



NOTICES OF PROPOSED RULEMAKING

This section of the Arizona Administrative Register contains Notices of Proposed Rulemaking.

A proposed rulemaking is filed by an agency upon completion and submittal of a Notice of Rulemaking Docket Opening. Often these two documents are filed at the same time and published in the same Register issue.

When an agency files a Notice of Proposed Rulemaking under the Administrative Procedure Act (APA) the notice is published in the Register. The notice is published within three weeks of filing. See the publication schedule in the back of each issue of the Register for more information.

Under the APA, an agency must allow at least 30 days to elapse after the publication of the Notice of Proposed Rulemaking in the Register before beginning any proceedings for making, amending, or repealing any rule. (A.R.S. §§ 41-1013 and 41-1022)

The Office of the Secretary of State is the filing office and publisher of these rules. Questions about the interpretation of the proposed rules should be addressed to the agency that promulgated them. Refer to item #4 to contact the person charged with the rulemaking and item #10 for the close of record and information related to public hearings and oral comments.

NOTICE OF PROPOSED RULEMAKING

TITLE 9. HEALTH SERVICES

CHAPTER 28. ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM (AHCCCS)

ARIZONA LONG-TERM CARE SYSTEM

PREAMBLE

[R15-15]

- 1. Article, Part, or Section Affected (as applicable) Rulemaking Action
2. Citations to the agency's statutory rulemaking authority to include the authorizing statute (general) and the implementing statute (specific):
3. Citations to all related notices published in the Register as specified in R1-1-409(A) that pertain to the record of the proposed rule:
4. The agency's contact person who can answer questions about the rulemaking:
5. An agency's justification and reason why a rule should be made, amended, repealed or renumbered, to include an explanation about the rulemaking:

This rulemaking is required as a result of the May 2014 Ninth Circuit Court of Appeals Decision in Alvarez et al v Betlach. Litigation challenging AHCCCS coverage of incontinence briefs for members in the ALTCS Program was filed in federal court in 2009 by the Arizona Center for Disability Law. The lawsuit sought to compel AHCCCS to provide incontinence briefs and supplies to members in the Arizona Long Term Care Program who were age 21 years and older and who were incontinent as a result of their disabilities in order to prevent skin breakdown.



poses. The Ninth Circuit Court of Appeals determined that AHCCCS is required to provide coverage of incontinence briefs prescribed for members in the Arizona Long Term Care Program who are 21 years of age and older when medically necessary to prevent skin breakdown and infection.

Although the AHCCCS Administration filed a Petition of Certiorari with the United States Supreme Court, the Court denied the Petition. As a result, AHCCCS must comply with the Ninth Circuit Court of Appeals Decision which expands coverage of incontinence briefs to include preventive purposes for ALTCS members age 21 years and older.

6. A reference to any study relevant to the rule that the agency reviewed and proposes either to rely on or not to rely on in its evaluation of or justification for the rule, where the public may obtain or review each study, all data underlying each study, and any analysis of each study and other supporting material:

A study was not referenced or relied upon when revising these regulations.

7. A showing of good cause why the rulemaking is necessary to promote a statewide interest if the rulemaking will diminish a previous grant of authority of a political subdivision of this state:

Not applicable

8. The preliminary summary of the economic, small business, and consumer impact:

The Administration anticipates a moderate economic impact on the implementing agency, contractors, small businesses and consumers after consideration of national data of incontinence, based on age and gender, which was applied to the ALTCS population. The AHCCCS Administration estimates utilization of incontinence briefs by members in the Arizona Long Term Care Program who are age 21 years and older and who receive services in a home and community based setting (HCBS) to be approximately 25.3%. Accordingly, it is estimated that approximately 8,158 members in the ALTCS Program who are 21 years of age and over and who receive HCBS services may require incontinence briefs for preventive purposes at an estimated annual cost to the AHCCCS Administration and Contractors of \$12,148,927.

Minimal = under \$1M

Moderate = \$1M to \$10M

High = \$10M and above

9. The agency's contact person who can answer questions about the economic, small business and consumer impact statement:

Name: Mariaelena Ugarte
 Address: AHCCCS
 Office of Administrative Legal Services
 701 E. Jefferson, Mail Drop 6200
 Phoenix, AZ 85034
 Telephone: (602) 417-4693
 Fax: (602) 253-9115
 E-mail: AHCCCSRules@azahcccs.gov
 Web site: www.azahcccs.gov

10. The time, place, and nature of the proceedings to make, amend, repeal, or renumber the rule, or if no proceeding is scheduled, where, when, and how persons may request an oral proceeding on the proposed rule:

Proposed rule language will be available on the AHCCCS website www.azahcccs.gov the week of March 16, 2015. Please send written or email comments to the above address by the close of the comment period, 5:00 p.m., May 4, 2015.

