

AHCCCS Provider Rate Reduction

August 30, 2011

Dear Phoenix Health Plan (PHP) Providers:

Laws 2011, Chapter 31, gives AHCCCS the authority to reduce rates for all providers up to 5%. Effective October 1, 2011, AHCCCS will implement a 5% rate reduction to **all providers' reimbursement**, including all payment ratios utilized for provider reimbursement (e.g., all Cost-to-Charge Ratios (CCRs), By Report Percentages (BR) etc.). The only exceptions are for:

- Drugs administered in a physician's office
- Hospice rates – AHCCCS matches Medicare rates as required by Federal law
- Payments for services provided by the Indian Health Service or Tribal 638 facilities claimed at 100% FMAP

This means that providers whose contracts with Phoenix Health Plan (PHP) are indexed to AHCCCS Fee Schedules will automatically have their rates adjusted by PHP in accordance with this AHCCCS rate reduction for dates of service and after October 1, 2011.

In addition, the plan's defined rates for J-codes will be indexed to the AHCCCS fee schedule effective October 1, 2011.

For more information regarding the AHCCCS rate reductions please go the link below:

<http://www.azahcccs.gov/shared/news.aspx#FFS>

PHP is proud to continue to partner with our network providers in our mutual commitment to serve our AHCCCS Medicaid members during these difficult financial times.

If you have any questions about the AHCCCS rate reduction or the changes to the J code reimbursement, please contact your assigned Provider Relations Representative directly or at the department number below.

THANK YOU

Network Management
Ph. 602.824.3720 or 800.747.7997
Fax 602.674-6670
7878 N. 16th St. #105
Phoenix, AZ 85020

Visit our website at www.phoenixhealthplan.com
