methodology

AHCCCS has decided to keep the definitions broad and inclusive as it relates to the legislative language but has recommended a tiered approach to payment allocation.

AHCCCS has created four payment tiers that categorize counties together based on # of OBGYN providers within the county or the # of OBGYN providers per 10,000 births.

Data to determine these classifications above:

- AMA Physician Master file data and CMS NPI file data, as reported annually in the HRSA Area Health Resources files. The OB providers include non-federal MDs, DOs and Advanced Practice Nurse Midwives practicing during 2020.
- HRSA Area Health Resources File data by county. Births includes newborns delivered from July 2020 - June 2021 based on the county of residence.

Proposed Methodology

Below are the criteria to qualify for each payment tier:

- Tier 1- County that has less than 10 OBGYN providers or a county that has less than 25 OBGYN Providers per 10,000 births.
- Tier 2- A county that has less than 90 OBGYN Providers per 10,000 births.
- Tier 3- A county that has less than 125 OBGYN Providers per 10,000 births.
- Tier 4- A county that has less than 125+ OBGYN Providers per 10,000 births.

90 OBGYN providers per 10,000 births was determined for Tier 2 as that was the observed average for all counties that met the ***low-volume obstetric delivery areas and rural communities*** definition used by AHCCCS.

125 OBGYN providers per 10,000 births was determined for Tier 3 as that was the observed average for all Arizona counties

Proposed Methodology

Based on the criteria outlined in the previous slide, below are the county categorizations:

- Tier 1- Cochise, Gila, Graham, Greenlee, La Paz, and Santa Cruz (6 counties)
- Tier 2- Mohave, Pinal, Yuma (3 counties)
- Tier 3- Navajo, Yavapai (2 counties)
- Tier 4- Apache, Coconino (2 counties)

AHCCCS is proposing one payment factor to provide the highest reimbursement % starting in Tier 1 and lowest reimbursement % to Tier 4.

	Tier 1	Tier 2	Tier 3	Tier 4
County Tier Factor	1.0	0.5	0.35	0.2

AHCCCS is also proposing a payment factor of 1.0 for health centers that serve hospitals that are not Level IIIA Perinatal Care Center and 0.5 that serve a Level IIIA Perinatal Care Center Hospital.

Proposed Methodology

- An example of the proposed methodology with the tier factors is shown below.
 - The Total Payment Factor % = County Tier Factor * Hospital Served Factor
 - Maximum Unreimbursed Costs of On-Call OBGYN = Total Payment Factor % * Unreimbursed Costs of On-Call OBGYN
 - OBGYN Program Payment = Maximum Unreimbursed Costs of On-Call OBGYN * (Total OBGYN Payment Allocation / Maximum Unreimbursed Costs of On-Call OBGYN)
 - CHC #4 Example- $\$315,000 * (\$2,500,000 / \$4,300,000) = \$183,140$

<u>Community Health Center</u>	<u>Hospital Served</u>	<u>County Tier</u>	<u>County Tier Factor</u>	<u>Hospital Served is < Level III 3/</u>	<u>Hospital Served Factor 3/</u>	<u>Total Payment Factor %</u>	<u>Unreimbursed Costs of On Call OBGYN</u>	<u>Maximum Unreimbursed Costs of On Call OBGYN</u>	<u>OBGYN Program Payment (58.1%)</u>
CHC #1	Not a Level IIIA Perinatal Care Center	1	1	Y	1	100%	\$3,000,000	\$3,000,000	\$1,744,186
CHC #2	Not a Level IIIA Perinatal Care Center	1	1	Y	1	100%	\$750,000	\$750,000	\$436,047
CHC #3	Level IIIA Perinatal Care Center	2	0.5	N	0.5	25%	\$600,000	\$150,000	\$87,209
CHC #4	Not a Level IIIA Perinatal Care Center	3	0.35	Y	1	35%	\$900,000	\$315,000	\$183,140
CHC #5	Not a Level IIIA Perinatal Care Center	4	0.2	Y	1	20%	\$300,000	\$60,000	\$34,884
CHC #6	Level IIIA Perinatal Care Center	4	0.2	N	0.5	10%	\$250,000	\$25,000	\$14,535
							\$5,800,000	\$4,300,000	\$2,500,000

Reporting Template

AHCCCS has drafted a reporting template to be completed by all eligible entities each year to be eligible for the program.

In the reporting template, AHCCCS is requesting the following:

- Provider Details,
- Staffing Details,
- Visit Count Details,
- Cost Details

AHCCCS is requesting this information to ensure the entity qualifies for payment, reports unreimbursed costs, and provided information to meet the legislative requirements for reporting.

