

December 27, 2018

Mark Wong
Division of Medicaid and Children's Health Operations
U.S. Department of Health & Human Services
Centers for Medicare & Medicaid Services
90 Seventh Street, Suite 5-300 (5W)
San Francisco, CA 94103-6707

RE: Arizona SPA #18-018, Nursing Facility DAP

Dear Mr. Wong:

Enclosed is State Plan Amendment (SPA) #18-018, Nursing Facility DAP, which revises the State Plan to update the Nursing Facility DAP program, effective October 1, 2018.

If you have any questions about the enclosed SPA, please contact Kyle Sawyer at (602) 417-4211.

Sincerely,

Elizabeth Lorenz Assistant Director

Arizona Health Care Cost Containment System (AHCCCS)

cc: Blake Holt, CMS Brian Zolynas, CMS

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL	1. TRANSMITTAL NUMBER: 18-018	2. STATE Arizona
	3. PROGRAM IDENTIFICATION: TI'	FI E VIV OF THE
FOR: Centers for Medicare and Medicaid Services	SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR	4. PROPOSED EFFECTIVE DATE	
CENTERS FOR MEDICARE AND MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES	October 1, 2018	
5. TYPE OF PLAN MATERIAL (Check One):		
☐ NEW STATE PLAN ☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN ☐ AMENDMENT		
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)		
6. FEDERAL STATUTE/REGULATION CITATION:	7. FEDERAL BUDGET IMPACT:	
42 CFR Part 447	FFY 19: \$348,400	
	FFY 20: \$349,400	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):	
Attachment 4.19-D, Page 9(b)	Attachment 4.19-D, Page 9(b)	
10. SUBJECT OF AMENDMENT:		
Updates the NF DAP program effective 10/1/18		
11. 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		
12. SIGNATURE OF STATE AGENCY OFFICIAL:	16. RETURN TO:	
1>>/	Elizabeth Lorenz	
0 10	801 E. Jefferson, MD#4200 Phoenix, Arizona 85034	
	Flicellix, Arizolla 83034	
,		
13. TYPED NAME:	-	
Elizabeth Lorenz		
14. TITLE:		
Assistant Director  15. DATE SUBMITTED:	-	
13. DATE SOBWITTED. 12/27/18		
FOR REGIONAL OFFICE USE ONLY		
17. DATE RECEIVED:	18. DATE APPROVED:	
PLAN APPROVED – ONE COPY ATTACHED		
19. EFFECTIVE DATE OF APPROVED MATERIAL:	20. SIGNATURE OF REGIONAL OFFICIAL:	
21. TYPED NAME:	22. TITLE:	
23. REMARKS:		

## STATE OF ARIZONA METHODS AND STANDARDS FOR ESTABLISHING FEE-FOR-SERVICE PAYMENT RATES FOR LONG TERM CARE FACILITIES

## F. <u>Nursing Facility Differential Adjusted Payment</u>

As of October 1, 20187 through September 30, 20198 (Contract Year Ending (CYE) 20198), nursing facilities that are located in Arizona with Arizona Medicaid utilization that meet AHCCCS established value based performance metrics requirements in subsection 1 below will receive a Differential Adjusted Payment described in subsection 2 below. The Differential Adjusted Payment Schedule represents a positive adjustment to the AHCCCS Fee-For-Service rates. These payment adjustments will occur for all dates of service in CYE 20198 only. The purpose of the Differential Adjusted Payment is to distinguish facilities which have committed to supporting designated actions that improve patients' care experience, improve members' health, and reduce cost of care growth.

- 1. To qualify for the Differential Adjusted Payment, a nursing facility must meet the following criteria:
- a) Must be an AHCCCS registered provider type 22; and
- b) i) Must meet or exceed the Arizona average for the percentage of long stay residents assessed and given, appropriately, the pneumococcal vaccine for the most recently published performance score as of April 30, 2017; and/orbe at or below the Arizona average percent of High-Risk Residents with Pressure Ulcers (Long Stay) based on the facility's performance results for long-stay, high-risk residents with Stage II-IV pressure ulcers reported in MDS 3.0 for this CMS Nursing Home Quality Measure metric as of April 30, 2018.
  - ii) Must meet or exceed the Arizona average for the percentage of long stay residents assessed and given, appropriately, the influenza vaccine for the most recently published performance score as of April 30, 2017
- c) AHCCCS shall use the nursing facility's performance results published on the Medicare-Nursing Home Compare Website (https://data.medicare.gov/Nursing-Home-Compare/Quality-Measures-Long-Stay/iqd3-nsf3) to determine the facilities that meet the performance standards described in subsection 1(b) and 1(c).
- 2. Nursing facilities that meet the requirements described in subsection 1 shall be eligible to receive a differential adjusted payment. Eligible nursing facilities will receive a 1% increase in payment to its fee-for-service reimbursement rate for October 1, 2017 through. September 30, 2018 for meeting either subsection 1(b)(i) or subsection 1(b)(ii). Eligible nursing facilities which meet both subsection 1(b)(i) and 1(b)(ii) will-receive a 2% increase to its fee-for-service reimbursement rate for October 1, 20187 through September 30, 20198

## Exemptions:

IHS and 638 tribally owned and/or operated facilities, including nursing facilities are exempt from this initiative based on payments primarily at the all-inclusive rate.

TN No. 17-01718-018
Supersedes Approval Date: Effective Date: October 1, 20187

TN No. <u>16-012-C17-017</u>