

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-25-26
Baltimore, Maryland 21244-1850



State Demonstrations Group

October 6, 2022

Jami Snyder
Director
Arizona Health Care Cost Containment System
801 Jefferson Street
Phoenix, Arizona 85034

Dear Ms. Snyder:

The Centers for Medicare & Medicaid Services (CMS) completed its review of the Interim Evaluation Report, which is required by the Special Terms and Conditions (STCs), specifically STC #62 “Interim Evaluation Report” of Arizona’s section 1115 demonstration, “Arizona Health Care Cost Containment System” (Project No: 11-W-00275/09). CMS determined that the report, submitted on December 28, 2020 and revised on May 10, 2022 is in alignment with the approved Evaluation Design and the requirements set forth in the STCs, and therefore, approves the state’s Interim Evaluation Report.

In accordance with STC #67 “Public Access,” the approved Interim Evaluation Report may now be posted to the state’s Medicaid website within thirty days. CMS will also post the report on Medicaid.gov.

The Interim Evaluation Report provides a comprehensive assessment of the demonstration, primarily for the period from October 2016 through September 2020, with some analyses presented based on beneficiary surveys and stakeholder interviews conducted through August 2021. The report is well-organized around the hypotheses proposed in the CMS-approved Evaluation Design. CMS appreciates the state’s inclusion of descriptive analyses and data from beneficiary surveys and key informant interviews, as well as its use of more rigorous methods, such as difference-in-differences, to evaluate the Targeted Investments (TI) program.

Despite limited implementation period for several of the demonstration components, which also overlapped with the COVID-19 Public Health Emergency, the report presents preliminary evidence of promising trends on a number of outcomes related to health care access and quality of care. For example, under the Arizona Long Term Care System (ALTCS) program, the share of beneficiaries who accessed preventive or ambulatory care services increased between 2015 and 2020, both among beneficiaries with developmental disabilities and those who were elderly with physical disabilities. In the Regional Behavioral Health Authorities (RBHA) program,

beneficiaries with SMI experienced the same or better management of behavioral health conditions following the integration of acute and behavioral care for this population. In particular, there was an increase in the rate of follow-up visits after an emergency department visit or a hospitalization for mental illness in the intervention period. Beneficiaries in the TI program experienced an increase in initiation and engagement of treatment for alcohol, opioid, or other drug abuse, and medication assisted treatment.

CMS looks forward to collaborating with the state on the demonstration's Summative Evaluation Report, which we expect will apply more rigorous methods, such as difference-in-differences and interrupted time series, to evaluate other demonstration policies in addition to TI, in alignment with the approved Evaluation Design. As such, the Summative Evaluation Report, with a longer implementation period and more robust analyses, promises to provide additional evidence to support a fuller understanding of the effects of each of the policies included in the demonstration.

We look forward to our continued partnership on the Arizona Health Care Cost Containment System section 1115 demonstration. If you have any questions, please contact your CMS demonstration team.

Sincerely,

Danielle Daly Digitally signed by
-S Danielle Daly -S
Date: 2022.10.06
10:25:01 -04'00'

Danielle Daly
Director
Division of Demonstration
Monitoring and Evaluation

cc: Brian Zolynas, State Monitoring Lead, CMS Medicaid and CHIP Operations Group