

October 3, 2011

DELAY OF AHCCCS 5% Rate Reduction

Dear Care1st Providers and Office Staff:

The Center for Medicare and Medicaid Services (CMS) has requested additional information from AHCCCS related to the 10/1/11 5% provider rate reductions. As such, approval of the rate reduction State Plan Amendments (SPAs) will be delayed. AHCCCS anticipates CMS approval of the SPAs shortly after October 1, 2011, but will still post the October 1, 2011 Fee-For-Service (FFS) Fee Schedules as planned. However, AHCCCS will delay FFS claims payments (excluding the inpatient and outpatient AIR (All Inclusive Rate) payments to IHS and 638 facilities) for dates of service/dates of admission on and after October 1, 2011, until such time as the SPAs are approved. CMS approval will be retroactive to October 1, 2011.

Care1st will follow the actions taken by AHCCCS and hold Acute and DDD claims for dates of service/dates of admission October 1, 2011 and after (*this includes dental claims paid by Bridgeport as well*). We are being told the delay will be short; we will keep you informed as soon as we learn more and we apologize for the inconvenience that this will cause.

You may also continue to check our website under News & Events at www.care1st.com/az and/or contact the Provider Network Operations team at the numbers listed below for updates.