

AHCCCS Value Based Purchasing (VBP) Differential Adjusted Payments

AHCCCS is seeking comments on the proposal to do the following:

For the contracting year October 1, 2016 through September 30, 2017 (Contract Year Ending (CYE) 2017), AHCCCS-registered Arizona¹ hospitals and nursing facilities which meet Agency established value based performance metrics requirements will receive a VBP Differential Adjusted Payment. The VBP 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 2017 only. For hospitals, both inpatient and outpatient services will receive the VBP Differential Adjusted Payment. The purpose of the VBP 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.

The VBP Differential **hospital** (Provider Type 02) performance metric is:

- **Participation in the Network, the state's health information exchange (HIE), by June 1, 2016 and achievement of Meaningful Use Stage 2 for Program Year 2015** qualifies the hospital for a 0.5% VBP Differential Adjusted Payment increase.
 - "Participation in the Network" is defined as: an executed agreement with the Network and submission of data to the Network including admission, discharge, and transfer information inclusive of emergency department services.
 - "Achievement of Meaningful Use Stage 2 for Program Year 2015" is defined as: CMS approval of an attestation by the hospital of Meaningful Use Stage 2 (as described in 42 CFR 495.20) for the period of January 4, 2016 – February 29, 2016; or, for a Children's hospital that does not participate in Medicare, AHCCCS approval of an attestation by the hospital of Meaningful Use Stage 2 (as described in 42 CFR 495.20) for the period of January 4, 2016 – April 30, 2016.

Hospitals must meet both variables, i.e. participation in the Network (HIE) by June 1, 2016 and achievement of Meaningful Use Stage 2 for Program Year 2015 to qualify for the 0.5% VBP Differential Adjusted Payment increase.

The VBP Differential **nursing facility** (Provider Type 22) performance metric is:

- **Percent of long-stay residents assessed and given, appropriately, the pneumococcal vaccine** based on the facility's performance results on [Medicare Nursing Home Compare](#) for this Quality Measure. Facility results will be compared to the accompanying Arizona Average results for the measure, for the most recently published rate as of June 1, 2016. Nursing Facilities that meet or exceed the [Medicare Nursing Home Compare](#) Arizona Average for the pneumococcal vaccine measure qualify for a 1% VBP Differential Adjusted Payment increase.

¹ High volume out-of-state hospitals as defined at AAC R9-22-712.64(C) with AHCCCS payments exceeding \$5 million in CYE 2014 are included with Arizona hospitals; IHS and 638 tribally owned and/or operated facilities (hospitals and nursing facilities) are exempt from this initiative based on payments primarily at the federally-mandated all-inclusive rate.

The following is the anticipated timeline regarding VBP Differential Adjusted Payments:

| Activity | Date |
|--|--|
| Post Public Notice (this document) | December 3, 2015 |
| Public Notice Public Comments Due | January 4, 2016 |
| Tribal Consultation | November 23, 2015 March 2016 |
| Post Notice of Proposed Rulemaking (NPRM) | March 14, 2016 |
| NPRM Public Comments Due | April 13, 2016 |
| Submit State Plan Amendment to CMS | May 1, 2016 |
| Implement VBP Differential Adjusted Payments | October 1, 2016 – September 30, 2017 Dates of Service |

Note: Dates are subject to change

See the tables attached for illustrations of VBP Differential Adjusted Payments impacts by hospital and nursing facility. Federal Fiscal Year 2015 payments by hospital and by nursing facility are estimated payments by AHCCCS Fee-For-Service and contracted Managed Care Organizations (MCOs), derived by extracting paid claims and adjudicated encounters for the period of October 1, 2014 through March 31, 2015, current in the AHCCCS system as of October 30, 2015, and doubling the results.

AHCCCS anticipates that the criteria for VBP Differential Adjusted Payments for hospitals and nursing facilities could change for CYE 2018 and may differ for inpatient and outpatient services. AHCCCS also expects to expand VBP Differential Adjusted Payments to other provider types for CYE 2018. VBP Differential Adjusted Payments noted above may change based on budgetary guidelines.

Written comments may be submitted to the following email address and must be received no later than 5:00 p.m. on January 4, 2016: FFSRates@azahcccs.gov.