Reporting Template- Worksheet A

Worksheet A: Provider Information

WORKSHEET A

PROVIDER INFORMATION - COMMUNITY HEALTH CENTERS PROVIDING ON-CALL OBSTETRIC AND GYNECOLOGICAL (OBGYN) SERVICES 1/

Fiscal Period: July 1, 2022 - June 30, 2023

CHC Name: _____

#	AHCCCS Servicing Provider ID	Servicing Provider Name	Servicing Provider County	Name of Hospital or Birthing Center Served
Site 1				
Site 2				
Site 3				
Site 4				
Site 5				

1/ Please list the requested information for each health center that provided or contracted for on-call OBGYN services during the period.

Reporting Template- Worksheet B

Worksheet B: On-Call OBGYN Practitioners and On-Call Hours

WORKSHEET B
PRACTITIONERS RENDERING ON-CALL OBGYN SERVICES 1/

Fiscal Period: July 1, 2022 - June 30, 2023

CHC Name: _____

#	Practitioner Staff		Locums and Physicians Under Agreement		Total	
	Number of Practitioners	# of Hours On-Call	Number of Practitioners	# of Hours On-Call	Number of Practitioners	# of Hours On-Call
Site 1					-	-
Site 2					-	-
Site 3					-	-
Site 4					-	-
Site 5					-	-
Total	-	-	-	-	-	-

1/ Please include requested data for physicians and mid-level practitioners, including nurse widwives, that each health center arranged to deliver on-call OBGYN services during the period.

Reporting Template- Worksheet C

Worksheet C: Services Provided by Health Center

WORKSHEET C
ON-CALL OBGYN SERVICES DELIVERED

Fiscal Period: July 1, 2022 - June 30, 2023
CHC Name: _____

VISIT COUNTS 1/				
#	Delivery	Non-Delivery Emergency Procedure Visit 2/	Non-Delivery Other Visit	Total
Visits that Resulted in Some Level of Reimbursement 3/				
Site 1				-
Site 2				-
Site 3				-
Site 4				-
Site 5				-
Subtotal	-	-	-	-
Visits that Resulted in \$0 in Reimbursement 4/				
Site 1				-
Site 2				-
Site 3				-
Site 4				-
Site 5				-
Total	-	-	-	-
Total				
Site 1	-	-	-	-
Site 2	-	-	-	-
Site 3	-	-	-	-
Site 4	-	-	-	-
Site 5	-	-	-	-
Total	-	-	-	-

- Please count each unique instance of furnishing a patient with on-call OBGYN services under any of the service categories.
- Include non-delivery visits that were billed with codes 99281 - 99285 for on call antepartum or postpartum services.
- Include visits that resulted in any amount of reimbursement from any source, whether or not the reimbursement fully covered the cost of service.
- Include visits that did not result in any amount of reimbursement from any source.

Reporting Template- Worksheet D

Worksheet D: Costs Incurred by Health Center

Worksheet D

COSTS AND REIMBURSEMENT OF PROVIDING ON-CALL OBGYN SERVICES

Fiscal Period: July 1, 2022 - June 30, 2023

CHC Name: _____

1. COSTS INCURRED BY THE HEALTH CENTER

#	Practitioner Staff			Locums and Practitioners Under Agreement	Total
	Direct Care Cost 1/	General Service Cost 2/	Staff Cost	Contracted Costs	Costs
Site 1			\$ -		\$ -
Site 2			\$ -		\$ -
Site 3			\$ -		\$ -
Site 4			\$ -		\$ -
Site 5			\$ -		\$ -
Total	\$ -	\$ -	\$ -	\$ -	\$ -

Description of any methodology used for allocating a portion of direct care costs to on-call services. If necessary, please submit additional files with backup calculations. 1/:

Description of any methodology used for allocating a portion of general service costs to on-call services. If necessary, please submit additional files with backup calculations. 2/:

2. REIMBURSEMENT RECEIVED BY THE HEALTH CENTER FOR SERVICES DELIVERED ON CALL 3/

#	By Payer			Total
	AHCCCS	Other Insurance	Hospital or Other	
Site 1				\$ -
Site 2				\$ -
Site 3				\$ -
Site 4				\$ -
Site 5				\$ -
Total	\$ -	\$ -	\$ -	\$ -

3. UNREIMBURSED COST OF ON-CALL OBGYN SERVICES

#	Cost	Reimbursement	Unreimbursed Cost
Site 1	\$ -	\$ -	\$ -
Site 2	\$ -	\$ -	\$ -
Site 3	\$ -	\$ -	\$ -
Site 4	\$ -	\$ -	\$ -
Site 5	\$ -	\$ -	\$ -
Total	\$ -	\$ -	\$ -

Timeline

February 7th: Stakeholder Meeting

February 28th: Feedback/Comments from Stakeholders due to AHCCCS.

End of March: Finalization of Methodology and Reporting Template and sent to all CHCs

End of April: Reporting Templates due to AHCCCS to finalize Year 1 payments

End of May: Year 1 Payments made to CHCs.

Questions?

Thank You.