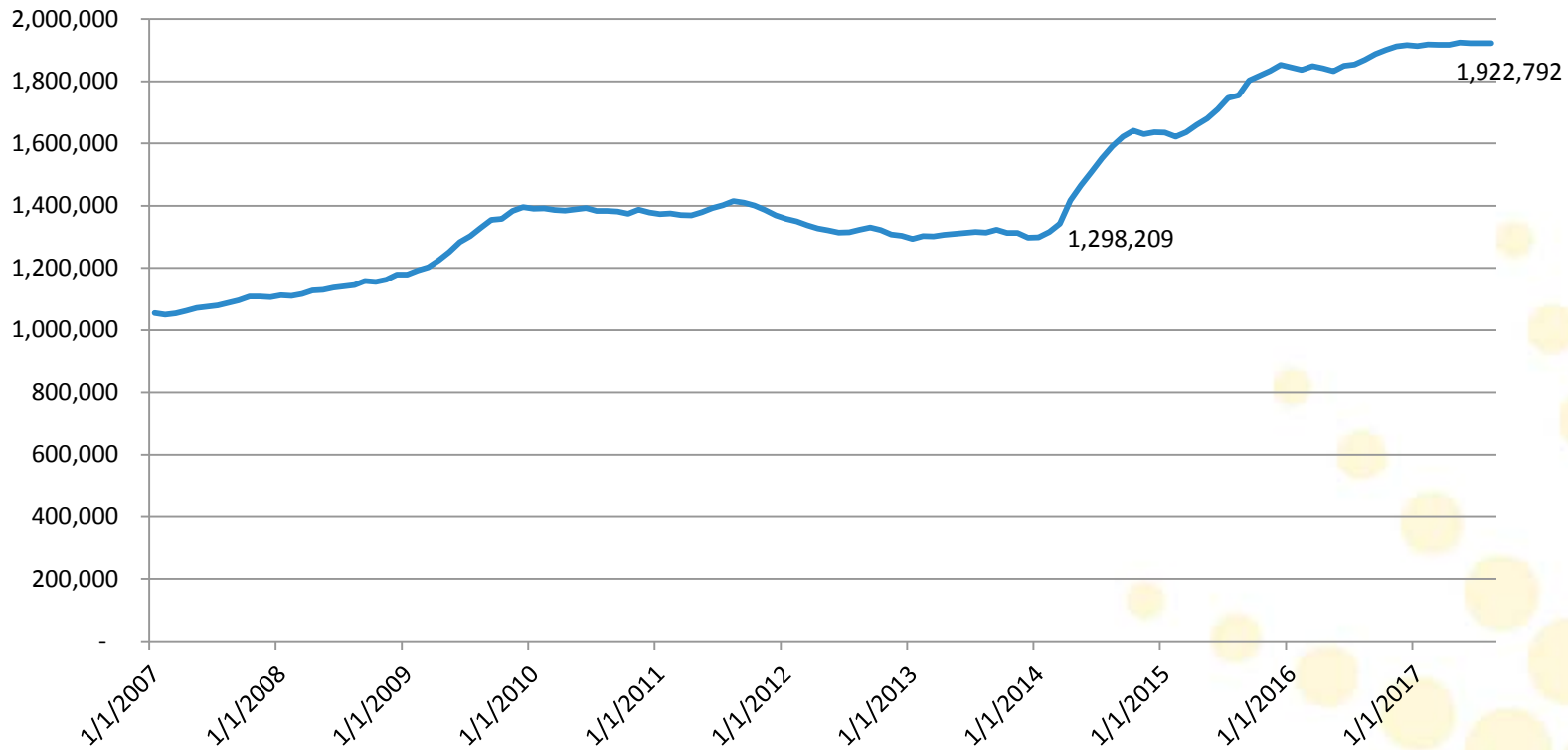


# Enrollment Update and Hospital Assessment Overview

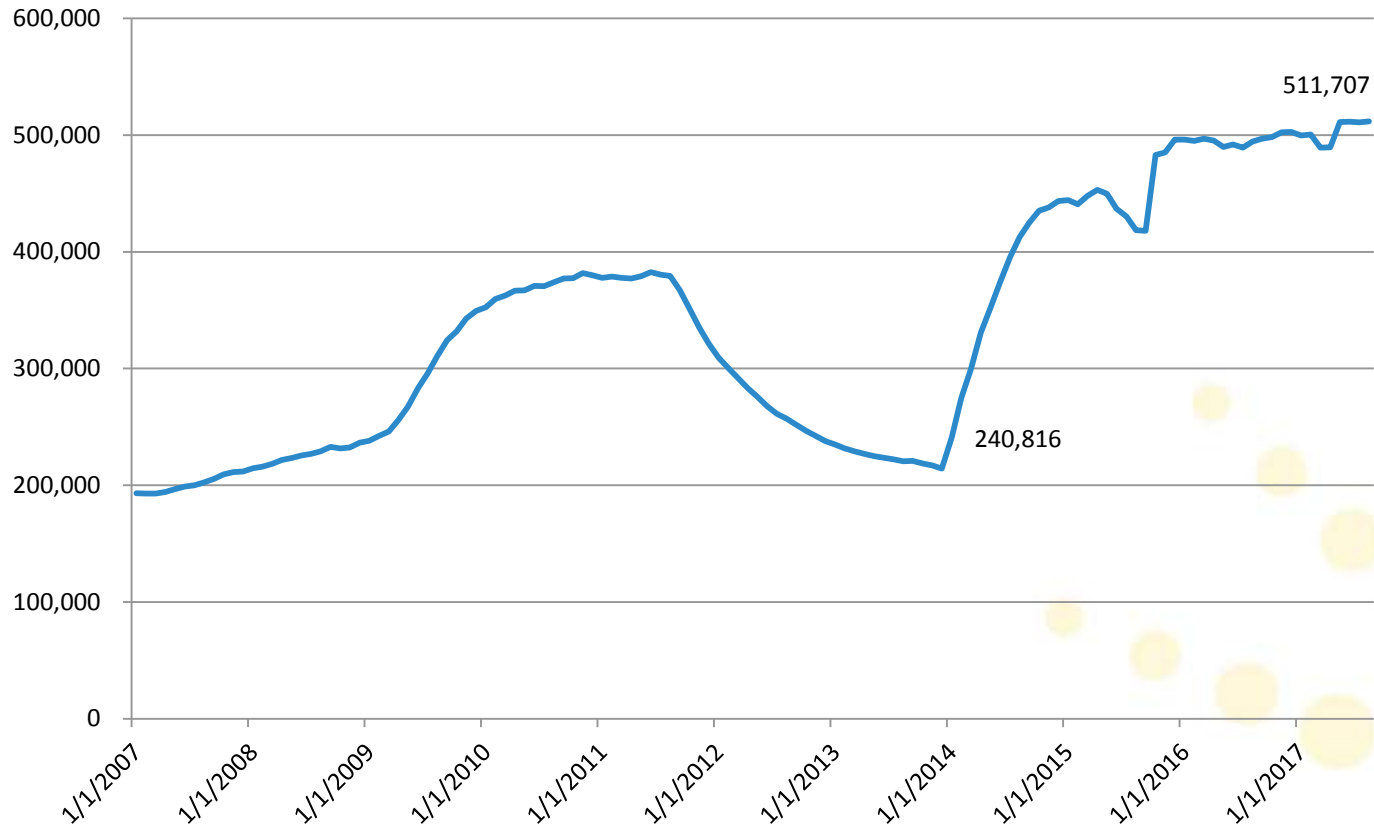
September 15, 2017



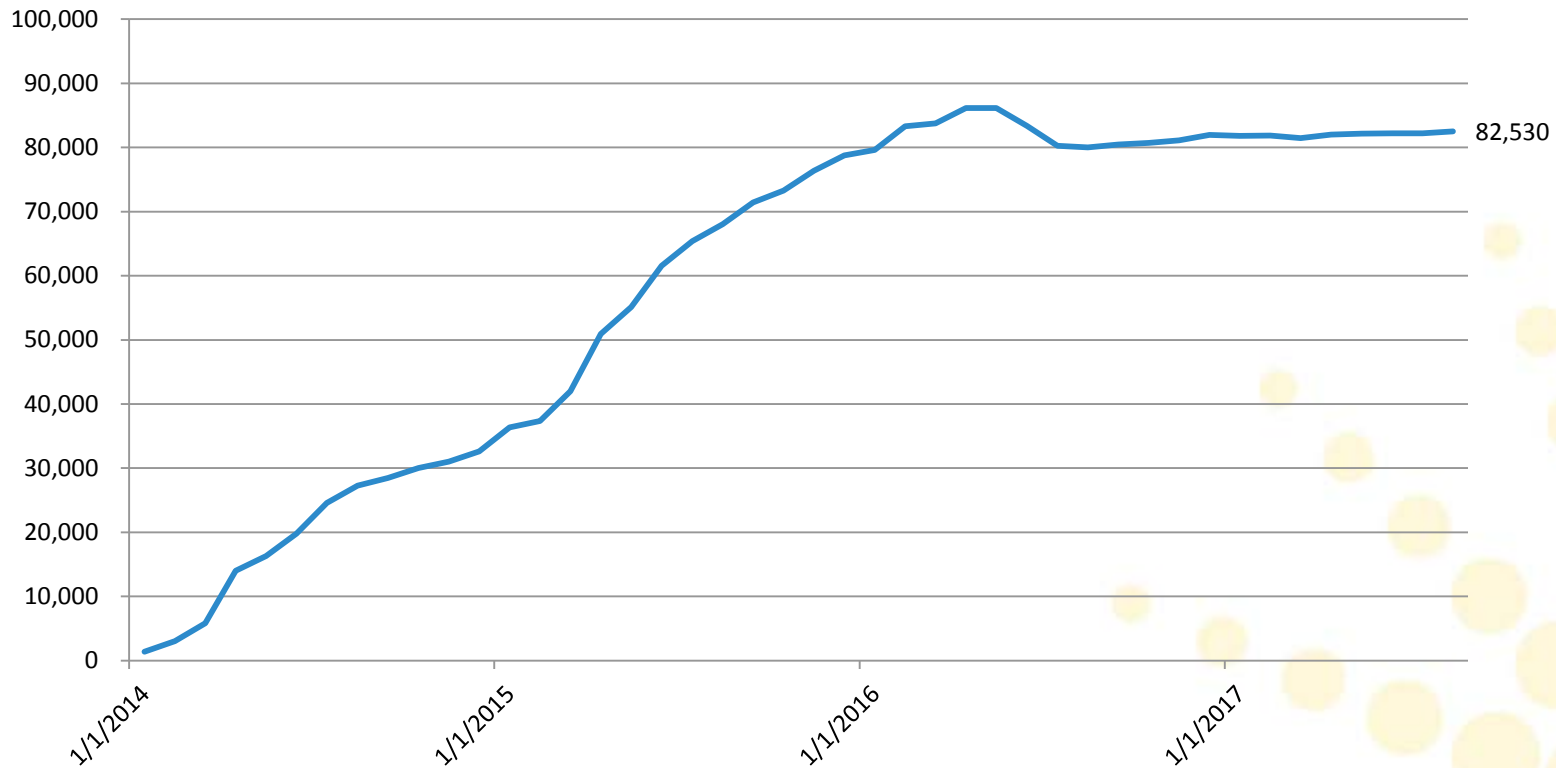
# Total AHCCCS Enrollment



# Proposition 204 Enrollment



# New Adult Expansion Enrollment



# Hospital Assessment Establishment

- Included in State Fiscal Year 2014 budget as a way to continue to provide coverage for the Proposition 204 population and expand Medicaid to 133% FPL for adults
  - Enrollment of the childless adult population was frozen during the recession and declined from approximately 225 K to less than 70 K
  - Since then, the childless adult population has grown to around 320 K and the adult expansion population is about 80 K
- Provides the state share of Proposition 204, which is not paid for by the tobacco settlement and tobacco taxes, and Medicaid expansion

# Assessment Requirements - 42 CFR § 443.72

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- A state may receive, without reduction in FFP, healthcare-related assessment amounts if all of the following conditions are met:
