

September 30, 2020

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 #20-015, DSH Budget 2021

Dear Mr. Wong:

Enclosed is State Plan Amendment (SPA) #20-015, DSH Budget 2021, which updates the State Plan to reflect DSH funding for SPY 2021, effective October 1, 2020. Please utilize the following links for information regarding Tribal Consultation and public notice requirements:

Tribal Consultation:

- https://www.azahcccs.gov/AmericanIndians/Downloads/Consultations/Meetings/2020/08132020
 QuarterlyTribalConsultation.pdf
- https://www.azahcccs.gov/AmericanIndians/TribalConsultation/meetings.html

Public Notice:

https://www.azahcccs.gov/shared/Downloads/PublicNotices/DSHFY21NOPI.pdf

If you have any questions about the enclosed SPA, please contact Alex Demyan at (602) 417-4130.

Sincerely,

Dana Flannery Assistant Director Arizona Health Care Cost Containment System (AHCCCS)

cc:

Brian Zolynas, CMS Amy Upston

TRANSMITTAL AND NOTICE OF APPROVAL OF	1. TRANSMITTAL NUMBER:	2. STATE
STATE PLAN MATERIAL	20-015	Arizona
FOR: Centers for Medicare and Medicaid Services	3. PROGRAM IDENTIFICATION: TIT	
FOR. Centers for Medicare and Medicard Services	SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR	4. PROPOSED EFFECTIVE DATE	
CENTERS FOR MEDICARE AND MEDICAID SERVICES	October 1, 2020	
DEPARTMENT OF HEALTH AND HUMAN SERVICES	October 1, 2020	
5. TYPE OF PLAN MATERIAL (Check One):	<u> </u>	
J. I II L OI I LAIV MATERIAL (CHECK ONE).		
☐ NEW STATE PLAN ☐ AMENDMENT TO BE O	TO BE CONSIDERED AS NEW PLAN AMENDMENT	
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AME	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 2020: \$0	
	FFY 2021: \$100,239,057.82	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:	9. PAGE NUMBER OF THE SUPERSE	EDED PLAN SECTION
	OR ATTACHMENT (If Applicable):	
A		
Attachment 4.19-A	Attachment 4.19-A	
Page 65	Page 65	
10. SUBJECT OF AMENDMENT:		
10. SUBJECT OF AMENDMENT.		
Updates the State Plan to reflect DSH funding for SPY 2021.		
opasios ino cisito i isin to renest 2 or i isinsing isi or i 2021.		
11. GOVERNOR'S REVIEW (Check One):		
☐ GOVERNOR'S OFFICE REPORTED NO COMMENT	OTHER, AS SPECI	FIED:
COMMENTS OF GOVERNOR'S OFFICE ENCLOSED		
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL		
12. SIGNATURE OF STATE AGENCY OFFICIAL:	16. RETURN TO:	
12. SIGNATURE OF STATE AGENCT OFFICIAL.	10. RETURN TO.	
	Dana Flannery	
() Atc. /	801 E. Jefferson, MD#4200	
4 0 1 ×	Phoenix, Arizona 85034	
Alleanness of a		
13. TYPED NAME:		
Dana Flannery		
14. TITLE: Assistant Director		
15. DATE SUBMITTED:		
September 30, 2020		
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 OFF	ICIAL:
AL TWINED MANGE	22 MALEY E	
21. TYPED NAME:	22. TITLE:	
23. REMARKS:		

INSTRUCTIONS FOR COMPLETING FORM CMS-179

Use Form CMS-179 to transmit State plan material to the regional office for approval. A separate <u>typed</u> transmittal form should be completed for each plan/amendment submitted.

