

AHCCCS 5% Rate Reduction & PHP Claims Payment

October 19, 2011

Dear Phoenix Health Plan (PHP) Providers:

As many of you are aware the Centers for Medicare and Medicaid Services (CMS) has requested additional information from AHCCCS related to the 5% provider rate reductions. As such, approval of the rate reduction has been delayed. AHCCCS anticipates CMS approval of this request shortly. AHCCCS has posted the October 1, 2011 Fee-For-Service (FFS) Fee Schedules on their website.

AHCCCS is holding FFS claims payments for dates of service/dates of admission on and after October 1, 2011, until such time as CMS rules on the AHCCCS request for a rate reduction. PHP was also holding claims payments until approval was obtained by CMS. However, PHP has heard from our providers and is equally concerned with the possible financial impact this may have on our providers. As a result PHP will begin releasing claims for payment early next week at the reduced fee schedule as it is anticipated that CMS approval will be retroactive to October 1, 2011.

If CMS does not approve the reduction in rates retro to October 1, 2011, PHP will reprocess the claims accordingly.

If you have any questions, please contact your Provider Relations Representative directly or at the department number shown below.