  - The assessment is broad based
  - The assessment is uniformly imposed throughout a jurisdiction
  - The assessment program does not violate the hold harmless provisions
- If these conditions are not met, a state may request a waiver from CMS

# Federal Waivers

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For CMS to approve a waiver, the state must demonstrate that its assessment program meets all of the following requirements:

- The net impact of the assessment and any payments made to the providers by the state under the Medicaid program is generally redistributive
- The amount of the assessment is not directly correlated to Medicaid payments
- The assessment program does not fall within the hold harmless provisions

# Federal Waivers (Continued)

**Uniformity Waiver (B1/B2 Test)** - If a state requires a waiver of the uniform tax requirement, whether or not the assessment is broad-based, it must demonstrate compliance with a different redistributive test that measures, for each provider, the relationship between the assessment burden and each provider's "Medicaid Statistic".



# Assessment History

- 1/1/14 - \$75 million (6 months, phase-in of Restoration population)
  - Amount based on number of discharges on 2011 MCR or more current information if 2011 MCR not available
  - Most acute care facilities assessed same amount per discharge
  - LTAC and large psychiatric hospitals (those with over 2,500 annual discharges) are assessed ¼ rate of acute care facilities
  - Pediatric Intensive hospitals assessed 80% of acute care facilities
  - Medium Pediatric Intensive hospitals assessed 90% of acute care facilities
  - Children's hospitals, small psychiatric providers, rehabilitation providers, short term specialty hospitals, and high Medicare/out-of-state patient utilization hospitals exempt from assessment
  - Assessment unit threshold included to meet federal requirements

# Assessment History (continued)

- 7/1/14 - \$270 million, no methodology change
- 7/1/15 - \$250 million, no methodology change
- 7/1/16 - \$265 million, no methodology change
- 7/1/17 - \$290 million, no methodology change
- 7/1/18 - Rebase

Amounts are impacted, in part, by changes in FMAP. Under current law, the match for the childless adult population and adult expansion population will be 93% on 1/1/19 and 90% on 1/1/20 and thereafter.

# Rebase Guiding Principles

- Continue to calculate the assessment based on hospital discharges as reported on Medicare Cost Reports
- Develop the quantitative details of the assessment through a thoughtful and transparent process that involves robust stakeholder participation and engagement
  - Feedback may be provided at workgroup meetings or by submitting comments to [HospitalAssessmentProject@azahcccs.gov](mailto:HospitalAssessmentProject@azahcccs.gov)
- Goal: Ensure that no hospital system will be negatively impacted

# Timeline

- July – Sept 2017 Analysis
- 9/15/17 First workgroup meeting
- Sept/Oct Analysis based on feedback
- 11/7/17 Second workgroup meeting
- Jan-Mar 2018 Analysis/address workgroup feedback
- Feb/Mar 2018 Third workgroup if necessary
- By 5/1/18 Submit assessment waiver to CMS
- May 2018 Post proposed Rule
- June/July 2018 Post final Rule
- 7/15/18 Invoices available for 8/15/18 payment
- 8/15/18 First SFY 19 payment due

# Questions?