- **Block 1 -Transmittal Number** Enter the State Plan Amendment transmittal number. Assign consecutive numbers on a **calendar year** basis (e.g., 92-001, 92-002, etc.).
- Block 2 State -Type the name of the State submitting the plan material.
- Block 3 Program Identification Title XIX of the Social Security Act (Medicaid).
- Block 4 Proposed Effective Date Enter the proposed effective date of material.
- Block 5 Type of Plan Material Check the appropriate box.
- Block 6 Federal Statute/Regulation Citation Enter the appropriate statutory/regulatory citation.
- Block 7 Federal Budget Impact 7(a) Enter 1st Federal Fiscal Year (FFY) impacted by the SPA & estimated Federal share of the cost of the SPA (in thousands) for 1st FFY. 7(b) Enter 2nd FFY impacted by the SPA & estimated Federal share of the cost for 2nd FFY. See SMM section 13026.
- Block 8 Page No.(s) of Plan Section or Attachment Enter the page number(s) of plan material transmitted. If additional space is needed, use bond paper.
- Block 9 Page No.(s) of the Superseded Plan Section or Attachment (if Applicable) Enter the page number(s) (including the transmittal sheet number) that is being superseded. If additional space is needed, use bond paper.
- Block 10 Subject of Amendment Briefly describe plan material being transmitted.
- Block 11 Governor's Review Check the appropriate box. See SMM section 13026 B.
- Block 12 Signature of State Agency Official -Authorized State official signs this block.
- Block 13 -Typed Name -Type name of State official who signed block 12.
- Block 14 -Title -Type title of State official who signed block 12.
- Block 15 Date Submitted Enter the date you mail plan material to RO.
- Block 16 Return To -Type the name and address of State official to whom this form should be returned.
- Block 17-23 (FOR REGIONAL OFFICE USE ONLY).
- Block 17 Date Received Enter the date plan material is received in RO. See ROM section 6003.2.
- Block 18 Date Approved Enter the date RO approved the plan material.
- Block 19 Effective Date of Approved Material Enter the date the plan material becomes effective. If more than one effective date, list each provision and its effective date in Block 23 or attach a sheet.
- Block 20 Signature of Regional Official -Approving RO official signs this block.
- Block 21 -Typed Name -Type approving official's name.
- Block 22 -Title -Type approving official's title.
- **Block 23 Remarks** Use this block to reference pen and ink changes, a partial approval, more than one effective date, etc. If additional space is needed, use bond paper.

STATE OF ARIZONA METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES INPATIENT HOSPITAL CARE

DSH Exhibit 3: AHCCCS

Disproportionate Share Hospital Payment Methodology Pool Funding Amount

This Exhibit contains the amount of funding for six pools in the Arizona DSH pool methodology.

For State Plan Year (SPY) 2008 and 2009, funding will be allocated among six pools (pools 1, 1A, 2, 2A, 3, and 4). For SPY 2010, funding will be allocated among seven pools (pools 1, 1A, 2, 2A, 3, 4, and 5). Thereafter, the funding will be allocated among six pools (pools 1, 1A, 2, 2A, 4, and 5).

Pools 1, 1A, 2, 2A, and 3 - Non-governmentally-operated hospitals

The funding for pools 1 and 2 will be sufficient to provide an average payment amount of \$6,000 for all hospitals qualifying for both of the two pools. No hospital in pools 1 or 2 will receive less than \$5,000. Therefore, the amount of funding for pools 1 and 2 will be determined by multiplying the number of hospitals qualifying for pools 1 and 2 by \$6,000.

The funding for pools 1A, 2A and 3 (if applicable) will be derived by subtracting the total amount allocated for pools 1 and 2 from the amount of DSH authorized by the Legislature for non-governmentally operated hospitals. Beginning SPY 2011, these remaining funds will be split with 15% for Pool 1A and 85% for Pool 2A.

- For SPY 2018, the funding for pools 1, 2, 1A, and 2A will be \$884,800.
- For SPY 2019, the funding for pools 1, 2, 1A, and 2A will be \$884,800.
- For SPY 2020, the funding for pools 1, 2, 1A, and 2A will be \$884,800.
- For SPY 2021, the funding for pools 1, 2, 1A, and 2A will be \$884,800.

Pool 4 – Governmentally-operated hospitals

TN No. 19-008

The funding for pool 4 is the amount authorized by the Legislature for governmentally operated hospitals.

- For SPY 2018, the funding for pool 4 is \$142,293,400.
- For SPY 2019, the funding for pool 4 is \$142,293,400.
- For SPY 2020, the funding for pool 4 is \$142,293,400.
- For SPY 2021, the funding for pool 4 is \$142,293,400.

TN No. <u>20-015</u>	
Supersedes	Approval Date:
Effective Date: Oct. 1, 2020	