Date: May 4, 2015
 Time: 10:00 a.m.
 Location: AHCCCS
 701 E. Jefferson
 Phoenix, AZ 85034
 Nature: Public Hearing

Date: May 4, 2015
 Time: 10:00 a.m.
 Location: ALTCS: Arizona Long-Term Care System
 1010 N. Finance Center Dr., Suite 201
 Tucson, AZ 85710
 Nature: Public Hearing

Date: May 4, 2015
 Time: 10:00 a.m.



Location: 2717 N. 4th St., Suite 130
Flagstaff, AZ 86004
Nature: Public Hearing

11. All agencies shall list other matters prescribed by statute applicable to the specific agency or to any specific rule or class of rules. Additionally, an agency subject to Council review under A.R.S. §§ 41-1052 and 41-1055 shall respond to the following questions:

No other matters have been prescribed.

a. Whether the rule requires a permit, whether a general permit is used and if not, the reasons why a general permit is not used:

Not applicable

b. Whether a federal law is applicable to the subject of the rule, whether the rule is more stringent than federal law and if so, citation to the statutory authority to exceed the requirements of federal law:

Not applicable

c. Whether a person submitted an analysis to the agency that compares the rule's impact of the competitiveness of business in this state to the impact on business in other states:

No analysis was submitted.

12. A list of any incorporated by reference material as specified in A.R.S. § 41-1028 and its location in the rules:

None

13. The full text of the rules follows:

TITLE 9. HEALTH SERVICES

CHAPTER 28. ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM

ARIZONA LONG-TERM CARE SYSTEM

ARTICLE 2. COVERED SERVICES

Section

R9-28-202. ~~Medical~~ Scope of Services

R9-28-206. ALTCS Services that may be Provided to a Member Residing in either an Institutional or HCBS Setting

ARTICLE 2. COVERED SERVICES

R9-28-202. ~~Medical~~ Scope of Services

A. The Administration or a contractor shall cover medical services specified in 9 A.A.C. 22, Article 2 for a member, subject to the limitations and exclusions specified in Article 2, unless otherwise specified in this Chapter.

B. In addition, for members living in an HCBS setting, incontinence briefs for a member 21 years of age and older, including pull-ups, are covered in order to:

1. Treat a medical condition.

2. Prevent skin breakdown when all the following are met:

a. The member is incontinent due to a documented medical condition that causes incontinence of bowel and/or bladder.

b. The PCP or attending physician has issued a prescription ordering the incontinence briefs.

c. Incontinence briefs do not exceed 180 briefs per month unless the prescribing physician presents evidence of medical necessity for more than 180 briefs per month.

d. The member obtains incontinence briefs from vendors within the Contractor's network, and

e. Prior authorization has been obtained if required by the Administration, Contractor, or Contractor's designee, as appropriate. Contractors shall not require prior authorization more frequently than every twelve months.

C. Incontinence brief coverage for a member under age 21 is described under R9-22-212.

R9-28-206. ALTCS Services that may be Provided to a Member Residing in either an Institutional or HCBS Setting

The Administration shall cover the following services if the services are provided to a member within the limitations listed:

1. Occupational and physical therapies, speech and audiology services, and respiratory therapy:

a. The duration, scope, and frequency of each therapeutic modality or service is prescribed by the member's primary care provider or attending physician;

b. The therapy or service is authorized by the member's contractor or the Administration; and

c. The therapy or service is included in the members case management plan;

d. AHCCCS will not cover more than 15 outpatient physical therapy visits for the contract year with the exception of the required Medicare coinsurance and deductible payment as described in 9 A.A.C. 29, Article 3.



2. Medical supplies, durable medical equipment, and customized durable medical equipment, which conform with the requirements and limitations of 9 A.A.C. 22, Article 2 and as described under R9-28-202 for persons in HCBS settings;
3. Ventilator dependent services:
 - a. Inpatient or institutional services are limited to services provided in a general hospital, special hospital, NF, or ICF-MR. Services provided in a general or special hospital are included in the hospital's unit tier rate under 9 A.A.C. 22, Article 7;
 - b. A ventilator dependent member may receive the array of home and community based services under R9-28-205 as appropriate.
4. Hospice services:
 - a. Hospice services are covered only for a member who is in the final stages of a terminal illness and has a prognosis of death within six months;
 - b. Covered hospice services for a member are those allowable under 42 CFR 418.202, December 20, 1994, incorporated by reference and on file with the Administration and the Office of the Secretary of State. This incorporation by reference contains no future editions or amendments; and
 - c. Covered hospice services do not include:
 - i. Medical services provided that are not related to the terminal illness, or
 - ii. Home delivered meals.
 - d. Medicare is the primary payor of hospice services for a member if applicable.