

AHCCCS Provider Rate Reduction

February 25, 2011

Dear Phoenix Health Plan (PHP) Providers:

As a result of the 2010-2011 Arizona State Budget deficits, effective April 1, 2011, AHCCCS will implement a 5% rate reduction to various AHCCCS Fee Schedules. This means that providers whose contracts with Phoenix Health Plan (PHP) are indexed to these AHCCCS Fee Schedules will automatically have their rates adjusted by PHP in accordance with this AHCCCS rate reduction.

In addition, the plan's defined rates for by report codes will be indexed to the AHCCCS fee schedule for those codes effective April 1, 2011.

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

http://www.azahcccs.gov/reporting/Downloads/Legislation/2010seventh/ProvRate_FactSheet.pdf

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 for all involved in delivering health care services in Arizona.

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

THANK YOU

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