

CMS Approves Arizona's 1115 Waiver

OVERVIEW

Since its inception, AHCCCS has operated its managed care program under a Section 1115 Research and Demonstration Waiver (Waiver), which must be negotiated with the Centers for Medicare and Medicaid Services (CMS). On September 30, 2016, CMS approved the new Waiver for a 5-year period from October 1, 2016 to September 30, 2021. The Waiver allows AHCCCS to continue many of the existing waiver authorities to maintain current efficiencies and flexibilities and includes new authorities designed to modernize Medicaid.

EXTENSION OF PREVIOUS AUTHORITIES AND TECHNICAL AMENDMENTS

The Waiver exempts Arizona from certain provisions of the Social Security Act, which allows Arizona to run its unique and successful managed care model. It also includes expenditure authority for costs not otherwise matched by the federal government, so long as these services do not cost more than they would have otherwise cost without a waiver. Specifically, the Waiver permits Arizona to continue to administer:

- Mandatory managed care
- Home and community-based services for people in the long term care program (ALTCS)
- Administrative simplifications that reduce the inefficiencies in eligibility
- Integrated health plans for persons with serious mental illness and children with special health care needs
- Safety Net Care Pool payments to Phoenix Children's Hospital through 2017
- Payments to Indian Health Services and Tribal 638 facilities for emergency dental services

The Waiver was also updated to reflect the merger between the Division of Behavioral Health Services and AHCCCS and shift authority of the Disproportionate Share Hospital (DSH) Funding from the Waiver to the State Plan, effective October 1, 2018. AHCCCS will work closely with its federal partners to ensure all existing DSH authority is included in the State Plan.

As part of moving into compliance with changes in federal regulation, on October 1, 2017, Arizona will allow up to 90 days post-enrollment for a member to disenroll from their health plan without cause.

Effective immediately, Arizona discontinued its authority to charge premiums to parents of ALTCS children with a disability when the parents' annual adjusted gross income exceeds 400% FPL.

NEW AUTHORITIES: AHCCCS CARE & ALTCS DENTAL

Arizona received CMS approval of the AHCCCS CARE (Choice Accountability, Responsibility, Engagement) program (for more, see the AHCCCS CARE Fact Sheet). AHCCCS CARE is designed to engage the adult population to:

- Promote personal responsibility
- Provide tools for managing one's own health
- Prepare adults to transition out of Medicaid and into private coverage.

Arizona also received approval to add a new \$1000 per year/per member dental benefit for ALTCS members.

OUTSTANDING ISSUES

Arizona continues to work with CMS on the American Indian Medical Home proposal, coverage of traditional healing services, and Arizona's Delivery System Reform Incentive Payment model. Updates will be provided as more information is received.