



# Section 9817 Spending Plan Quarterly Report

July 18, 2022



# AHCCCS Quarterly Report

## Introduction

AHCCCS has initiated on a range of implementation activities necessary to carry out the initiatives identified in Arizona’s Section 9817 Spending Plan and Narrative. Central to the State’s approach are efforts to ensure that activities strengthen, enhance, and/or expand home and community-based services (HCBS) for the AHCCCS member population. AHCCCS is also working to ensure that all implementation activities align with the State’s long-term goals for HCBS, and that Spending Plan initiatives are time-limited and do not create an expectation of ongoing benefits or funding. AHCCCS will communicate the nature of these commitments and source(s) of funding to CMS should ongoing funding commitments be identified in the future.

AHCCCS is conducting additional analyses to ensure the State is accurately claiming the appropriate increased Federal Medical Assistance Percentage (FMAP) on services, as identified in Appendix B of State Medicaid Director Letter #21-003. The State has also formulated an estimate of administrative resources necessary to successfully implement Spending Plan activities. Currently, the State is estimating that approximately \$15 million in funding attributable to the increased FMAP will be needed to successfully operationalize the plan. The State is also aware of updated provisions in SMD #22-002 and will plan to continue HCBS Spending Plan activities until all enhanced FMAP savings are expended or until September 30, 2024. Additional detail on the impact of this new timeline on Spending Plan budget projections is further detailed in the attached updated Spending Plan.

## Proposed Changes to Arizona’s Section 9817 Spending Plan

AHCCCS has continued to engage stakeholders and obtain feedback on the State’s Spending Plan and Narrative, originally submitted on July 12, 2021. Stakeholder feedback is also a key consideration as Spending Plan initiatives are implemented. AHCCCS will continue to engage stakeholders and rely on feedback provided to ensure initiatives are implemented in a targeted, effective, and efficient manner. Based on stakeholder input thus far, as well as internal evaluations on various factors, such as ease of implementation, feasibility, alignment with existing programs, and timeline, AHCCCS proposes the following revisions to the State’s Spending Plan:

Initiative Name	Description of Change	Spending Plan Page Number
Member and Provider Outreach and Engagement Toolkits	<b>Pursuing Initiative Outside of Spending Plan:</b> <ul style="list-style-type: none"><li>AHCCCS made significant progress on activities described in this initiative prior to receiving CMS approval of the State’s Spending Plan. As a result, AHCCCS will no longer be pursuing these activities as part of the Spending Plan.</li></ul>	Page 12
Development and Implementation of a DCW Credentialing Process	<b>Not Pursuing Initiative:</b> <ul style="list-style-type: none"><li>AHCCCS will not pursue this initiative as part of Spending Plan activities. Rather, the State will focus attention on the various workforce development initiatives outlined in the Spending</li></ul>	Page 20



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Initiative Name	Description of Change	Spending Plan Page Number
	Plan and may pursue this initiative once there is additional clarity on the impact of the workforce initiatives on the credentialing process.	
Freedom to Work	<p><b>Addition of New Initiative:</b></p> <ul style="list-style-type: none"> <li>AHCCCS is proposing to contract with a consultant to assist with revisions to eligibility requirements so that members are incentivized to seek or maintain employment. This service will help AHCCCS better prepare, and more adequately support members, as they navigate new State and federal regulations regarding eligibility changes.</li> </ul>	Page 21
HCBS Provider Electronic Medical Records	<p><b>Modification of Activities:</b></p> <ul style="list-style-type: none"> <li>AHCCCS will now be focusing all activities under this initiative to focus on bidirectional exchange with Arizona’s Health Information Exchange (HIE). This will allow the State to promote care coordination and streamline communication for their members.</li> </ul>	Page 22
ALTCS Health Plan Technologies	<p><b>Not Pursuing Initiative:</b></p> <ul style="list-style-type: none"> <li>AHCCCS will not pursue this initiative as part of Spending Plan activities. After consultation with internal and external stakeholders, AHCCCS will continue to evaluate business processes that serve as a foundation to person-centered planning, rather than purchasing on the software and hardware for case managers.</li> </ul>	Page 23
Investing in HCBS Technologies	<p><b>Modification of Activities:</b></p> <ul style="list-style-type: none"> <li>AHCCCS will not pursue activities to fund Community Resource Applications for the foster care system described under this initiative in the Spending Plan. Upon additional discussion, AHCCCS has determined that the State will no longer be pursuing these activities due to resource and timeline constraints.</li> </ul>	Page 28

AHCCCS has incorporated the above proposed edits in the attached revised Spending Plan and Spending Plan Narrative. Additionally, AHCCCS has made minor, non-substantive edits for clarification to accurately reflect the intent of the Spending Plan.



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### **Conclusion:**

AHCCCS will continue to engage CMS and adhere to federal guidance while implementing the State's Section 9817 Spending Plan, with the goal of expanding, enhancing, or strengthening HCBS. The State will also continue to implement activities as detailed in the Spending Plan, and provide updates in subsequent quarterly reports regarding any changes or modifications to approved activities. Thank you for providing us with the opportunity to supply this quarterly update. AHCCCS is available, should CMS have questions or require additional information.

