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State/Territory Name: AZ

State Plan Amendment (SPA) #: 24-0005

This file contains the following documents in the order

- listed:
- 1) Approval Letter
 - 2) CMS 179 Form/Summary Form (with 179-like data)
 - 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services
Center for Medicaid & CHIP Services
230 South Dearborn
Chicago, Illinois 60604



Financial Management Group

August 13, 2024

Carmen Heredia, Director
Arizona Health Care Cost Containment System
801 East Jefferson Street
Phoenix, AZ 85034

RE: TN AZ-24-0005

Dear Director Heredia:

The Centers for Medicare & Medicaid Services (CMS) has reviewed the proposed Arizona (AZ) State Plan Amendment (SPA) to Attachment 4.19-B AZ-24-0005, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on June 26, 2024. This plan amendment authorizes supplemental payments as described in the state's American Rescue Plan (ARP) 9817 spend plan.

We reviewed your SPA submission for compliance with statutory requirements including in sections 1902(a)(2), 1902(a)(13), 1902(a)(30), and 1903 as it relates to the identification of an adequate source for the non-federal share of expenditures under the plan, as required by 1902(a)(2), of the Social Security Act and the applicable implementing Federal regulations.

Based upon the information provided by the state, we have approved the amendment with an effective date of May 1, 2024. We are enclosing the approved CMS-179 and a copy of the new state plan pages.

If you have any additional questions or need further assistance, please contact Blake Holt at 303-844-6218 or via email at blake.holt@cms.hhs.gov.

Sincerely,

Todd McMillion

Todd McMillion
Director
Division of Reimbursement Review

Enclosures

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER 24 — 0005	2. STATE AZ
3. PROGRAM IDENTIFICATION: TITLE 19 OF THE SOCIAL SECURITY ACT	

TO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
May 1, 2024

5. FEDERAL STATUTE/REGULATION CITATION
Title XIX of the Social Security Act

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY: **2024** \$ **33,340,000**
b. FFY: **2025** \$ **0**

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Supplement 3 to Attachment 4.19-B, page 1

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)

N/A, NEW PAGE

9. SUBJECT OF AMENDMENT
This SPA updates the State Plan to allow the state to issue an American Rescue Plan (ARP) supplemental payment to select providers.

10. 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

OTHER, AS SPECIFIED:

11. SIGNATURE OF STATE AGENCY OFFICIAL



15. RETURN TO
Kyle Sawyer
801 E. Jefferson St., MD #4200
Phoenix, AZ 85034

12. TYPED NAME
Kyle Sawyer

13. TITLE
Assistant Director, Public Policy and Strategic Planning

14. DATE SUBMITTED: June 26, 2024


FOR CMS USE ONLY

16. DATE RECEIVED
June 26, 2024

17. DATE APPROVED
August 13, 2024

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL
May 1, 2024

19. SIGNATURE OF APPROVING OFFICIAL


20. TYPED NAME OF APPROVING OFFICIAL
Todd McMillion

21. TITLE OF APPROVING OFFICIAL
Director, Division of Reimbursement Review

22. REMARKS

STATE OF ARIZONA
METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES
OTHER TYPES OF CARE

Supplemental Payment for Providers Who Provide Qualifying American Rescue Plan (ARP) Services

The Administration shall make a lump sum payment to registered network providers who provide qualifying American Rescue Plan (ARP) services with Arizona Fee for Service (FFS) Medicaid utilization for service periods during the PHE, and will use October 1, 2022 - March 31, 2023, as proxy utilization data for the lump sum payment. **This payment is intended to supplement services provided from May 1, 2024 - December 31, 2024.** Registered network providers that qualify for these increases are outlined in the following link:

<https://www.azahcccs.gov/AHCCCS/Initiatives/ARPA/providerPayment.html>

The purpose of the lump sum payment is to compensate providers for the costs of covered services furnished to Arizona Medicaid beneficiaries to improve the member's experience of care. Each registered network provider's lump sum payment shall be determined as follows:

1. Determine each provider's actual paid amounts for Medicaid state plan FFS utilization of qualifying services from October 1, 2022, to March 31, 2023.
2. Multiply the actual amounts paid for utilization determined in item 1 by two.
3. The uniform percentage increase for providers will be 15.27%.
4. The Administration will multiply the appropriate uniform percentage increase listed in item three by the total utilization determined in item two to calculate the lump sum payment for each provider.

AHCCCS will not make any payments to providers that have a total lump sum payment of less than \$1,000. Supplemental Payments will be made by May 30, 2024.